

EL PASO ELECTRIC COMPANY

SCHEDULE NO. 51
INTERRUPTIBLE POWER SERVICE FOR COGENERATION
AND SMALL POWER PRODUCTION FACILITIES

APPLICABILITY

This rate is available to qualifying facilities and to Customers taking service from a third party qualifying facility which qualifies as a small power production and cogeneration facility as defined in 18 CFR, Part 292, Subpart B, of the final rules issued by the Federal Energy Regulatory Commission to implement Sections 201 and 210 of the Public Utility Regulatory Policies Act of 1978.

Customer will furnish to the Company such data as required by the Company to determine that customer meets the requirements for qualification.

The facility may be connected for (1) parallel operation with the Company's service, or (2) isolated operation with Interruptible Power Service provided by the Company by means of a double-throw switch.

TERRITORY

Texas Service Area

TYPE OF SERVICE

All service will be taken at one point of delivery designated by the Company and at one of the Company's standard types of service. Electric energy will be measured by a single meter, or other measuring device, of each kind needed.

Interruptible power means electric energy or capacity supplied by the Company subject to interruption by the Company under specified conditions.

INTERRUPTIBLE POWER SERVICE RATE

The Interruptible Power Service Rate shall be the Noticed Interruptible Power Service rates currently in effect and applicable to the Customer absent its qualifying facility generation.

MONTHLY RESERVATION FEE

A monthly reservation fee will be charged in the months that interruptible power is not utilized by the qualifying facility. The reservation fee will be the retail rates currently in effect and applicable to the Customer absent its qualifying facility generation times the greater of ten (10) percent of the monthly contracted capacity demand or the experienced annual Forced Outage Rate (FOR) of the Customer expressed in percentage terms of the

PUBLIC UTILITY COMMISSION OF TEXAS
REGULATORY DIVISION
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CONTROL #

Section Number 1
Sheet Number 30
Page 1 of 5

Revision Number Original
Effective for consumption on or
after July 1, 2010

EL PASO ELECTRIC COMPANY

SCHEDULE NO. 51
INTERRUPTIBLE POWER SERVICE FOR COGENERATION
AND SMALL POWER PRODUCTION FACILITIES

qualifying facility for the most recent twelve month period ending with the current month times the monthly contracted capacity demand.

DELIVERY SERVICE CHARGE

A delivery service charge will be billed to the Customer during the months that neither maintenance power nor backup power is utilized by the qualifying facility. The delivery service charges shall be:

Delivery Service Charge Per kW of Contract Capacity	Connected Load Up To 600 kW	Connected Load In Excess of 600 kW
Primary Delivery	\$2.14	\$2.21
Secondary Delivery	\$3.61	\$3.62

Minus any Delivery Service Charges applied pursuant to the provisions of the Company's Tariff Schedule No. 47, Backup Power Service for Cogeneration and Small Power Production Facilities, or Schedule No. 46, Maintenance Power Service for Cogeneration and Small Power Production Facilities, but not less than zero.

COMMON PROVISIONS

Interconnection Charge:

Customers on this rate schedule shall be subject to a charge for interconnection costs.

Interconnection costs are the reasonable costs of connection, switching, metering, transmission, distribution, safety provisions, engineering and administrative costs incurred by the Company related to the installation of the physical facilities necessary to permit interconnected operations with a qualifying facility, to the extent such costs are in excess of the costs that the Company would have incurred if it had not engaged in interconnected operations, but instead generated an equivalent amount of electric energy or capacity itself or purchased an equivalent amount of electric energy or capacity from other sources.

The Company shall provide a detailed estimate of the cost of interconnection within thirty (30) days of receipt of the approved written application for interconnection. The Customer shall pay the full amount of the estimated interconnection costs at the time notice to interconnect is provided to the Company.

Upon completion of the interconnection, the actual costs shall be computed by the

PUBLIC UTILITY COMMISSION OF TEXAS
APPROVED

JUL 10 '10 DOCKET 37690

CONTROL #

Section Number 1
Sheet Number 30
Page 2 of 5

Revision Number Original
Effective for consumption on or
after July 1, 2010

EL PASO ELECTRIC COMPANY

SCHEDULE NO. 51
INTERRUPTIBLE POWER SERVICE FOR COGENERATION
AND SMALL POWER PRODUCTION FACILITIES

Company and reimbursements to the appropriate party shall be made for any difference between the actual and estimated cost of interconnection. In addition, customers with design capacity greater than 100 kW shall pay an annual charge of 5.3178% of the capital costs of interconnection to provide for the recovery of property taxes, revenue related taxes, depreciation expense, and operation and maintenance expenses. The annual charge of 5.3178% is payable by the Customer in monthly installments at the rate of one-twelfth (1/12) of the annual charge per month.

GENERAL CONDITIONS

The Company may make intentional interruptions at any time and from time to time, at the Company's sole discretion, for up to four hundred (400) hours in any calendar year. However, the Company may not interrupt the Customer (1) due solely to differences in the Company's marginal cost of energy and the energy-related charges for Noticed Interruptible Power Service, or (2) to continue or make non-firm off-system sales. In the event of an interruption, the Company will provide thirty (30) minute notice prior to interruptions. Emergency conditions are deemed to exist at any time, in the judgment of the Company, that demands for electricity exceed or are expected to be likely to exceed the Company's available electric supply for whatever reasons including, but not limited to, breakdown of generating units, distribution equipment or other critical facilities; short or long term shortages of fuel or generation, distribution, and other facilities, and requirements or orders of governmental agencies.

An hour of interruption shall be any clock-hour or part thereof during which the Company invokes an intentional interruption. The number of hours of interruption remaining during the calendar year for the term of the contract shall be reduced by a minimum of four (4) hours for each interruption occasion, even though the actual interruption may last for a lesser period. No more than two (2) interruptions may be required in any calendar day.

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

NON-COMPLIANCE

Interruptible power service is provided to the Customer with the explicit knowledge and understanding that such service shall be subject to curtailment by the Customer with notice from the Company. Failure to comply with the Company's request to curtail shall result in the following adjustments to the Customer's billings and service:

PUBLIC UTILITY COMMISSION OF TEXAS
APPROVED

JUL 30 '10 DOCKET 37690

CONTROL # _____

Section Number 1
Sheet Number 30
Page 3 of 5

Revision Number Original
Effective for consumption on or
after July 1, 2010

EL PASO ELECTRIC COMPANY

SCHEDULE NO. 51
INTERRUPTIBLE POWER SERVICE FOR COGENERATION
AND SMALL POWER PRODUCTION FACILITIES

- 1) During a calendar year, the first occasion on which Customer fails to comply with a request for curtailment shall result in Customer being billed (or re-billed, if necessary) the entire month at the retail rates currently in effect and otherwise applicable to Customer ("Retail Rate"); and
- 2) During such calendar year, the second occasion on which Customer fails to comply with a request for curtailment shall result in Customer being re-billed at the Retail Rate for the period from January 1 of such calendar year through the end of the month in which such second failure occurred (less amounts previously remitted by Customer for such period); and
- 3) During such calendar year, the third occasion on which the Customer fails to comply with a request for curtailment shall result in the immediate suspension of service under the Noticed Interruptible Power Service rate, and Customer will be served and billed for electric service for that entire month and thereafter at the Retail Rate. Additionally, Customer will be re-billed at the Retail Rate for each month of such calendar year that was not previously billed or re-billed at the Retail Rate under this Non-Compliance section (less amounts previously remitted by Customer for such period). Upon the expiration of twelve (12) months following the date of such failure, Customer may reapply for electric service at Company's then-current interruptible rate. As a condition precedent to the reestablishment of electric service at Company's then-current interruptible rate, Customer must demonstrate its ability to comply with Company's applicable tariff and the terms of Company's then-current interruptible rate agreement.

POWER FACTOR ADJUSTMENT

Effective April 1, 2011, if the power factor at the time of the highest measured thirty (30) minute interval kW demand for the entire plant is below 90% lagging, a power factor adjustment shall be calculated as follows:

ADJ = ((kW x .95 / PF) - kW) x DC, where
ADJ = Increase to applicable Demand Charge,
kW = Monthly Billing Demand,
PF = Monthly measured Power Factor, and
DC = Demand Charge.

PUBLIC UTILITY COMMISSION OF TEXAS
APPROVED

JUL 30 '10 DOCKET 37690

CONTROL # _____

FIXED FUEL FACTOR

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

Section Number 1
Sheet Number 30
Page 4 of 5

Revision Number Original
Effective for consumption on or
after July 1, 2010

EL PASO ELECTRIC COMPANY

SCHEDULE NO. 51
INTERRUPTIBLE POWER SERVICE FOR COGENERATION
AND SMALL POWER PRODUCTION FACILITIES

MILITARY BASE DISCOUNT RECOVERY FACTOR

The above rates are subject to the provisions of the Company's Tariff Schedule No. 96, entitled Military Base Discount Recovery Factor.

TERMS OF PAYMENT

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

TERMS AND CONDITIONS

The Company's Rules and Regulations and the contract provisions shall apply under this rate schedule.

This rate shall be binding upon the Company and the Customer for a period conterminous with the interconnection agreement; provided, however, that the Customer may terminate service provided under this rate at any time during such term by providing the Company with written notice at least one (1) year prior to the effective date of such termination and the Company may terminate in accordance with regulatory regulations. Any change in this rate approved by a regulatory authority with the requisite jurisdiction, shall become effective upon such approval and remain in force until the expiration of the term of this rate or the termination by Customer in accordance with the requirements herein contained, whichever event occurs first in time. The service supplied hereunder is to be used exclusively within the premises of the Customer, as described in his application for service.

PUBLIC UTILITY COMMISSION OF TEXAS
APPROVED

JUL 30 '10 DOCKET 37690

CONTROL # _____

Section Number 1
Sheet Number 30
Page 5 of 5

Revision Number Original
Effective for consumption on or
after July 1, 2010