

Jesus Ruiz
Mayor

Rene Rodriguez
At Large

Sergio Cox
District 1



Gloria M. Rodriguez
District 2 / Mayor-Pro Tem

Victor Perez
District 3

Anthony Gandara
District 4

Adriana Rodarte
Interim City Manager

**NOTICE OF SPECIAL COUNCIL MEETING
OF THE CITY COUNCIL
OF THE
CITY OF SOCORRO**

.....
THE FACILITY IS WHEELCHAIR ACCESSIBLE AND ACCESSIBLE PARKING SPACES ARE AVAILABLE. REQUESTS FOR ACCOMMODATION FOR INTERPRETIVE SERVICES MUST BE MADE 48 HOURS PRIOR TO THIS MEETING. PLEASE CONTACT THE CITY CLERK'S OFFICE AT (915) 858-2915 FOR FURTHER INFORMATION.
.....

NOTICE IS HEREBY GIVEN THAT A SPECIAL MEETING OF THE CITY COUNCIL OF THE CITY OF SOCORRO, TEXAS WILL BE HELD ON THURSDAY THE 13TH DAY OF AUGUST, 2015 AT 6:00 P.M. AT THE CITY HALL CHAMBERS, 860 N. RIO VISTA RD., SOCORRO, TEXAS AT WHICH TIME THE FOLLOWING WILL BE DISCUSSED:

1. Call to order
2. Pledge of Allegiance and a Moment of Silence
3. Establishment of Quorum
4. Public Comment (The maximum time for public comment will be 30 minutes and three minutes will be allotted for each speaker. Government Code 551.042 allows for responses by city council to be a statement of specific factual information given in response to the inquiry; or a recitation of existing policy in response to the inquiry; or a decision to add the public comment to a future agenda.)

EXECUTIVE SESSION

The City Council of the City of Socorro may retire into EXECUTIVE SESSION pursuant to Section 3.08 of the City of Socorro Charter and the Texas Government Code, Sections 551, Subchapter D to discuss any of the following: (The items listed below are matters of the sort routinely discuss in Executive Session, but the City Council of the City of Socorro may move to Executive Session any of the items on this agenda, consistent with the terms of the Open Meetings Act.) The City Council will return to open session to take any final action and may also, at any time during the meeting, bring forward any of the following items for public discussion, as appropriate.

Section 551.071 CONSULTATIONS WITH ATTORNEY
Section 551.072 DELIBERATION REGARDING REAL PROPERTY
Section 551.073 DELIBERATION REGARDING PROSPECTIVE GIFT
Section 551.074 PERSONNEL MATTERS
Section 551.076 DELIBERATION REGARDING SECURITY
Section 551.087 DELIBERATION REGARDING ECONOMIC DEVELOPMENT NEGOTIATIONS

Discussion on the following:

5. ***Discussion and action*** on advice received from City Attorney in closed session, and action to approve real estate transaction; authorize filing or settlement of legal action; authorize employment of expert witnesses and consultants, and employment of special counsel with respect to pending legal matters. ***Adriana Rodarte***

6. ***Discussion and action*** on qualifications of individuals for employment and for appointment to Boards & Commissions, job performance of employees, real estate acquisition and receive legal advice from City Attorney regarding legal issues affecting these matters. ***Adriana Rodarte***

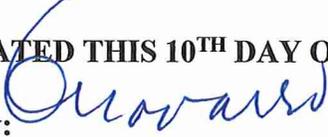
7. ***Discussion and action*** regarding pending litigation and receive status report regarding pending litigation. ***Adriana Rodarte***

8. ***Discussion and action*** regarding a resolution addressing the rate adjustment sought by Texas Gas Service Company, a division of ONE Gas, Inc., in its EPARR filing of March 31, 2015 [551.071]. ***James Martinez***

9. ***Discussion and action*** regarding El Paso Electric Company's Petition and Statement of intent to change rates [551.071]. ***James Martinez***

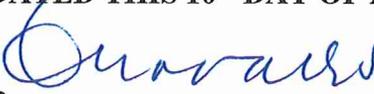
10. Adjourn

DATED THIS 10TH DAY OF AUGUST 2015.

By: 
Olivia Navarro, Assistant City Clerk

I, the undersigned authority, hereby certify that the above notice of the meeting of the City Council of Socorro, Texas is a correct copy of the notice and that I posted this notice at least Seventy-two (72) hours preceding the scheduled meeting at the City Administration Building, 124 S. Horizon Blvd., in Socorro, Texas.

DATED THIS 10th DAY OF AUGUST, 2015.

By: 
Olivia Navarro, Assistant City Clerk

Agenda posted: 8-10-15 @ 4:45 on
Removed: _____ Time: _____ By: _____

Jesus Ruiz
Mayor

Rene Rodríguez
Representative At-Large

Sergio Cox
Representative District 1



Gloria M. Rodríguez
Representative District 2

Victor Perez
Representative District 3/Mayor Pro
Tem

Anthony Gándara
Representative District 4

Adriana Rodarte
Interim City Manager

RESOLUTION 485

WHEREAS, the City of Socorro, Texas (“City”), is a home rule municipality operating pursuant to its Charter and the laws of the State of Texas; and

WHEREAS, pursuant to Texas Utilities Code Section 103.001, the City of Socorro is a regulatory authority having exclusive original jurisdiction over the rates, operations and services of a gas distribution utility in the City limits of the City of Socorro; and

WHEREAS, pursuant to a franchise granted on February 22, 2000, and assigned to ONE Gas, Inc. on December 18, 2013, and predecessor franchises Texas Gas Service Company (“Texas Gas” or “TGS”) a division of ONE Gas, Inc., an Oklahoma corporation, is a gas distribution utility operating within the City of Socorro, Texas; and

WHEREAS, pursuant to the City Charter of the City of Socorro Section 1.4, the City of Socorro reserved onto itself all authority to regulate and fix the reasonable rates to be charged by public utility corporations for gas distribution rates to consumers, subject to and in accordance with the laws of the State of Texas; and

WHEREAS, pursuant to Texas Utilities Code Sec. 104.003, the City as Regulatory Authority has an obligation to ensure that each rate a gas utility demands or receives is just and reasonable; and

WHEREAS, the City and Texas Gas collaboratively developed the El Paso Area Rate Review Tariff (“EPARR”), which was approved and adopted by the City on March 25, 2014, as a substitute for the GRIP process; and

WHEREAS, pursuant to the terms of the EPARR, Texas Gas filed on March 31, 2015, for a good cause exception to the terms of the EPARR and \$11,970,041 annual increase applicable to El Paso Service Area customers if the good cause request is granted, and a \$10,127,033 annual increase to El Paso Service Area customers if the good cause exception is not granted; and

WHEREAS, in the discussion of issues to arrive at the settlement, City Staff and Texas Gas representatives discussed issues regarding revisions to the original request including

treatment and inclusion of pension and benefit expense, treatment of plant in service and accumulated deferred federal income tax, incentive compensation, property taxes, lockbox service, medical and dental costs, employee expense, and the treatment of Railroad Commission of Texas Rule 8.209 Regulatory Assets. The City and Texas Gas ultimately agree that the issues related to those expenses are ultimately resolved as part of the agreed rates without a specific finding on any expense except as identified in this Resolution; and

WHEREAS, the City Council of the City of Socorro finds as a result of the negotiations that an overall revenue increase of \$8,550,000 for the El Paso Service Area is a reasonable resolution of the Texas Gas Request, and provides Texas Gas a reasonable opportunity to earn a reasonable return on its Invested Capital used and useful in providing service to the public in the El Paso Service Area over and above its reasonable and necessary operating expenses, and

WHEREAS, as part of the negotiations and in partial consideration for its acceptance of the rates approved herein, that the City and Texas Gas have agreed to negotiate with each other to determine whether amendments to the EPARR tariff for a filing based on a 2015 calendar year are appropriate, and

WHEREAS, Texas Gas has agreed as part of the negotiations, and in partial consideration for its acceptance of the rates approved herein, to develop a more transparent method of presenting its allocated labor, medical and dental, and other allocated expenses so that actual costs can be identified, and that it will provide functioning spreadsheet models so that the City can calculate a revenue requirement, and

WHEREAS, the tariffs attached to this Resolution as Exhibit "A", including Rate Schedule 10, Rate Schedule 20, Rate Schedule 21, Rate Schedule 25, Rate Schedule 26, Rate Schedule 27, Rate Schedule 40, Rate Schedule S.S., and Rate Schedule T-1 are determined to be rates which provide Texas Gas with a reasonable opportunity to earn a reasonable return on its invested capital used and useful in providing service to the Public in the El Paso Service Area.

NOW, THEREFORE BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SOCORRO, TEXAS, THAT

1. That the rate adjustments and tariffs presented in the "El Paso Annual Rate Review Filing" filed by Texas Gas Service Company, a division of ONE Gas, Inc., on March 31, 2015, are unreasonable and are therefore denied.
2. That the tariffs attached hereto, including Rate Schedule 10, Rate Schedule 20, Rate Schedule 21, Rate Schedule 25, Rate Schedule 26, Rate Schedule 27, Rate Schedule 40, Rate Schedule S.S., and Rate Schedule T-1 are hereby approved effective for meters read on and after August 3, 2015.

3. The EPARR Rate Increase effective August 3, 2015, is based on an El Paso Service Area Revenue Increase of \$8,550,000. This is a “black box” number. No specific calculation getting to that amount shall be precedential in a future EPARR filing.
4. Texas Gas will reimburse the City’s rate case expenses for this 2015 EPARR filing and related matters as described below within 30 days of invoice from the City. TGS’s reasonable outside expenses for this 2015 EPARR proceeding, the expenses reimbursed to the City as well as TGS’s reasonable expenses incurred in the negotiations in paragraph 6 below will be included for recovery in either the 2016 EPARR Filing or the subsequent 2016 rate filing. No interest shall accumulate or accrue on these expenses.
5. Effective for meters read on and after August 3, 2015 for rates to be charged to customers within the City of Socorro the customer charge for each class is as follows:
 - a. Residential: Customer Charge \$ 16.73 (incl. 200 Ccf)
 - b. Commercial/Commercial Air Conditioning Customer Charge \$38.21 (incl. 100 Ccf)
 - c. Industrial Customer Charge \$576.75 (incl. 100 Ccf)
 - d. Public Authority/ Public Authority Air Conditioning \$109.30 (incl. 100 Ccf)
 - e. Municipal Water Pumping Customer Charge \$431.91
 - f. Standby Customer Charge \$617.74
 - g. Transportation Commercial Customer Charge \$767.98 (incl. 100 Ccf)
 - h. Transportation Industrial Customer Charge \$1,163.27 (incl. 100 Ccf)
 - i. Transportation Public Authority Customer Charge \$806.38 (incl. 100 Ccf)
 - j. Transportation CoGen Customer Charge \$1,163.27
6. The City Attorney is instructed to negotiate with representatives of Texas Gas Service to determine whether amendment of the EPARR tariff to capture the changed organization structure, and other appropriate changes are feasible and reasonable. The City Attorney and Texas Gas will report to City Council on any recommended changes for consideration by the City Council no later than October 27, 2015.
7. If the City Council does not accept and adopt recommended changes to the EPARR Tariff by October 31, 2015, Texas Gas has the option to notify the City in accordance with the EPARR tariff that the EPARR tariff is to be discontinued and file a Statement of Intent (Rate Case) within 180 days of

January 1, 2016. In partial consideration for the acceptance the rates approved herein, TGS agrees that if a rate case is filed, in 2016, it will file a rate case based on the El Paso Service Area for the environs (unincorporated areas of the El Paso Service Area) based on the same test year and either file the environs case simultaneously with the case filed at the City or will file so that any appeals can be consolidated with the environs case.

8. Texas Gas has agreed as part of the negotiations, and in partial consideration for its acceptance of the rates approved herein, to develop a more transparent method of presenting its allocated labor, labor attends, medical and dental, and other allocated expenses so that actual costs can be identified, and that it will provide functioning spreadsheet models so that the City can calculate revenues and rates.
9. TGS and City expenses referenced in Section 4 of the EPARR Resolution of July 27, 2014 are deemed recovered in the rates set above effective August 3, 2015.
10. All Relief requested by Texas Gas and not addressed in this Resolution is Denied.
11. The City reserves all of its powers under the El Paso Municipal Code, and Texas Utilities Code Chapters 103 and 104 to set rates for Texas Gas Service Company within the City of Socorro.

ADOPTED this 3rd day of August, 2015.

CITY OF SOCORRO

Jesus Alejandro Ruiz, Mayor

Attest:

Olivia Navarro, Assistant City Clerk

Approved as to Form:

City Attorney

Approved as to Content:

Karina Hagelseib
Chief Financial Officer

Exhibit “A”

TEXAS GAS SERVICE COMPANY
El Paso Service Area - West Texas Region

RATE SCHEDULE 10

RESIDENTIAL SERVICE RATE

APPLICABILITY

Applicable to a residential customer in a single dwelling, or in a dwelling unit of a multiple dwelling or residential apartment, for domestic purposes, including any public housing project and including apartment houses where service for more than one dwelling unit is served through a master meter. This rate is only available to full requirements customers of Texas Gas Service Company.

TERRITORY

The incorporated areas of El Paso, Texas.

COST OF SERVICE RATE

During each monthly billing period:

A customer charge per meter per month of	\$16.73 plus -
All Ccf per monthly billing period @	
The First 200 Ccf	No Charge
All Over 200 Ccf	\$.38103 per Ccf

Prompt Payment Provision: None. Above rates are net.

OTHER ADJUSTMENTS

Cost of Gas Component: In addition to the Cost of Service set forth above, each customer's bill shall include an amount equal to the Cost of Gas for the billing month as determined in accordance with Rate Schedule No. 1-1-INC multiplied by the total Ccf consumed during the billing month.

Taxes: Plus applicable taxes and fees (including franchise fees) related to above.

CONDITIONS

1. Subject in all respects to applicable laws, rules, and regulations from time to time in effect.
2. The applicability section of this rate notwithstanding, if a customer, other than a full requirement customer, pays a standby charge pursuant to Rate Schedule S.S., Texas Gas Service Company will maintain facilities and supply capability to serve said customer. If standby payments are current, the customer will qualify for this rate.

Supersedes Rate Schedule 10:
Dated July 29, 2014

Meters Read On and After:
August 3, 2015

TEXAS GAS SERVICE COMPANY
El Paso Service Area - West Texas Region

RATE SCHEDULE 20

COMMERCIAL SERVICE RATE

APPLICABILITY

Applicable to all commercial consumers and to consumers not otherwise specifically provided for under any other rate schedule. This rate is only available to full requirements customers of Texas Gas Service Company.

TERRITORY

The incorporated areas of El Paso, Texas.

COST OF SERVICE RATE

During each monthly billing period:

A customer charge per meter per month of \$38.21 plus -

All Ccf per monthly billing period @

The First	100 Ccf	No Charge
The Next	400 Ccf	\$.10901 per Ccf
The Next	2500 Ccf	.08901 per Ccf
All Over	3000 Ccf	.06901 per Ccf

Prompt Payment Provision: None. Above rates are net.

OTHER ADJUSTMENTS

Cost of Gas Component: In addition to the Cost of Service set forth above, each customer's bill shall include an amount equal to the Cost of Gas for the billing month as determined in accordance with Rate Schedule No. 1-1-INC multiplied by the total Ccf consumed during the billing month.

Taxes: Plus applicable taxes and fees (including franchise fees) related to above.

CONDITIONS

1. Subject in all respects to applicable laws, rules, and regulations from time to time in effect.
2. The applicability section of this rate notwithstanding, if a customer, other than a full requirements customer, pays a standby charge pursuant to Rate Schedule S.S., Texas Gas Service Company will maintain facilities and supply capability to serve said customer. If standby payments are current, the customer will qualify for this rate.

Supersedes Rate Schedule 20 :
Dated July 29, 2014

Meters Read On and After:
August 3, 2015

TEXAS GAS SERVICE COMPANY
El Paso Service Area - West Texas Region

RATE SCHEDULE 21

COMMERCIAL AIR CONDITIONING SERVICE RATE

APPLICABILITY

Applicable to all commercial consumers who have and regularly operate a gas fired air conditioning system.

TERRITORY

The incorporated areas of El Paso, Texas.

COST OF SERVICE RATE

During each monthly billing period:

A customer charge per meter per month of \$38.21 plus -

All Ccf per monthly billing period @

	Oct. - April <u>Winter</u>	May - Sept. <u>Summer</u>
The First 100 Ccf	No Charge	No Charge
The Next 400 Ccf	\$.10901 per Ccf	\$.08901 per Ccf
The Next 2500 Ccf	.08901 per Ccf	.06901 per Ccf
All Over 3000 Ccf	.06901 per Ccf	.04901 per Ccf

Prompt Payment Provision: None. Above rates are net.

OTHER ADJUSTMENTS

Cost of Gas Component: In addition to the Cost of Service set forth above, each customer's bill shall include an amount equal to the Cost of Gas for the billing month as determined in accordance with Rate Schedule No. 1-1-INC multiplied by the total Ccf consumed during the billing month.

Taxes: Plus applicable taxes and fees (including franchise fees) related to above.

CONDITIONS

1. Subject in all respects to applicable laws, rules, and regulations from time to time in effect.
2. Service under this schedule applies only to usage from a separately metered gas fired air conditioning system. Non-air conditioning usage is subject to the cost of service rate on Rate Schedule No. 20.
3. Air conditioning equipment must be inspected and verified as to capacity by qualified Company personnel.

Supersedes Rate Schedule 21:
Dated July 29, 2014

Meters Read On and After:
August 3, 2015

TEXAS GAS SERVICE COMPANY
El Paso Service Area - West Texas Region

RATE SCHEDULE 25

PUBLIC AUTHORITY SERVICE RATE

APPLICABILITY

Applicable to all public and parochial schools and colleges, and to all facilities operated by Governmental agencies not specifically provided for in other rate schedules or special contracts. This rate is only available to full requirements customers of Texas Gas Service Company.

TERRITORY

The incorporated areas of El Paso, Texas

COST OF SERVICE RATE

During each monthly billing period:

A customer charge per meter per month of
All Ccf per monthly billing period @

\$109.30 plus -

The First 100 Ccf

No Charge

The Next 400 Ccf

\$.11409 per Ccf

The Next 2500 Ccf

.09409 per Ccf

All Over 3000 Ccf

.08409 per Ccf

Prompt Payment Provision: None. Above rates are net.

OTHER ADJUSTMENTS

Cost of Gas Component: In addition to the Cost of Service set forth above, each customer's bill shall include an amount equal to the Cost of Gas for the billing month as determined in accordance with Rate Schedule No. 1-1-INC multiplied by the total Ccf consumed during the billing month.

Taxes: Plus applicable taxes and fees (including franchise fees) related to above.

CONDITIONS

1. Subject in all respects to applicable laws, rules and regulations from time to time in effect.
2. The applicability section of this rate notwithstanding, if a customer, other than a full requirements customer, pays a standby charge pursuant to Rate Schedule S.S., Texas Gas Service Company will maintain facilities and supply capability to serve said customer. If standby payments are current, the customer will qualify for this rate.

Supersedes Rate Schedule 25:
Dated July 29, 2014

Meters Read On and After:
August 3, 2015

TEXAS GAS SERVICE COMPANY
El Paso Service Area - West Texas Region

RATE SCHEDULE 26

PUBLIC AUTHORITY AIR CONDITIONING SERVICE RATE

APPLICABILITY

Applicable to all public and parochial schools and colleges, and to all facilities operated by Governmental agencies not specifically provided for in other rate schedules or special contracts who have and regularly operate a gas fired air conditioning system.

TERRITORY

The incorporated areas of El Paso, Texas

COST OF SERVICE RATE

During each monthly billing period:

A customer charge per meter per month of \$109.30 plus -
All Ccf per monthly billing period @

		<u>Oct. - April</u> <u>Winter</u>	<u>May - Sept.</u> <u>Summer</u>
The First	100 Ccf	No Charge	No Charge
The Next	400 Ccf	\$.11409 per Ccf	\$.08409 per Ccf
The Next	2500 Ccf	.09409 per Ccf	.06409 per Ccf
All Over	3000 Ccf	.08409 per Ccf	.05409 per Ccf

Prompt Payment Provision: None. Above rates are net.

OTHER ADJUSTMENTS

Cost of Gas Component: In addition to the Cost of Service set forth above, each customer's bill shall include an amount equal to the Cost of Gas for the billing month as determined in accordance with Rate Schedule No. 1-1-INC multiplied by the total Ccf consumed during the billing month.

Taxes: Plus applicable taxes and fees (including franchise fees) related to above.

CONDITIONS

1. Subject in all respects to applicable laws, rules, and regulations from time to time in effect.
2. Service under this schedule applies only to usage from a separately metered gas fired air conditioning system. Non-air conditioning usage is subject to the cost of service rate on Rate Schedule No. 25.
3. Air conditioning equipment must be inspected and verified as to capacity by qualified Company personnel.

Supersedes Rate Schedule 26:
Dated July 29, 2014

Meters Read On and After:
August 3, 2015

TEXAS GAS SERVICE COMPANY
El Paso Service Area - West Texas Region

RATE SCHEDULE 27

MUNICIPAL WATER PUMPING SERVICE RATE

APPLICABILITY

Applicable to gas used in internal combustion engines by various municipal agencies in El Paso County, Texas. This rate is only available to full requirements customers of Texas Gas Service Company.

TERRITORY

The incorporated areas of El Paso, Texas

COST OF SERVICE RATE

During each monthly billing period:

A customer charge per meter per month of \$431.91 plus -

All Ccf per monthly billing period @

The First 5000 Ccf

\$.06817 per Ccf

All Over 5000 Ccf

.05817 per Ccf

Prompt Payment Provision: None. Above rates are net.

OTHER ADJUSTMENTS

Cost of Gas Component: In addition to the Cost of Service set forth above, each customer's bill shall include an amount equal to the Cost of Gas for the billing month as determined in accordance with Rate Schedule No. 1-1-INC multiplied by the total Ccf consumed during the billing month.

Taxes: Plus applicable taxes and fees (including franchise fees) related to above.

CONDITIONS

1. Delivery of gas hereunder may be interrupted or curtailed at the discretion of the Company, in case of shortage or threatened shortage of gas supply from any cause whatsoever, to conserve gas for other consumers.
2. The applicability section of this rate notwithstanding, if a customer, other than a full requirement customer, pays a standby charge pursuant to Rate Schedule S.S., Texas Gas Service Company will maintain facilities and supply capability to serve said customer. If standby payments are current, the customer will qualify for this rate.

Supersedes Rate Schedule 27 :
Dated July 29, 2014

Meters Read On and After:
August 3, 2015

TEXAS GAS SERVICE COMPANY
El Paso Service Area - West Texas Region

RATE SCHEDULE 40

INDUSTRIAL SERVICE RATE

APPLICABILITY

Applicable to industrial consumers and to consumers not otherwise specifically provided for under any other rate schedule. This rate is only available to full requirements customers of Texas Gas Service Company.

TERRITORY

The incorporated areas of El Paso, Texas

COST OF SERVICE RATE

During each monthly billing period:

A customer charge per meter per month of \$576.75 plus -

All Ccf per monthly billing period @

The First	100 Ccf	No charge
The Next	400 Ccf	\$.14528 per Ccf
The Next	2500 Ccf	.13528 per Ccf
All Over	3000 Ccf	.06528 per Ccf

Prompt Payment Provision: None. Above rates are net.

OTHER ADJUSTMENTS

Cost of Gas Component: In addition to the Cost of Service set forth above, each customer's bill shall include an amount equal to the Cost of Gas for the billing month as determined in accordance with Rate Schedule No. 1-1-INC multiplied by the total Ccf consumed during the billing month.

Taxes: Plus applicable taxes and fees (including franchise fees) related to above.

CONDITIONS

1. Subject in all respects to applicable laws, rules and regulations from time to time in effect.
2. The applicability section of this rate notwithstanding, if a customer, other than a full requirements customer, pays a standby charge pursuant to Rate Schedule S.S., Texas Gas Service Company will maintain facilities and supply capability to serve said customer. If standby payments are current, the customer will qualify for this rate.

Supersedes Rate Schedule 40:
Dated July 29, 2014

Meters Read On and After:
August 3, 2015

TEXAS GAS SERVICE COMPANY
El Paso Service Area - West Texas Region

RATE SCHEDULE S.S.

STANDBY SERVICE RATE

APPLICABILITY

Applicable to all customers who have alternative natural gas transmission or distribution facilities physically conformed to supply natural gas service to them and who are not full requirements Texas Gas Service Company customers.

TERRITORY

The incorporated areas of El Paso, Texas.

RATE

During each monthly billing period:

A customer charge per meter per month of \$617.74 plus -

plus \$20.00 per Mcf/Hour of connected rated capacity of natural gas consuming equipment

OTHER ADJUSTMENTS

In addition to the Cost of Service charges set forth above, each customer's bill shall include the following:

CONDITIONS

1. This charge shall cause the Company to maintain a connection with the customer including metering and regulation facilities. The Company will also arrange with suppliers for sufficient gas reserve assurance so that the customer can resume service upon reasonable notice to the Company.
2. Company engineers shall have the right and be afforded the opportunity by the customer to inspect the facilities to properly ascertain the gas-using capacity on the customer's premises.
3. Subject in all respects to applicable laws, rules, and regulations from time to time in effect.

Supersedes Rate Schedule S.S.:
Dated July 29, 2014

Meters Read On and After:
August 3, 2015

TEXAS GAS SERVICE COMPANY
El Paso Service Area - West Texas Region

RATE SCHEDULE T-1
Page 1 of 2

TRANSPORTATION SERVICE RATE

APPLICABILITY

Service under this rate schedule is available to any customer for the transportation of customer-owned natural gas through the Company's distribution system. The customer must arrange with the customer's gas supplier to have its gas delivered to one of the Company's existing delivery points for transportation by the Company to the customer's facilities at the customer's service point.

TERRITORY

El Paso Service Area consisting of the incorporated areas of El Paso, Texas.

RATE

This rate shall be the sum of Part A and Part B as described below:

Part A: During each monthly billing period, a customer charge per meter per month listed by customer class as follows:

<u>Commercial</u>	\$767.98
<u>Public Authority</u>	\$806.38
<u>Industrial/Stand-by</u>	\$1,163.27
<u>Electrical Cogeneration and Energy Conservation</u>	\$1,163.27

Part B: All volumes of natural gas transported during each month in accordance with this schedule shall be billed at a rate calculated as follows:

1. Determine the bill for the quantity of customer-owned gas metered and delivered to the customer at the Company's volumetric Cost of Service Rate on the gas sales tariff which would otherwise be applicable;
2. Add a balancing service rate for any applicable portion of incremental cost of the Company's transportation reservation costs received from its upstream pipelines that is deemed at the Company's sole discretion to directly or indirectly benefit the transportation service customers through scheduling balancing flexibility. The balancing service rate will be recalculated annually in conjunction with the Cost of Gas annual reconciliation audit and/or as the upstream pipeline changes the rates being charged to the Company. In addition the Company will charge system sales customers as of the date of this Rate Schedule that become transportation customers after the effective date of this Rate Schedule, a rate representing the cost of stranded capacity, incurred by the Company for upstream transportation and reservation costs as determined by the Company. Proceeds from these rates will be credited to the Reconciliation Account.
3. See the "Additional Charges to Cost of Service Rate" Pursuant to Rate Schedule T-GEN (General Charges and Provisions).

SPECIAL PROVISIONS

1. Transportation volumes delivered under this schedule shall be considered first through customer's meter for billing purposes.

Supersedes Rate Schedule T-1 :
Dated July 29, 2014

Meters Read On and After:
August 3, 2015

TEXAS GAS SERVICE COMPANY
El Paso Service Area - West Texas Region

RATE SCHEDULE T-1
Page 2 of 2

TRANSPORTATION SERVICE RATE
(Continued)

SPECIAL PROVISIONS (Cont'd)

2. Gas transported under this schedule shall be for use only by the customer.
3. See the "Additional Charges to Cost of Service Rate" pursuant to Rate Schedule T-GEN (General Charges and Provisions).
4. Prior to the execution of a Gas Transportation Service Agreement, customer must represent and certify that its usage shall average at least five hundred (500) Mcf of gas per month or six thousand (6,000) Mcf annually. The Company shall have the right at all reasonable times, upon prior notice to Customer, to enter onto Customer's premises and inspect Customer's facilities and operations to verify such capability. Customer must agree to notify the Company within a reasonable time if there is any change in Customer's usage. Should Customer's usage average less than five hundred (500) Mcf per month or six thousand (6,000) Mcf annually, Customer must so notify the Company and the Company may discontinue service hereunder, except as may otherwise be provided in the Gas Transportation Service Agreement between the Company and customer, and provide service under the general service rate applicable to Customer.
5. Customers that qualify for and elect service under this tariff must remain on transportation service for a minimum of twelve months. If a customer chooses to leave transportation service under this tariff after twelve months, the customer may not return to transportation service for at least twelve months. If a customer requests to leave transportation service under this tariff and return to the appropriate general service rate, the Company may at its sole discretion decline the request until adequate upstream pipeline capacity can be procured.
6. Transportation of customer-owned natural gas under this tariff will require telemetry or electronic flow measurement that meets the Company's required specifications at the customer's point (s) of re-delivery. The Company may require the customer to reimburse the Company for the cost of telemetry at its sole discretion.

CONDITIONS

1. Transportation of customer-owned natural gas hereunder shall be subject in all respects to applicable laws, rules and regulations from time to time in effect.
2. Transportation of customer-owned natural gas hereunder shall be limited to natural gas of equal or higher quality than natural gas currently available from the Company's supplier(s). All gas delivered by the Company to the customer shall be deemed to be the same quality as that gas received by the Company for transportation.
3. Transportation of customer-owned natural gas hereunder is subject in all respects to terms and conditions of the Gas Transportation Service Agreement entered into between the customer and Company prior to commencement of service and all amendments and modifications thereto.
4. With respect to the Company's capacity to deliver gas at any particular time, the curtailment priority of any customer served under this schedule shall be the same as the curtailment priority established for other

Supersedes Rate Schedule T-1:
Dated July 29, 2014

Meters Read On and After:
August 3, 2015

DOCKET NO. 44941

**APPLICATION OF EL PASO § BEFORE THE PUBLIC UTILITY
ELECTRIC COMPANY TO CHANGE §
RATES § COMMISSION OF TEXAS**

**EL PASO ELECTRIC COMPANY'S PETITION
AND STATEMENT OF INTENT TO CHANGE RATES**

**TO THE HONORABLE PUBLIC UTILITY COMMISSION OF TEXAS AND MUNICIPAL
REGULATORY AUTHORITIES:**

El Paso Electric Company (“EPE” or “Company”) files this Petition and Statement of Intent to change its base rates. EPE asks that the Public Utility Commission of Texas (“PUC” or “Commission”) and municipal regulatory authorities approve a \$71,483,595 Texas jurisdiction retail increase in base (non-fuel) and other miscellaneous revenues based on a test year ended March 31, 2015; or an average percent increase in base rates of 16.6 percent. EPE has also filed revisions to its tariffs, including its terms and conditions for service which incorporate the requested rate increase and other changes to the structure and terms of its tariff. To support its rate proposals, EPE has included schedules required by the Commission’s Electric Utility Rate Filing Package for Generating Utilities (“Rate Filing Package” or “RFP”) and supporting testimony.

EPE proposes that the new rates be made effective 35 days after this statement of intent is filed—or September 14, 2015. However, if the new rates are suspended for a period beyond 155 days after this statement of intent and RFP are filed, then EPE requests that the final rates set in this proceeding relate back and be made effective for consumption on and after the 155th day after the date this statement of intent and RFP are filed, which equates to consumption on and after January 12, 2016.¹

EPE’s requests are described in more detail below and in the accompanying RFP.

¹ Rates can “relate back” in this fashion at EPE’s request under the recently-enacted Section 36.211(b) of the Public Utility Regulatory Act (PURA).

I. Authorized Representative for Service

EPE's authorized representative for purpose of receiving service of documents is:

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II. Legal Counsel

EPE's authorized legal representatives are:

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III. Parties and Jurisdiction

EPE is an electric utility, a public utility, and a utility, as those terms are defined in PURA §§ 11.004(1) and 31.002(6). The Commission has jurisdiction over this matter under PURA §§ 14.001 (general powers), 32.001 (original jurisdiction over rates, operations and services), 36.101-36.111 (procedures for utility-proposed rate changes), and 36.211 (relation back of rates for non-ERCOT utilities, of which EPE is one).

The Commission has exclusive original jurisdiction over this application for service to environs customers. Contemporaneous with this filing, EPE has filed a Statement of Intent to

change rates with those municipalities that retain original jurisdiction over EPE's rates. These municipalities are El Paso, Anthony, Clint, Horizon City, San Elizario, Socorro, Vinton, and Van Horn.

EPE's business address is 100 N. Stanton, El Paso, Texas 79901. EPE serves approximately 300,000 retail customers in Texas, and this application affects all of those customers. EPE also serves retail customers in southern New Mexico, where it is regulated by the New Mexico Public Regulation Commission. The Federal Energy Regulatory Commission regulates EPE's wholesale electric operations.

IV. Notice

EPE will provide notice in accordance with PURA § 36.103, 16 Tex. Admin. Code ("TAC") § 22.51(a) and 16 TAC § 25.235(b). The proposed notice is provided in RFP Schedule T and is Exhibit A to this application.

V. Rate Filing Package

Under 16 TAC § 22.243(b), EPE is filing its RFP, which complies in all material respects with the Commission's requirements.

EPE's RFP does not include Schedules S and N. Schedule S is a report by the utility's certified public accountant on a review covering the test year. Schedule N requires demand-side management and energy efficiency information. In Docket No. 44571² the Commission approved EPE's request for a waiver of the requirement to file those schedules.

VI. Executive Summary of Filing³

The direct testimony of EPE's Senior Vice President - Operations, Steven Buraczyk, gives an overview of this filing and introduces all of EPE's witnesses and the subject matters of their testimonies.

EPE's application consists only of a base rate (including miscellaneous revenues) request, which includes a request to change tariffs. EPE is not seeking to reconcile its fuel and purchased power costs in this filing. EPE is, however, requesting to change the classification, and thus the

² *Application of El Paso Electric Company for Waiver of Certain Rate Filing Package Schedules in Its 2015 Rate Application*, Docket No. 44571, Notice of Approval (June 12, 2015).

³ This section includes the executive summary required by page 4 of the Commission RFP instructions.

recovery, of environmental consumables which are certain chemicals consumed as power is generated in order to comply with environmental regulations. This request to recover the costs of environmental consumables through fuel is made under the Commission's fuel rule in 16 TAC § 25.236(a)(3).

The test year for the base rate case is April 2014 through March 2015. Under the recently-enacted PURA § 36.112(b)(1), EPE elects to have its revenue requirement based on the information submitted for the April 2014 through March 2015 test year, with known and measurable adjustments as permitted by PURA § 36.112(e). The complete set of proposed tariff schedules is presented in Schedule Q-8.8 of EPE's RFP.

Recent EPE rate case history

EPE's last base rate case was Docket No. 40094.⁴ That rate case was initiated by the City of El Paso, used a test year ending September 2011, and was resolved through a settlement reflected in the Commission's May 23, 2012 final order. EPE's base rates were reduced by \$15 million annually. Neither the parties' settlement nor the Commission's final order explicitly addressed inclusion in rate base of capital or plant in service additions made since EPE's immediately preceding base rate case, Docket No. 37690.

Docket No. 37690⁵ was filed in December 2009, used a July 2008 through June 2009 test year, and was resolved through a settlement reflected in the Commission's July 30, 2010 final order. EPE received a \$17.150 million annual base rate increase. The settlement and the final order specified that all additions to plant in service from July 1, 1993 through June 30, 2009 were to be included in rate base.

The most recent base rate case before Docket No. 37690 was Docket No. 12700, which was resolved in the Commission's December 1995 order.

Rate change request

EPE seeks an overall increase in annual Texas retail base rate and miscellaneous revenues of \$71,483,595, or 16.6% percent over its adjusted test year base rate revenues. The increase in other miscellaneous revenue is approximately \$2.3 million, which, when netted

⁴ *Application of El Paso Electric Company to Change Rates and to Reconcile Fuel Costs*, Docket No. 40094 (May 22, 2012)

⁵ *Application of El Paso Electric Company to Change Rates, to Reconcile Fuel Costs, to Establish Formula-Based Fuel Factors, and to Establish an Energy Efficiency Cost Recovery Factor*, Docket No. 37690 (July 21, 2008).

against the total \$71.5 million base rate increase, results in a net increase of \$69.2 million. This request is based upon EPE's costs to render service during the April 2014 through March 2015 test year. The rate year is 2016. This rate request affects all of EPE's Texas retail customers. The requested changes are reflected in the proposed revisions to the tariffs in RFP Schedule Q-8.8.

Some of the key elements in EPE's base rate request include the following:

1. The requested overall rate of return on rate base of 8.079 percent reflects equity capitalization of 49.52 percent and a return on equity of 10.1 percent.
2. EPE's total company rate base is \$1.932 billion, reflecting new investment in utility plant in service of \$1.341 billion from July 2009 through the March 2015 test-year-end.
3. The increase in net plant after reflecting increases in accumulated depreciation and other plant adjustments was approximately \$850 million.
4. An increase in accumulated deferred income taxes as a result of accelerated tax deductions, including bonus depreciation, have funded over \$200 million of the increase in net plant.
5. EPE is seeking to include in rate base its \$464.4 million investment in four new generation facilities:
 - Phase II of Newman Unit 5 (conversion of a simple cycle gas-fired unit into a 288 MW combined cycle unit that entered service in April 2011).
 - Rio Grande Unit 9 (a nominally rated 87 MW General Electric LMS100 combustion turbine that entered service in May 2013).
 - Montana Power Station Units 1 and 2 (both nominally rated 88 MW General Electric LMS100 combustion turbines that entered service in March 2015).
6. In addition to the four new generation units mentioned in item 5 above, EPE is seeking to include in rate base its investments in capital additions made from July 2009 through March 2015, with appropriate recognition of the fresh start accounting for its investment in the Palo Verde Generating Station (Palo Verde) as of February 1996.
7. EPE has invested \$336 million in distribution plant since June 30, 2009.
8. EPE has invested \$99.2 million in its transmission system since June 30, 2009.

9. EPE has invested \$138.5 million in general and intangible plant since June 30, 2009.
10. EPE has invested \$234.7 million in Palo Verde since June 30, 2009.
11. EPE is not requesting that any construction work in progress be included in rate base, nor is EPE requesting any post test year adjustments for plant in service.
12. EPE is requesting an authorized rate of return that uses a 10.1% return on common equity. This return is necessary to reflect the risks of EPE's business and to allow EPE to raise capital on reasonable terms.
13. EPE has updated the information on the costs to decommission Palo Verde. EPE believes that, for the present, the level of its existing decommissioning funds and expected earnings are such that additional funding from rates set in this case is unnecessary. Therefore, EPE is not seeking to collect decommissioning funds as part of its revenue requirement in this case.⁶
14. EPE is a stand alone-electric utility with no utility affiliates or a service company, which simplifies a review of its costs.
15. EPE is invoking the Commission's fuel recovery rule in 16 TAC § 25.236(a)(3) for the recovery of the costs of environmental consumables used to control emissions at generating plants. That rule allows such costs to be treated as eligible fuel costs. EPE has historically collected, and is now collecting, such costs through base rates. EPE is proposing that those costs be treated as eligible fuel costs on the effective date of new rates in this case.
16. In rate design, EPE proposes to create new, and revise existing, rate classes as well as to restructure certain tariffs. EPE presents an updated system loss analysis, and the resulting loss factors. EPE also proposes to initiate new experimental pilot programs for demand response and electric vehicle service.

⁶ In its last rate case in Docket No. 40094, EPE collected and was required to deposit into its Palo Verde decommissioning funds \$3.6 million per year for the Texas jurisdiction. See Ordering Paragraph 4 of the final order. In this case, EPE asks to change both the collection and the deposit requirement to zero dollars per year.

EPE's Witnesses

EPE's RFP includes the testimony of 22 witnesses. Those witnesses and their subject areas include the following:

1. Steven Buraczyk, EPE's Senior Vice President–Operations, provides an overview of EPE's filing and introduces EPE's other witnesses.
2. Nathan Hirschi, EPE's Senior Vice President and Chief Financial Officer, supports the total Company revenue requirements, addresses financial policy and financing related to EPE's capital expenditures, capital structure, and cost of capital. He also presents EPE's administrative and general expenses and director, executive and employee compensation, pension, and other post-employment benefit costs.
3. Sam Hadaway, Ph.D., addresses the appropriate return on equity and supports EPE's capital structure.
4. Russell Gibson, EPE's Vice President and Controller, supports various expenses and adjustments thereto.
5. John Spanos addresses the depreciation study and depreciation rates.
6. Ralph Zarumba presents EPE's cash working capital study.
7. Jennifer Borden, EPE's Manager of Regulatory Accounting and Compliance, addresses EPE's adjustments to the Test Year costs.
8. Lisa Budtke, EPE's Assistant Treasurer, addresses nuclear decommissioning funding for Palo Verde and cost of the revolving credit facility.
9. Francis Seymore presents EPE's updated nuclear decommissioning study for Palo Verde.
10. Cynthia Prieto, EPE's Director of Tax, addresses accumulated deferred federal income taxes included in rate base and taxes other than income taxes, federal income taxes and state income taxes included in Test Year cost of service.
11. David Hawkins, EPE's Vice President of Power Marketing, Fuels and System Operations, addresses the selection and regulatory approval of EPE's new generation units, as well as EPE's proposed imputed capacity charges for purchased power agreements from solar photovoltaic facilities.

12. **Andres Ramirez, EPE's Vice President of Generation, addresses the reasonable costs of generating plant capital additions and Test Year generation operating and maintenance costs, all for EPE's local generation fleet.**
13. **Michael Adams presents a benchmarking analysis of the costs of LMS100 generating units.**
14. **Nadia Powell, EPE's Director of Remote Asset Management, addresses EPE's oversight of remote generation capital additions and operating expenses.**
15. **John Cadogan presents Palo Verde capital additions and operating expenses.**
16. **Richard Turner, EPE's Vice President of Corporate Development, addresses EPE's solar facilities and the associated capital costs.**
17. **Robert "Clay" Doyle, EPE's Vice President of Transmission and Distribution, addresses transmission and distribution plant capital additions included in rate base and Test Year transmission and distribution operating and maintenance expenses.**
18. **David Rodriguez, EPE's Director of Support Services, addresses general plant capital additions included in rate base and Test Year general plant operating and maintenance expenses.**
19. **Larry Hancock, EPE's Manager of Plant Accounting, presents EPE's plant in service and accumulated depreciation and amortization in rate base, together with related adjustments. He also supports the Company's proposed depreciation expense.**
20. **George Novela, Manager of EPE's Economic Research Department, addresses EPE's energy and demand forecast, weather adjustment, and demand and energy allocators.**
21. **Manuel Carrasco, EPE's Supervisor of Rate Research, addresses EPE's jurisdictional and class cost of service studies and Test Year revenue adjustments.**
22. **James Schichtl, EPE's Director of Regulatory Affairs, addresses EPE's proposed distribution of the requested base revenue requirements increase across customer rate groups, the addition and combination of customer classes, rate design including proposed changes in tariffs, miscellaneous service charges, new programs for community solar and demand response, and a loss study.**

Number and Classes of Ratepayers Affected

EPE has approximately 300,000 Texas retail customers, all of whom will be affected by this petition. Two exhibits to this Petition show rate impacts of EPE's request using the information required by the Commission's RFP instructions for an executive summary. First, Exhibit B is a comparison of present revenues by class at an equalized rate of return and the proposed class revenue assignments for both base rate revenues and total revenues. Second, Exhibit C is a bill comparison of the current and proposed rates for the residential and small commercial classes at the 100, 200, 300, 400, 500, 600, 700, 800, 900, 1000, 1500, 2000, 2500, and 3000, kWh usage levels.

Proposed Tariff/Rate Schedule Revisions

EPE is proposing revisions to most tariffs and rate schedules. The complete set of proposed tariff schedules is presented in Schedule Q-8.8 of EPE's RFP.

Rate Case Expenses

EPE seeks recovery in this docket of the reasonable rate case expenses that it and any intervening cities incur in this case only if the recovery of such expenses can be settled in this docket, or if the parties otherwise agree to consider the issue in this docket. EPE is requesting recovery of its actual rate case expenses, amortized over three years, through a surcharge mechanism. Consistent with Commission practice and the new Commission rule governing rate case expenses in 16 TAC § 25.245, if the rate case expense issue is not settled in this docket then the Company anticipates that the issue will be severed from this proceeding and considered in another proceeding with testimony and evidence to be filed in that separate docket.

VII. Request for Waivers of RFP Requirements

As mentioned above, in Docket No. 44571 the Commission approved EPE's request for a waiver of the requirement to file RFP Schedules N (DSM/energy efficiency) and S (a report by the independent certified public accountant on its review of the test year).

Otherwise, EPE does not believe any waivers to the RFP requirements are necessary. EPE is not seeking to reconcile fuel and purchased power costs in this case. In addition, under 16 TAC § 25.237(d), requesting a fuel factor with a rate proceeding is optional, rather than required. But EPE is not requesting a fuel factor change in this case. Consequently, EPE has indicated on those schedules or parts of schedules that request fuel reconciliation period

information or forecasted fuel costs that the requested information is not applicable, as directed by the instructions to the RFP. If it is determined that a waiver is necessary for such schedules, EPE requests a waiver on the basis that it is not asking to reconcile fuel and purchased power costs, nor is it requesting a fuel factor based on forecasted fuel costs.

VIII. Confidentiality and Protective Order

Schedule W of the Commission's RFP instructions requires that the utility prepare a confidentiality agreement using the format specified therein. However, that confidentiality agreement was developed many years ago, and Commission-approved protective orders have evolved since then. To conform to the Commission's more recent and established practice, EPE proposes to use the protective order approved in EPE's last fuel reconciliation in Docket No. 41852 as the basis for the protective order in this new docket. The Commission's Legal Division has approved the use of this protective order. Thus, EPE requests that the Commission enter a protective order in the form attached to this application as Exhibit D and included in RFP Schedule W that accompanies this application and that, pending entry of the protective order, the parties treat the proposed protective order as a confidentiality agreement.

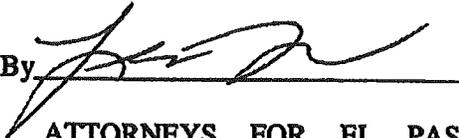
IX. Conclusion and Prayer For Relief

For the reasons set out in this application, petition and statement of intent, and the accompanying RFP schedules and testimony, EPE requests that this Commission grant EPE's application and change its base rates, in accordance with the requests contained herein.

Respectfully submitted,

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By 

ATTORNEYS FOR EL PASO ELECTRIC
COMPANY

NOTICE OF EL PASO ELECTRIC COMPANY'S PETITION TO CHANGE RATES

El Paso Electric Company (EPE or Company) publishes this notice that on August 10, 2015, it filed with the Public Utility Commission of Texas (Commission) its Petition and Statement of Intent and Application to Change Rates. This filing has been assigned Commission Docket No. 44941. This filing was also made with those municipal authorities in EPE's Texas service territory that have original jurisdiction over EPE's electric rates and have requested a copy of the filing.

EPE is proposing to change its rates for electric service provided to its approximately 300,000 Texas retail customers. All such customers, all classes of customers and all areas in Texas in which EPE serves will be affected by this change in rates.

STATEMENT OF INTENT TO CHANGE RATES

EPE's request to increase its base rates is based on the financial results for a 12-month test year ending on March 31, 2015. The rate year is 2016. The effect of EPE's proposed rate changes would be to increase its adjusted test year base rate and miscellaneous revenues by \$71,483,595, an overall average increase in base rates of 16.6%, exclusive of fuel revenues and energy efficiency costs. When miscellaneous revenues are netted against other base rate revenues, the amount of the increase is \$69.2 million. This increase is premised in part on EPE's request to recover (1) EPE's investment in four new power generation facilities for which EPE has previously received certificate of convenience and necessity authorization from the PUC; and (2) EPE's other capital investment additions made from July 1, 2009 through March 31, 2015. EPE is also requesting that the costs of certain chemicals used to control emissions during the generation of power (called environmental consumables) be recovered through EPE's fuel charges, instead of through base rates as they have historically been recovered.

The impact of the rate change on various customer classes will vary from the overall impact described in this notice. The typical Residential Service customer using 625 kilowatt-hours of energy per month will see a bill increase of \$8.41 per month, or 11.8 % under the proposed rates in this proceeding versus current standard rates.

The following table shows the effect of the proposed base revenue increase on existing and proposed new rate classes:

Retail Customer Class	Proposed Base Revenue Increase		
	Revenue Increase ^[1] (million)	Percent Increase vs. Current Base Revenue	Percent Increase vs. Current Total Revenue ^[2]
Rate 01 - Residential Service	\$ 29.62	16.45%	11.78%
Rate 02 - Small General Service	4.58	15.64%	11.78%
Rate 03 - Partial Requirements	0.09	36.20%	23.56%
Rate 07 - Outdoor Recreational Lighting	0.14	32.73%	23.56%
Rate 08 - Government Street Lighting	1.04	30.37%	23.56%
Rate 09 - Traffic Signals	0.03	48.53%	23.56%
Rate 11 - Municipal Pumping	0.42	16.01%	10.50%
Rate 11TOU - Municipal Pumping TOU	0.40	5.91%	3.72%
Rate 15 - Electrolytic Refining Service	0.10	4.03%	2.07%
Rate WH - Water Heating Service	0.49	83.28%	50.00%
Rate 22 - Irrigation Service	0.08	16.28%	11.78%
Rate 24 - General Service	21.87	16.94%	11.78%
Rate 25 - Large Power Service	5.30	11.50%	7.28%
Rate 26 - Petroleum Refinery Service	2.46	20.72%	10.47%
Rate 28 - Area Lighting Service	0.28	10.40%	8.02%
Rate 30 - Electric Furnace Rate	0.48	42.62%	7.82%
Rate 31 - Military Reservation Service	1.78	14.40%	8.27%
Rate 34 - Cotton Gin Service	0.03	34.69%	23.56%
Texas Total Retail Service	<u>\$ 69.18</u>	16.10%	10.98%

[1] Increase in Base revenues adjusted for miscellaneous revenue.

[2] Total revenue includes fuel and other revenue.

EPE has proposed that the effective date of its rate change be September 14, 2015. The proposed effective date is subject to suspension and extension by actions that may be taken by the Commission and other regulatory authorities. EPE has also requested that, if the effective date of the rate change is suspended into 2016, then new rates relate back to and be effective for consumption on and after January 12, 2015.

TARIFF REVISIONS

EPE proposes to create new and revise existing rate classes, and restructure certain tariffs. EPE presents an updated system loss analysis and the resulting loss factors. EPE also proposes to initiate new experimental pilot programs for demand response and electric vehicle service. The complete set of proposed tariff schedules is presented in Schedule Q-8.8 of EPE's filing.

CONTACT INFORMATION

Persons with questions or who want further information on the application may contact EPE at 100 N. Stanton, El Paso, Texas 79901, or call toll-free at (800) 592-1634 (when instructed, press 7, then four-digit extension 5970 plus #) during normal business hours. A complete copy of the filing is available for inspection at the address listed in the previous sentence.

Persons who wish to intervene in or comment upon these proceedings should notify the Public Utility Commission as soon as possible, as an intervention deadline will be imposed. A request to intervene or for further information should be mailed to the Public Utility Commission of Texas, P.O. Box 13326, Austin, Texas 78711-3326. Further information may also be obtained by calling the Public Utility Commission 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. A request to intervene or for further information should refer to Docket No. 44941. The deadline for intervention in the proceeding is 45 days after the date the application was filed with the Commission. The 45th day after EPE filed its application is September 24, 2015.

EL PASO ELECTRIC COMPANY
Comparison of

Texas Retail Class Revenue Under Present Rates, Equalized Rates of Return and Proposed Rates

Retail Customer Class	Present Revenue		Revenue at Equalized Rate of Return		Revenue at Proposed Rates	
	Base	Total	Base	Total	Base	Total
Rate 01 - Residential Service	\$ 180,030,286	\$ 235,316,990	\$ 233,408,569	\$ 288,695,273	\$ 209,648,292	\$ 264,934,996
Rate 02 - Small General Service	29,264,984	36,292,958	30,950,514	37,978,488	33,842,932	40,870,906
Rate 03 - Partial Requirements	240,609	334,561	495,477	589,429	327,709	421,661
Rate 07 - Outdoor Recreational Lighting	427,155	567,953	757,091	897,889	566,963	707,761
Rate 08 - Government Street Lighting	3,432,085	4,347,073	5,441,720	6,356,708	4,474,409	5,389,397
Rate 09 - Traffic Signals	71,791	143,340	110,196	181,745	106,631	178,180
Rate 11 - Municipal Pumping	2,629,857	3,844,506	2,670,262	3,884,911	3,050,842	4,265,491
Rate 11TOU - Municipal Pumping TOU	6,780,227	10,370,804	6,312,836	9,903,413	7,180,812	10,771,389
Rate 15 - Electrolytic Refining Service	2,401,515	4,555,715	2,224,334	4,378,534	2,498,256	4,652,456
Rate WH - Water Heating Service	583,702	869,618	1,606,594	1,882,510	1,069,809	1,355,725
Rate 22 - Irrigation Service	489,451	638,150	607,439	756,138	569,134	717,833
Rate 24 - General Service	129,121,280	176,146,105	139,790,365	186,815,190	150,994,116	198,018,941
Rate 25 - Large Power Service	46,035,674	58,930,876	45,019,831	57,915,033	51,330,822	64,226,024
Rate 26 - Petroleum Refinery Service	11,855,919	22,776,811	12,744,769	23,665,661	14,312,284	25,233,176
Rate 28 - Area Lighting Service	2,667,061	3,410,859	2,572,566	3,316,364	2,944,373	3,688,171
Rate 30 - Electric Furnace Rate	1,128,166	6,052,934	1,421,486	6,346,254	1,608,948	6,533,716
Rate 31 - Military Reservation Service	12,390,022	20,862,527	12,557,484	21,029,989	14,173,684	22,646,189
Rate 34 - Cotton Gin Service	77,027	111,795	112,231	146,999	103,748	138,516
Total Retail Sales Revenue	\$ 429,626,811	\$ 585,573,575	\$ 498,803,764	\$ 654,750,528	\$ 498,803,764	\$ 654,750,528
Other Revenue	32,161,817	42,076,833	34,468,459	44,383,475	34,468,459	44,383,475
Total Retail Revenue	\$ 461,788,628	\$ 627,650,408	\$ 533,272,223	\$ 699,134,003	\$ 533,272,223	\$ 699,134,003

EL PASO ELECTRIC COMPANY
Executive Summary
Bill Comparisons for Current and Proposed Rates

Rate 01 - Residential Basic Service

Total kWh	Current Bill	Proposed Bill	Difference	
	Total	Total	Total	Total %
-	\$5.04	\$10.05	\$5.01	99.4%
100	\$15.62	\$21.11	\$5.49	35.1%
200	\$26.20	\$32.16	\$5.96	22.7%
300	\$36.78	\$43.23	\$6.45	17.5%
400	\$47.35	\$54.29	\$6.94	14.7%
500	\$57.93	\$65.48	\$7.55	13.0%
600	\$68.52	\$76.75	\$8.23	12.0%
700	\$79.10	\$88.08	\$8.98	11.4%
800	\$89.68	\$99.42	\$9.74	10.9%
900	\$100.25	\$110.77	\$10.52	10.5%
1,000	\$110.84	\$122.13	\$11.29	10.2%
1,500	\$163.75	\$178.94	\$15.19	9.3%
2,000	\$216.64	\$235.74	\$19.10	8.8%
2,500	\$269.55	\$292.55	\$23.00	8.5%
3,000	\$322.44	\$349.33	\$26.89	8.3%

Rate 02 - Small Commercial Service

Total kWh	Current Bill	Proposed Bill	Difference	
	Total	Total	Total	Total %
-	\$5.99	\$15.07	\$9.08	151.6%
100	\$19.73	\$28.81	\$9.08	46.0%
200	\$33.44	\$42.53	\$9.09	27.2%
300	\$47.19	\$56.26	\$9.07	19.2%
400	\$60.91	\$70.00	\$9.09	14.9%
500	\$74.65	\$83.74	\$9.09	12.2%
600	\$88.37	\$97.47	\$9.10	10.3%
700	\$102.09	\$111.20	\$9.11	8.9%
800	\$115.83	\$124.95	\$9.12	7.9%
900	\$129.55	\$138.66	\$9.11	7.0%
1,000	\$143.28	\$152.40	\$9.12	6.4%
1,500	\$210.42	\$221.07	\$10.65	5.1%
2,000	\$274.41	\$289.73	\$15.32	5.6%
2,500	\$336.89	\$358.40	\$21.51	6.4%
3,000	\$399.36	\$427.07	\$27.71	6.9%

DOCKET NO. 44941

APPLICATION OF EL PASO ELECTRIC § PUBLIC UTILITY COMMISSION
COMPANY TO CHANGE RATES § OF TEXAS

PROTECTIVE ORDER

This Protective Order shall govern the use of all information deemed confidential (Protected Materials) or highly confidential (Highly Sensitive Protected Materials), including information whose confidentiality is currently under dispute, by a party providing information to the Public Utility Commission of Texas (Commission) or to any other party to this proceeding.

It is ORDERED that:

1. **Designation of Protected Materials.** Upon producing or filing a document, including, but not limited to, records on a computer disk or other similar electronic storage medium in this proceeding, the producing party may designate that document, or any portion of it, as confidential pursuant to this Protective Order by typing or stamping on its face "PROTECTED PURSUANT TO PROTECTIVE ORDER ISSUED IN DOCKET NO. 44941" (or words to this effect) and consecutively Bates Stamping each page. Protected Materials and Highly Sensitive Protected Materials include the documents so designated, as well as the substance of the information contained in the documents and any description, report, summary, or statement about the substance of the information contained in the documents.
2. **Materials Excluded from Protected Materials Designation.** Protected Materials shall not include any information or document contained in the public files of the Commission or any other federal or state agency, court, or local governmental authority subject to the Public Information Act.¹ Protected Materials also shall not include documents or information which at the time of, or prior to disclosure in, a proceeding is or was public knowledge, or which becomes public knowledge other than through disclosure in violation of this Protective Order.

¹ TEX. GOV'T CODE ANN. §§ 552.001-552.353 (Vernon 2004 and Supp. 2010).

3. **Reviewing Party.** For the purposes of this Protective Order, a “Reviewing Party” is any party to this docket.
4. **Procedures for Designation of Protected Materials.** On or before the date the Protected Materials or Highly Sensitive Protected Materials are provided to the Commission, the producing party shall file with the Commission and deliver to each party to the proceeding a written statement, which may be in the form of an objection, indicating: (a) any exemptions to the Public Information Act claimed to apply to the alleged Protected Materials; (b) the reasons supporting the producing party’s claim that the responsive information is exempt from public disclosure under the Public Information Act and subject to treatment as protected materials; and (c) that counsel for the producing party has reviewed the information sufficiently to state in good faith that the information is exempt from public disclosure under the Public Information Act and merits the Protected Materials designation.
5. **Persons Permitted Access to Protected Materials.** Except as otherwise provided in this Protective Order, a Reviewing Party may access Protected Materials only through its “Reviewing Representatives” who have signed the Protective Order Certification Form (see Attachment A). Reviewing Representatives of a Reviewing Party include its counsel of record in this proceeding and associated attorneys, paralegals, economists, statisticians, accountants, consultants, or other persons employed or retained by the Reviewing Party and directly engaged in this proceeding. At the request of the PUC Commissioners, copies of Protected Materials may be produced by Commission Staff. The Commissioners and their staff shall be informed of the existence and coverage of this Protective Order and shall observe the restrictions of the Protective Order.
6. **Highly Sensitive Protected Material Described.** The term “Highly Sensitive Protected Materials” is a subset of Protected Materials and refers to documents or information that a producing party claims is of such a highly sensitive nature that making copies of such documents or information or providing access to such documents to employees of the Reviewing Party (except as specified herein) would expose a producing party to unreasonable risk of harm. Highly Sensitive Protected Materials include but are not limited to: (a) customer-specific information protected by § 32.101(c) of the Public

Utility Regulatory Act;² (b) contractual information pertaining to contracts that specify that their terms are confidential or that are confidential pursuant to an order entered in litigation to which the producing party is a party; (c) market-sensitive fuel price forecasts, wholesale transactions information and/or market-sensitive marketing plans; or (d) business operations or financial information that is commercially sensitive. Documents or information so classified by a producing party shall bear the designation "HIGHLY SENSITIVE PROTECTED MATERIALS PROVIDED PURSUANT TO PROTECTIVE ORDER ISSUED IN DOCKET NO. 44941" (or words to this effect) and shall be consecutively Bates Stamped. The provisions of this Protective Order pertaining to Protected Materials also apply to Highly Sensitive Protected Materials, except where this Protective Order provides for additional protections for Highly Sensitive Protected Materials. In particular, the procedures herein for challenging the producing party's designation of information as Protected Materials also apply to information that a producing party designates as Highly Sensitive Protected Materials.

7. **Restrictions on Copying and Inspection of Highly Sensitive Protected Material.**

Except as expressly provided herein, only one copy may be made of any Highly Sensitive Protected Materials except that additional copies may be made to have sufficient copies for introduction of the material into the evidentiary record if the material is to be offered for admission into the record. The Reviewing Party shall maintain a record of all copies made of Highly Sensitive Protected Material and shall send a duplicate of the record to the producing party when the copy or copies are made. The record shall specify the location and the person possessing the copy. Highly Sensitive Protected Material shall be made available for inspection only at the location or locations provided by the producing party, except as specified by Paragraph 9. Limited notes may be made of Highly Sensitive Protected Materials, and such notes shall themselves be treated as Highly Sensitive Protected Materials unless such notes are limited to a description of the document and a general characterization of its subject matter in a manner that does not state any substantive information contained in the document.

² Public Utility Regulatory Act, TEX. UTIL. CODE ANN., § 32.101(c) (Vernon 2007 & Supp. 2011) (PURA).

8. **Restricting Persons Who May Have Access to Highly Sensitive Protected Material.**

With the exception of Commission Staff, The Office of the Attorney General (OAG), and the Office of Public Utility Counsel (OPC), and except as provided herein, the Reviewing Representatives for the purpose of access to Highly Sensitive Protected Materials may be persons who are (a) outside counsel for the Reviewing Party, (b) outside consultants for the Reviewing Party working under the direction of Reviewing Party's counsel or, (c) employees of the Reviewing Party working with and under the direction of Reviewing Party's counsel who have been authorized by the presiding officer to review Highly Sensitive Protected Materials. The Reviewing Party shall limit the number of Reviewing Representatives that review Highly Sensitive Protected Materials to the minimum number of persons necessary. The Reviewing Party is under a good faith obligation to limit access to each portion of any Highly Sensitive Protected Materials to two Reviewing Representatives whenever possible. Reviewing Representatives for Commission Staff and OPC, for the purpose of access to Highly Sensitive Protected Materials, shall consist of their respective counsel of record in this proceeding and associated attorneys, paralegals, economists, statisticians, accountants, consultants, or other persons employed or retained by them and directly engaged in these proceedings.

9. **Copies Provided of Highly Sensitive Protected Material.** A producing party shall provide one copy of Highly Sensitive Protected Materials specifically requested by the Reviewing Party to the person designated by the Reviewing Party who must be a person authorized to review Highly Sensitive Protected Material under Paragraph 8, and must be either outside counsel or an outside consultant. Other representatives of the Reviewing Party who are authorized to view Highly Sensitive Protected Material may review the copy of Highly Sensitive Protected Materials at the office of the Reviewing Party's representative designated to receive the information. Each Reviewing Party may make two additional copies of Highly Sensitive documents for outside consultants whose business offices are located outside of Travis County. All restrictions on Highly Sensitive documents in this order shall apply to the additional copies maintained in the outside consultants' offices. Any Highly Sensitive Protected Materials provided to a Reviewing Party may not be copied except as provided in Paragraph 7 and shall be returned along with any copies made pursuant to paragraph 7 to the producing party

within two weeks after the close of the evidence in this proceeding. The restrictions contained herein do not apply to Commission Staff, OPC, and the OAG when the OAG is a representing a party to the proceeding.

10. **Procedures in Paragraphs 10-14 Apply to Commission Staff, OPC, and the OAG and Control in the Event of Conflict.** The procedures in Paragraphs 10 through 14 apply to responses to requests for documents or information that the producing party designates as Highly Sensitive Protected Materials and provides to Commission Staff, OPC, and the OAG in recognition of their purely public functions. To the extent the requirements of Paragraphs 10 through 14 conflict with any requirements contained in other paragraphs of this Protective Order, the requirements of these Paragraphs shall control.
11. **Copy of Highly Sensitive Protected Material to be Provided to Commission Staff, OPC and the OAG.** When, in response to a request for information by a Reviewing Party, the producing party makes available for review documents or information claimed to be Highly Sensitive Protected Materials, the producing party shall also deliver one copy of the Highly Sensitive Protected Materials to the Commission Staff, OPC, and the OAG (if the OAG is representing a party) in Austin, Texas. Provided however, that in the event such Highly Sensitive Protected Materials are voluminous, the materials will be made available for review by Commission Staff, OPC, and the OAG (if the OAG is representing a party) at the designated office in Austin, Texas. The Commission Staff, OPC and the OAG (if the OAG is representing a party) may request such copies as are necessary of such voluminous material under the copying procedures specified herein.
12. **Delivery of the Copy of Highly Sensitive Protected Material to Commission Staff and Outside Consultants.** The Commission Staff, OPC, and the OAG (if the OAG is representing a party) may deliver the copy of Highly Sensitive Protected Materials received by them to the appropriate members of their staff for review, provided such staff members first sign the certification specified by Paragraph 15. After obtaining the agreement of the producing party, Commission Staff, OPC, and the OAG (if the OAG is representing a party) may deliver the copy of Highly Sensitive Protected Materials

received by it to the agreed, appropriate members of their outside consultants for review, provided such outside consultants first sign the certification in Attachment A.

13. **Restriction on Copying by Commission Staff, OPC and the OAG.** Except as allowed by Paragraph 7, Commission Staff, OPC and the OAG may not make additional copies of the Highly Sensitive Protected Materials furnished to them unless the producing party agrees in writing otherwise, or, upon a showing of good cause, the presiding officer directs otherwise. Commission Staff, OPC, and the OAG may make limited notes of Highly Sensitive Protected Materials furnished to them, and all such handwritten notes will be treated as Highly Sensitive Protected Materials as are the materials from which the notes are taken.
14. **Public Information Requests.** In the event of a request for any of the Highly Sensitive Protected Materials under the Public Information Act, an authorized representative of the Commission, OPC, or the OAG may furnish a copy of the requested Highly Sensitive Protected Materials to the Open Records Division at the OAG together with a copy of this Protective Order after notifying the producing party that such documents are being furnished to the OAG. Such notification may be provided simultaneously with the delivery of the Highly Sensitive Protected Materials to the OAG.
15. **Required Certification.** Each person who inspects the Protected Materials shall, before such inspection, agree in writing to the following certification found in Attachment A to this Protective Order:

I certify my understanding that the Protected Materials are provided to me pursuant to the terms and restrictions of the Protective Order in this docket, and that I have been given a copy of it and have read the Protective Order and agree to be bound by it. I understand that the contents of the Protected Materials, any notes, memoranda, or any other form of information regarding or derived from the Protected Materials shall not be disclosed to anyone other than in accordance with the Protective Order and unless I am an employee of the Commission or OPC shall be used only for the purpose of the proceeding in Docket No. 44941. I acknowledge that the obligations imposed by this certification are pursuant to such Protective Order. Provided, however, if the information contained in the Protected Materials is obtained from independent public sources, the understanding stated herein shall not apply.

In addition, Reviewing Representatives who are permitted access to Highly Sensitive Protected Material under the terms of this Protective Order shall, before inspection of such material, agree in writing to the following certification found in Attachment A to this Protective Order:

I certify that I am eligible to have access to Highly Sensitive Protected Material under the terms of the Protective Order in this docket.

The Reviewing Party shall provide a copy of each signed certification to Counsel for the producing party and serve a copy upon all parties of record.

16. **Disclosures between Reviewing Representatives and Continuation of Disclosure Restrictions after a Person is no Longer Engaged in the Proceeding.** Any Reviewing Representative may disclose Protected Materials, other than Highly Sensitive Protected Materials, to any other person who is a Reviewing Representative provided that, if the person to whom disclosure is to be made has not executed and provided for delivery of a signed certification to the party asserting confidentiality, that certification shall be executed prior to any disclosure. A Reviewing Representative may disclose Highly Sensitive Protected Material to other Reviewing Representatives who are permitted access to such material and have executed the additional certification required for persons who receive access to Highly Sensitive Protected Material. In the event that any Reviewing Representative to whom Protected Materials are disclosed ceases to be engaged in these proceedings, access to Protected Materials by that person shall be terminated and all notes, memoranda, or other information derived from the protected material shall either be destroyed or given to another Reviewing Representative of that party who is authorized pursuant to this Protective Order to receive the protected materials. Any person who has agreed to the foregoing certification shall continue to be bound by the provisions of this Protective Order so long as it is in effect, even if no longer engaged in these proceedings.
17. **Producing Party to Provide One Copy of Certain Protected Material and Procedures for Making Additional Copies of Such Materials.** Except for Highly Sensitive Protected Materials, which shall be provided to the Reviewing Parties pursuant to Paragraphs 9, and voluminous Protected Materials, the producing party shall provide a

Reviewing Party one copy of the Protected Materials upon receipt of the signed certification described in Paragraph 15. Except for Highly Sensitive Protected Materials, a Reviewing Party may make further copies of Protected Materials for use in this proceeding pursuant to this Protective Order, but a record shall be maintained as to the documents reproduced and the number of copies made, and upon request the Reviewing Party shall provide the party asserting confidentiality with a copy of that record.

18. **Procedures Regarding Voluminous Protected Materials.** P.U.C. PROC. R. 22.144(h) will govern production of voluminous Protected Materials. Voluminous Protected Materials will be made available in the producing party's voluminous room, in Austin, Texas, or at a mutually agreed upon location, Monday through Friday, 9:00 a.m. to 5:00 p.m. (except on state or Federal holidays), and at other mutually convenient times upon reasonable request.
19. **Reviewing Period Defined.** The Protected Materials may be reviewed only during the Reviewing Period, which shall commence upon entry of this Protective Order and continue until the expiration of the Commission's plenary jurisdiction. The Reviewing Period shall reopen if the Commission regains jurisdiction due to a remand as provided by law. Protected materials that are admitted into the evidentiary record or accompanying the evidentiary record as offers of proof may be reviewed throughout the pendency of this proceeding and any appeals.
20. **Procedures for Making Copies of Voluminous Protected Materials.** Other than Highly Sensitive Protected Materials, Reviewing Parties may take notes regarding the information contained in voluminous Protected Materials made available for inspection or they may make photographic, mechanical or electronic copies of the Protected Materials, subject to the conditions in this Protective Order; provided, however, that before photographic, mechanical or electronic copies may be made, the Reviewing Party seeking photographic, mechanical or electronic copies must provide written confirmation of the receipt of copies listed on Attachment B of this Protective Order identifying each piece of Protected Materials or portions thereof the Reviewing Party will need.
21. **Protected Materials to be Used Solely for the Purposes of These Proceedings.** All Protected Materials shall be made available to the Reviewing Parties and their Reviewing

Representatives solely for the purposes of these proceedings. Access to the Protected Materials may not be used in the furtherance of any other purpose, including, without limitation: (a) any other pending or potential proceeding involving any claim, complaint, or other grievance of whatever nature, except appellate review proceedings that may arise from or be subject to these proceedings; or (b) any business or competitive endeavor of whatever nature. Because of their statutory regulatory obligations, these restrictions do not apply to Commission Staff or OPC.

22. **Procedures for Confidential Treatment of Protected Materials and Information Derived from Those Materials.** Protected Materials, as well as a Reviewing Party's notes, memoranda, or other information regarding or derived from the Protected Materials are to be treated confidentially by the Reviewing Party and shall not be disclosed or used by the Reviewing Party except as permitted and provided in this Protective Order. Information derived from or describing the Protected Materials shall be maintained in a secure place and shall not be placed in the public or general files of the Reviewing Party except in accordance with the provisions of this Protective Order. A Reviewing Party must take all reasonable precautions to insure that the Protected Materials including notes and analyses made from Protected Materials that disclose Protected Materials are not viewed or taken by any person other than a Reviewing Representative of a Reviewing Party.
23. **Procedures for Submission of Protected Materials.** If a Reviewing Party tenders for filing any Protected Materials, including Highly Sensitive Protected Materials, or any written testimony, exhibit, brief, motion or other type of pleading or other submission at the Commission or before any other judicial body that quotes from Protected Materials or discloses the content of Protected Materials, the confidential portion of such submission shall be filed and served in sealed envelopes or other appropriate containers endorsed to the effect that they contain Protected Material or Highly Sensitive Protected Material and are sealed pursuant to this Protective Order. If filed at the Commission, such documents shall be marked "PROTECTED MATERIAL" and shall be filed under seal with the presiding officer and served under seal to the counsel of record for the Reviewing Parties. The presiding officer may subsequently, on his/her own motion or on motion of a party, issue a ruling respecting whether or not the inclusion, incorporation or reference to

Protected Materials is such that such submission should remain under seal. If filing before a judicial body, the filing party: (a) shall notify the party which provided the information within sufficient time so that the producing party may seek a temporary sealing order; and (b) shall otherwise follow the procedures in Rule 76a, Texas Rules of Civil Procedure.

24. **Maintenance of Protected Status of Materials during Pendency of Appeal of Order Holding Materials are not Protected Materials.** In the event that the presiding officer at any time in the course of this proceeding finds that all or part of the Protected Materials are not confidential or proprietary, by finding, for example, that such materials have entered the public domain or materials claimed to be Highly Sensitive Protected Materials are only Protected Materials, those materials shall nevertheless be subject to the protection afforded by this Protective Order for three (3) full working days, unless otherwise ordered, from the date the party asserting confidentiality receives notice of the presiding officer's order. Such notification will be by written communication. This provision establishes a deadline for appeal of a presiding officer's order to the Commission. In the event an appeal to the Commissioners is filed within those three (3) working days from notice, the Protected Materials shall be afforded the confidential treatment and status provided in this Protective Order during the pendency of such appeal. Neither the party asserting confidentiality nor any Reviewing Party waives its right to seek additional administrative or judicial remedies after the Commission's denial of any appeal.
25. **Notice of Intent to Use Protected Materials or Change Materials Designation.** Parties intending to use Protected Materials shall notify the other parties prior to offering them into evidence or otherwise disclosing such information into the record of the proceeding. During the pendency of Docket No. 44941 at the Commission, in the event that a Reviewing Party wishes to disclose Protected Materials to any person to whom disclosure is not authorized by this Protective Order, or wishes to have changed the designation of certain information or material as Protected Materials by alleging, for example, that such information or material has entered the public domain, such Reviewing Party shall first file and serve on all parties written notice of such proposed disclosure or request for change in designation, identifying with particularity each of such

Protected Materials. A Reviewing Party shall at any time be able to file a written motion to challenge the designation of information as Protected Materials.

26. **Procedures to Contest Disclosure or Change in Designation.** In the event that the party asserting confidentiality wishes to contest a proposed disclosure or request for change in designation, the party asserting confidentiality shall file with the appropriate presiding officer its objection to a proposal, with supporting affidavits, if any, within five (5) working days after receiving such notice of proposed disclosure or change in designation. Failure of the party asserting confidentiality to file such an objection within this period shall be deemed a waiver of objection to the proposed disclosure or request for change in designation. Within five (5) working days after the party asserting confidentiality files its objection and supporting materials, the party challenging confidentiality may respond. Any such response shall include a statement by counsel for the party challenging such confidentiality that he or she has reviewed all portions of the materials in dispute and, without disclosing the Protected Materials, a statement as to why the Protected Materials should not be held to be confidential under current legal standards, or that the party asserting confidentiality for some reason did not allow such counsel to review such materials. If either party wishes to submit the material in question for in camera inspection, it shall do so no later than five (5) working days after the party challenging confidentiality has made its written filing.
27. **Procedures for Presiding Officer Determination Regarding Proposed Disclosure or Change in Designation.** If the party asserting confidentiality files an objection, the appropriate presiding officer will determine whether the proposed disclosure or change in designation is appropriate. Upon the request of either the producing or Reviewing Party or upon the presiding officer's own initiative, the presiding officer may conduct a prehearing conference. The burden is on the party asserting confidentiality to show that such proposed disclosure or change in designation should not be made. If the presiding officer determines that such proposed disclosure or change in designation should be made, disclosure shall not take place earlier than three (3) full working days after such determination unless otherwise ordered. No party waives any right to seek additional administrative or judicial remedies concerning such presiding officer's ruling.

28. **Maintenance of Protected Status during Periods Specified for Challenging Various Orders.** Any party electing to challenge, in the courts of this state, a Commission or presiding officer determination allowing disclosure or a change in designation shall have a period of ten (10) days from: (a) the date of an unfavorable Commission order; or (b) if the Commission does not rule on an appeal of an interim order, the date an appeal of an interim order to the Commission is overruled by operation of law, to obtain a favorable ruling in state district court. Any party challenging a state district court determination allowing disclosure or a change in designation shall have an additional period of ten (10) days from the date of the order to obtain a favorable ruling from a state appeals court. Finally, any party challenging a determination of a state appeals court allowing disclosure or a change in designation shall have an additional period of ten (10) days from the date of the order to obtain a favorable ruling from the state supreme court, or other appellate court. All Protected Materials shall be afforded the confidential treatment and status provided for in this Protective Order during the periods for challenging the various orders referenced in this paragraph. For purposes of this paragraph, a favorable ruling of a state district court, state appeals court, Supreme Court or other appellate court includes any order extending the deadlines in this paragraph.
29. **Other Grounds for Objection to Use of Protected Materials Remain Applicable.** Nothing in this Protective Order shall be construed as precluding any party from objecting to the use of Protected Materials on grounds other than confidentiality, including the lack of required relevance. Nothing in this Protective Order constitutes a waiver of the right to argue for more disclosure, provided, however, that unless the Commission or a court orders such additional disclosure, all parties will abide by the restrictions imposed by the Protective Order.
30. **Protection of Materials from Unauthorized Disclosure.** All notices, applications, responses or other correspondence shall be made in a manner which protects Protected Materials from unauthorized disclosure.
31. **Return of Copies of Protected Materials and Destruction of Information Derived from Protected Materials.** Following the conclusion of these proceedings, each Reviewing Party must, no later than thirty (30) days following receipt of the notice

described below, return to the party asserting confidentiality all copies of the Protected Materials provided by that party pursuant to this Protective Order and all copies reproduced by a Reviewing Party, and counsel for each Reviewing Party must provide to the party asserting confidentiality a letter by counsel that, to the best of his or her knowledge, information, and belief, all copies of notes, memoranda, and other documents regarding or derived from the Protected Materials (including copies of Protected Materials) that have not been so returned, if any, have been destroyed, other than notes, memoranda, or other documents which contain information in a form which, if made public, would not cause disclosure of the substance of Protected Materials. As used in this Protective Order, "conclusion of these proceedings" refers to the exhaustion of available appeals, or the running of the time for the making of such appeals, as provided by applicable law. If, following any appeal, the Commission conducts a remand proceeding, then the "conclusion of these proceedings" is extended by the remand to the exhaustion of available appeals of the remand, or the running of the time for making such appeals of the remand, as provided by applicable law. Promptly following the conclusion of these proceedings, counsel for the party asserting confidentiality will send a written notice to all other parties, reminding them of their obligations under this Paragraph. Nothing in this Paragraph shall prohibit counsel for each Reviewing Party from retaining two (2) copies of any filed testimony, brief, application for rehearing, hearing exhibit or other pleading which refers to Protected Materials provided that any such Protected Materials retained by counsel shall remain subject to the provisions of this Protective Order.

32. **Applicability of Other Law.** This Protective Order is subject to the requirements of the Public Information Act, the Open Meetings Act,³ the Texas Securities Act⁴ and any other applicable law, provided that parties subject to those acts will notify the party asserting confidentiality, if possible under those acts, prior to disclosure pursuant to those acts. Such notice shall not be required where the Protected Materials are sought by governmental officials authorized to conduct a criminal or civil investigation that relates

³ TEX. GOV'T CODE ANN. § 551.001-551.146 (Vernon 2004 & Supp. 2010).

⁴ TEX. REV. CIV. STAT. ANN. arts. 581-1 to 581-43 (Vernon 2010).

to or involves the Protected Materials, and those governmental officials aver in writing that such notice could compromise the investigation and that the governmental entity involved will maintain the confidentiality of the Protected Materials.

33. **Procedures for Release of Information under Order.** If required by order of a governmental or judicial body, the Reviewing Party may release to such body the confidential information required by such order; provided, however, that: (a) the Reviewing Party shall notify the producing party of the order requiring the release of such information within five (5) calendar days of the date the Reviewing Party has notice of the order; (b) the Reviewing Party shall notify the producing party at least five (5) calendar days in advance of the release of the information to allow the producing party to contest any release of the confidential information; and (c) the Reviewing Party shall use its best efforts to prevent such materials from being disclosed to the public. The terms of this Protective Order do not preclude the Reviewing Party from complying with any valid and enforceable order of a state or federal court with competent jurisdiction specifically requiring disclosure of Protected Materials earlier than contemplated herein. The notice specified in this section shall not be required where the Protected Materials are sought by governmental officials authorized to conduct a criminal or civil investigation that relates to or involves the Protected Materials, and those governmental officials aver in writing that such notice could compromise the investigation and that the governmental entity involved will maintain the confidentiality of the Protected Materials.
34. **Best Efforts Defined.** The term “best efforts” as used in the preceding paragraph requires that the Reviewing Party attempt to ensure that disclosure is not made unless such disclosure is pursuant to a final order of a Texas governmental or Texas judicial body, the written opinion of the Texas Attorney General sought in compliance with the Public Information Act, or the request of governmental officials authorized to conduct a criminal or civil investigation that relates to or involves the Protected Materials. The Reviewing Party is not required to delay compliance with a lawful order to disclose such information but is simply required to timely notify the party asserting confidentiality, or its counsel, that it has received a challenge to the confidentiality of the information and that the Reviewing Party will either proceed under the provisions of §552.301 of the Public Information Act, or intends to comply with the final governmental or court order.

Provided, however, that no notice is required where the Protected Materials are sought by governmental officials authorized to conduct a criminal or civil investigation that relates to or involves the Protected Materials, and those governmental officials aver in writing that such notice could compromise the investigation and that the governmental entity involved will maintain the confidentiality of the Protected Materials.

35. **Notify Defined.** “Notify” for purposes of Paragraphs 32, 33 and 34 means written notice to the party asserting confidentiality at least five (5) calendar days prior to release; including when a Reviewing Party receives a request under the Public Information Act. However, the Commission or OPC may provide a copy of Protected Materials to the Open Records Division of the OAG as provided herein.
36. **Requests for Non-Disclosure.** If the producing party asserts that the requested information should not be disclosed at all, or should not be disclosed to certain parties under the protection afforded by this Protective Order, the producing party shall tender the information for in camera review to the presiding officer within ten (10) calendar days of the request. At the same time, the producing party shall file and serve on all parties its argument, including any supporting affidavits, in support of its position of non-disclosure. The burden is on the producing party to establish that the material should not be disclosed. The producing party shall serve a copy of the information under the classification of Highly Sensitive Protected Material to all parties requesting the information that the producing party has not alleged should be prohibited from reviewing the information.

Parties wishing to respond to the producing party’s argument for non-disclosure shall do so within five working days. Responding parties should explain why the information should be disclosed to them, including why disclosure is necessary for a fair adjudication of the case if the material is determined to constitute a trade secret. If the presiding officer finds that the information should be disclosed as Protected Material under the terms of this Protective Order, the presiding officer shall stay the order of disclosure for such period of time as the presiding officer deems necessary to allow the producing party to appeal the ruling to the Commission.

37. **Sanctions Available for Abuse of Designation.** If the presiding officer finds that a producing party unreasonably designated material as Protected Material or as Highly Sensitive Protected Material, or unreasonably attempted to prevent disclosure pursuant to Paragraph 36, the presiding officer may sanction the producing party pursuant to P.U.C. PROC. R. 22.161.
38. **Modification of Protective Order.** Each party shall have the right to seek changes in this Protective Order as appropriate from the presiding officer.
39. **Breach of Protective Order.** In the event of a breach of the provisions of this Protective Order, the producing party, if it sustains its burden of proof required to establish the right to injunctive relief, shall be entitled to an injunction against such breach without any requirements to post bond as a condition of such relief. The producing party shall not be relieved of proof of any element required to establish the right to injunctive relief. In addition to injunctive relief, the producing party shall be entitled to pursue any other form of relief to which it is entitled.

ATTACHMENT A

Protective Order Certification

I certify my understanding that the Protected Materials are provided to me pursuant to the terms and restrictions of the Protective Order in this docket and that I have received a copy of it and have read the Protective Order and agree to be bound by it. I understand that the contents of the Protected Materials, any notes, memoranda, or any other form of information regarding or derived from the Protected Materials shall not be disclosed to anyone other than in accordance with the Protective Order and unless I am an employee of the Commission or OPC shall be used only for the purpose of the proceeding in Docket No. 44941. I acknowledge that the obligations imposed by this certification are pursuant to such Protective Order. Provided, however, if the information contained in the Protected Materials is obtained from independent public sources, the understanding stated here shall not apply.

Signature

Party Represented

Printed Name

Date

I certify that I am eligible to have access to Highly Sensitive Protected Material under the terms of the Protective Order in this docket.

Signature

Party Represented

Printed Name

Date

ATTACHMENT B

I request to view/copy the following documents:

Document Requested	# of Copies	Non-Confidential	Protected Materials and/or Highly Sensitive Protected Materials

Signature

Party Represented

Printed Name

Date

Protected Material for Rate Case Filing

The following is a list of the schedules and workpapers that are included in this Application that El Paso Electric Company (EPE) has designated as either Confidential (Protected Material) or Highly Sensitive (Highly Sensitive Protected Material) as those terms are explained and applied in the Protective Order accompanying this Application. In addition, the following list provides the protected designation, the reason for the protection, and the witnesses sponsoring the protected material. EPE considers the information listed below to be commercial or financial information, customer-specific information, or information that is otherwise exempt from disclosure under the Public Information Act, TEX. GOVT. CODE ANN. §§ 552.101 and 552.110, or TEX. UTIL. CODE § 32.101(c).

DOCUMENT	DESIGNATION	REASON FOR PROTECTION	SPONSOR
Rate Filing Package			
WP/A-1, B-1.1(electronic version)	Confidential	Proprietary Information	Carrasco, Manuel
C-6.9: Nuclear Fuel Inventory Policy	Highly Sensitive	Commercial Information	Hawkins, David
WP/E-1.2-3: Obsolete Inventory	Confidential	Security-related information	Gibson, Russell
G-5.1: Analysis of Legislative Advocacy	Confidential	Proprietary Information	Hirschi, Nathan T.
G-5.1(a): Payments to Registered Lobbyists	Confidential	Proprietary Information	Hirschi, Nathan T.
WP/G-7.13: Tax-related filings	Confidential	Proprietary Information	Prieto, Cynthia S.
H-6.1c: Nuclear Unit Outage Planning	Highly Sensitive	Commercial Information (planned outages)	Ramirez, Andres R
H-6.2c: Fossil Unit Outage Planning	Highly Sensitive	Commercial Information (planned outages)	Ramirez, Andres R
H-7.2: Production Plant/Unit Staffing Study	Confidential	Proprietary Information	Ramirez, Andres R.
H-12.3c: Generating Unit Efficiency & Controls	Confidential	Commercial Information (heat rates)	Ramirez, Andres R
I-4: Fuel & Fuel Related Contracts	Highly Sensitive	Contractual/Proprietary Information	David Hawkins
WP I-4: Fuel and Fuel-Related Contracts	Highly Sensitive	Contractual/Proprietary Information	Hawkins, David
I-7: Natural Gas Storage Description	Highly Sensitive (portions)	Contractual/Proprietary Information	David Hawkins

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WP I-21: Fuel Management	Highly Sensitive	Contractual/Proprietary Information	Hawkins, David
K-4: Notes Payable	Confidential	Financial Forecasts	Hirschi, Nathan
K-5 and WP/K-5 page 9: Security Issuance Restrictions	Highly Sensitive	Financial Forecasts/Proprietary Information	Hirschi, Nathan
K-6 and WP/K-6: Financial Ratios	Highly Sensitive	Financial Forecasts/Proprietary Information	Hirschi, Nathan
K-7 and WP/K-7: Capital Requirements and Acquisition Plan	Highly Sensitive	Financial Forecasts/Proprietary Information	Hirschi, Nathan
O-10.1: Historical Data (Number of Customers)	Confidential (portion)	Proprietary Information	Novela, George
P: Class Cost of Service (electronic version)	Confidential	Proprietary Information	Carrasco, Manuel
P-6: Unbundled Class Cost of Service (electronic version)	Confidential	Proprietary Information	Carrasco, Manuel
Q-8.1: Marginal and Average Cost Schedules	Confidential	Financial Forecasts/Proprietary Information	Schichtl, James
Q-8.2: Expected Annual Duration Curve	Confidential	Financial Forecasts/Proprietary Information	Schichtl, James
Q-8.3: Marginal and Avg. Energy Costs	Confidential	Proprietary Information	Schichtl, James
Q-8.4: Diurnal Load	Confidential	Staffing Projections/Proprietary Information	Schichtl, James
Q-8.6: Contract Prices	Highly Sensitive	Customer-Specific Information	Schichtl, James
Testimonial Exhibits and Workpapers (listed in order by sponsor)			
WP/ SCH Testimony	Highly Sensitive	Proprietary Information	Hadaway, Samuel C.

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I certify that I have reviewed the documents listed above and state in good faith that the information is exempt from public disclosure under the Public Information Act or the Texas Utilities Code and merits the applicable designation of Confidential (Protected Material) or Highly Sensitive (Highly Sensitive Protected Material) as detailed in the Protective Order accompanying this application.


Leslie M Padilla

Date: 8/6/2015