EL PASO ELECTRIC

July 10, 2012

Communication

Goal: Regular, Effective Communication

- Quarterly City Council updates
  - Status reports on EPE business
  - Featured topics
  - Hear from EPE Leaders
- Newsletter

Investment

- EPE plans to invest more than $1 billion in infrastructure over next 5 years
  - Forecast expected growth and needs
  - Evaluate current generation and infrastructure
- Constant cost/benefit analysis

Rio Grande Power Plant Unit 9, May 24, 2012

Sales and Customer Growth

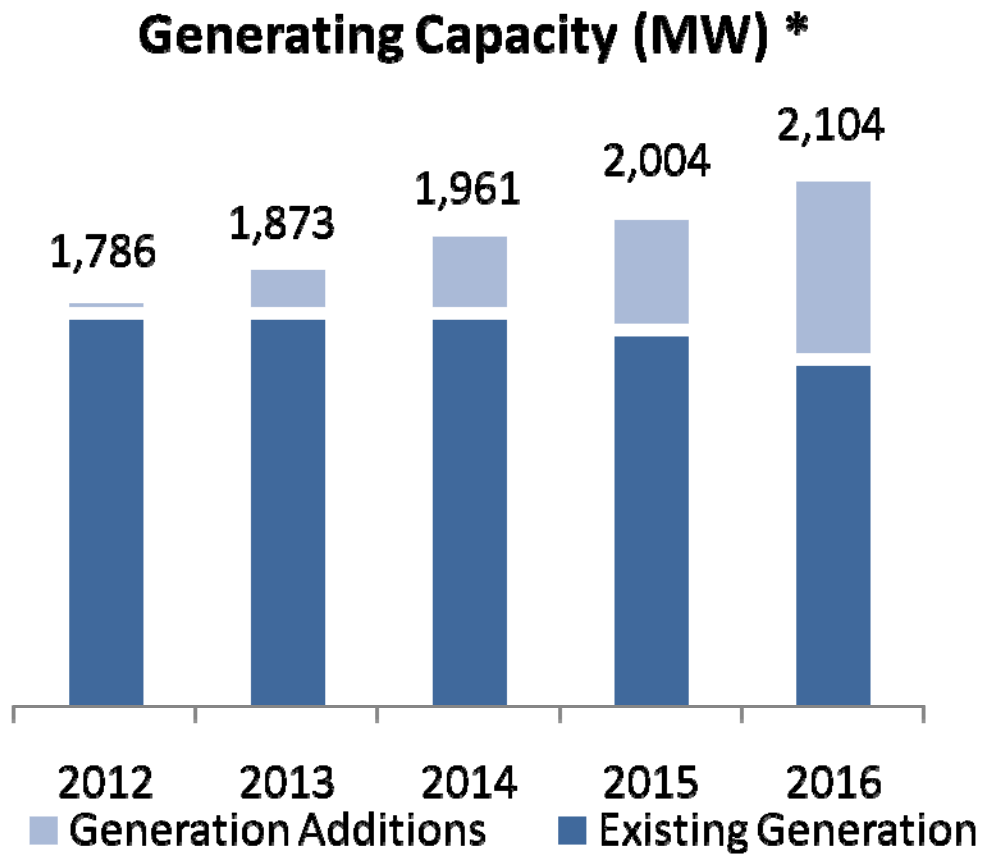
❖Over the past five years, the growth in number of EPE customers has averaged about 1.69% per year

❖Over the same period, our retail (MWH) sales have increased at a rate of 2.35% per year

	2011	% Change
MWh Sales (000)	7,661	3.1%
Average Customers	378,547	1.4%

❖Refrigerated air conditioning is driver

Planned Generation Additions



* Subject to Change

- Existing Capacity 1785 MW

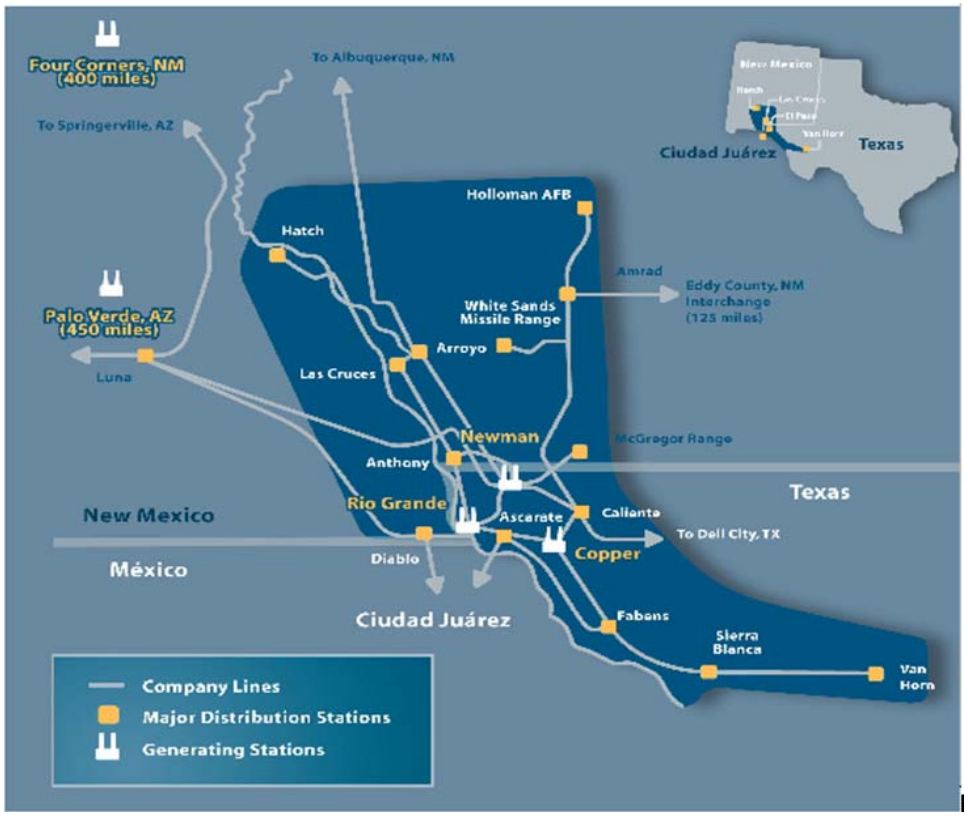
<u>Additions</u>

- 2013 Rio Grande 9 (87 MW)
- 2014 LMS Unit 1 (88 MW)
- 2015 LMS Unit 2 (88 MW)
- 2016 LMS Units 3 & 4 (88 MW each, total 176 MW)

Summer Storm Season

When the clouds roll in, EPE rolls out

EPE Service Territory



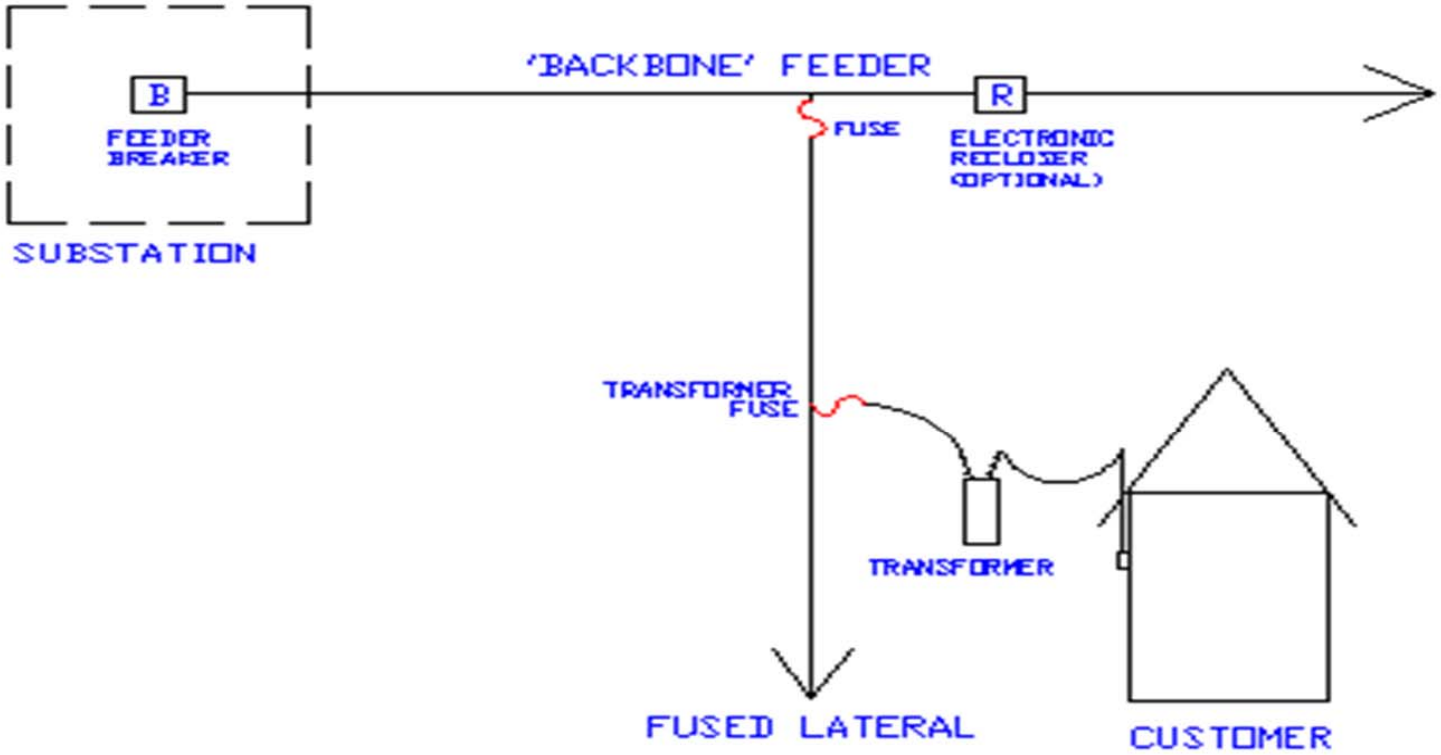
- Approximately 10,000 square miles of west Texas and southern New Mexico
- Serving approximately 387,000 customers
- 945 miles of 345 kV and about 900 miles of 115 and 69 kV transmission lines

Summer Storm Season

M. Martin Lopez,
Manager,
Distribution Operations

- EPE works 24/7, 365 days a year
- The months of May through August are designated as our storm season

Typical EPE Feeder



Summer Conditions

In addition to everyday hazards, summer brings

- ❖Wind
- ❖Rain/Flooding
- ❖Micro bursts
- ❖Lightning
- ❖Heat
- ❖Fires (constantly monitoring)
- ❖Increased demand

Summer Preparations

- Schedule a Flex Crew which works 3:30 to midnight
- Feeder patrol maintenance – 10% WPF
- Pole inspections
- Tree trimming
- Coordination studies
- Transformer replacements
- Thermography
- Order equipment/materials

Emergency Situations

Safety of customers and employees is #1 priority

- ❖Conference Calls – as needed
- ❖We schedule and call out additional personnel as required
- ❖Strategically dispatch crews and equipment
- ❖Line up additional contractors if necessary
- ❖Coordinate supplies
- ❖GPS Tracking – can monitor vehicles

Obstacles

- Traffic
- Moving materials
  - Poles are up to 110 feet long!
- People (running barriers, etc…)
- Weather
- Customer landscaping
- Access to equipment

Summer Storm Season

Our goal is to restore power as quickly and safely as possible

In 2011, EPE had the lowest values in both the System Average Interruption Duration Index ("SAIDI") and the System Average Interruption Frequency Index ("SAIFI"), as reported to the PUC in TX.

Texas
Commerce
Bank