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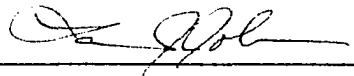
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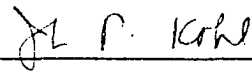
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CASH MANAGEMENT POLICY AND PROCEDURES  
MANUAL

APPROVED:



David E. Schwab



Dean of the Graduate School

CASH MANAGEMENT POLICY AND PROCEDURE  
MANUAL

by

ELIZABETH ANN NELAN HAGANS

WRITING PRACTICUM

Presented to the Faculty of the Graduate School of

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in Partial Fulfillment

of the Requirements

for the Degree of

MASTER OF ARTS

THE UNIVERSITY OF TEXAS AT EL PASO

December 1983

## ACKNOWLEDGEMENTS

To all personnel at El Paso Electric Company who provided me with information and assistance, and to those who reviewed material for accuracy, I extend my sincere thanks.

My deepest gratitude goes to my 8-year-old son, Chris, for his patience, support and belief that I would finish in time to ski with him this winter.

December 1983

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## PREFACE

In May 1969, I graduated from UT El Paso with a bachelor's of science degree in secondary education and an emphasis in English and American History. I began my professional teaching career the following fall in Austin, Texas, with a junior high school program. After a year, I transferred with my family to Alexandria, Virginia, where I taught English in a private girls' school.

During the next three years I taught sophomore and junior English in Virginia, North Carolina and Maryland. In 1973, I returned to El Paso and accepted a position at Loretto Academy teaching junior and senior English. After four years at Loretto, I transferred to Eastwood High School. There I was exposed to the so-called "new rhetoric" and to the new approaches to teaching composition that were influencing the direction of the Ysleta Public Schools at that time. Under the influence of Tommy J. Boley, assistant professor of English at UTEP, and Bonnie Lesley, curriculum supervisor for Ysleta Independent School District, I entered the Professional Writing and Rhetoric (PWR) master's program at UT El Paso in 1979.

Because of the expertise I was acquiring in the PWR program, I was asked to teach Creative Writing and advise Eastwood High School's literary magazine, Reveille. The exposure to publication design, layout and editing, combined with a growing interest in developing my personal writing, led me to courses in graphics and feature writing in the Mass Communications Department at UTEP. While enrolled in these courses, I decided to actively pursue a career change which would develop my personal writing skills. Through the guidance and interest of Wilma Wirt, chairperson of the Mass

Communications Department, I achieved this goal. In June 1982, after 13 years of teaching, I joined the Corporate Communications Department of El Paso Electric as a staff writer.

The Corporate Communications Department's primary responsibility is the external and internal dissemination of information pertaining to the Company. This Department generates and places institutional advertising in local and national publications. It also represents the Company, answering media queries on issues of local concern and those relevant to the electric industry as a whole. Internally, the Department serves as a channel to employees for interpretation of upper level management decisions, explanation of federal and regulatory commission orders and recognition of employee achievements. In addition, Corporate Communications responds to the needs of other departments within the Company for the production of supplemental printed materials.

In meeting the recommendations of the external auditing firm, Coopers and Lybrand, and the Internal Audit Department of El Paso Electric, Corporate Communications became responsible for the compilation of a policy and procedures manual for the Cash Management Section of the Company.

The specific objectives of the manual, as outlined by the auditors, were to develop a formal written description of the tasks performed within the Section, to provide a guideline for Cash Management functions, to update job descriptions and to facilitate the training of new personnel. The manual would serve as a learning tool for new Cash Management employees to help promote efficiency and prevent misunderstanding, and as a quick reference tool for people already familiar with Cash Management procedures.

After accepting responsibility for the development of this manual in



April 1983, my first step was to determine the audience to whom it would be directed. The primary users of this manual would be new employees, the five clerks and Section Assistant in the Cash Management Section. The Section Supervisor, together with the Company Treasurer who is directly accountable for the Section, would use the manual as a reference tool, supervising, evaluating and updating the procedures required by the office staff to fulfill the twofold function of the Section.

Job qualifications for the five clerks, the principal audience of this manual, are minimal. The Company requires a basic ability in business math, demonstrated ability to pass the validated aptitude and typing tests conducted by the Texas State Employment Commission, and the ability to operate rapidly and accurately, a 10-key calculator by touch. Because educational background and technical skill are not prime factors for employment in the Cash Management Section, the language used in this manual had to be as non-technical as possible.

I began research for this manual by formulating, in collaboration with the Section Supervisor and the Company Treasurer, an overview of the Cash Management Section. This produced a working knowledge of the Section's basic composition and its functions within El Paso Electric.

The next step I took in my research was to shadow each clerk through the day-to-day routine. The five clerks share the responsibility of opening and processing customer payments made through the U. S. mail. This procedure accounts for the better part of each weekday morning as more than 2,000 pieces of mail pass through Cash Management daily. When the mail has been processed, the clerks begin individual documentation and accounting procedures which consume the remainder of their day. In

order to cross-train the five clerks (and to guard against boredom), the Section requires them to rotate job responsibilities every three months.

While shadowing the clerks, it was often difficult to understand how one procedure contributed to another. However, after I had completed the process, I came to realize the daily procedures performed by the five clerks contribute to the completion of monthly financial reports which the Company uses for annual auditing purposes and documentation in rate case filings.

I overlapped the research of each procedure so that as I was editing one subject I was beginning to research the next. This enabled me to write while the research was still fresh in my mind. It also helped me understand the sequencing of job duties.

After 10 weeks of researching the procedures of the five clerks, I shadowed the Section Assistant for approximately six weeks. This length of time was vital to insure that the observation of daily procedures included the completion of monthly and quarterly reports as well.

Several unique problems surfaced during the five month study. The current personnel, all of whom have been in the Section more than a year, are well versed in their jobs and have invented shortcuts which seem to "work" but which would be confusing to a new employee (whose viewpoint I was attempting to assume). Therefore, I had to convince the clerks that I needed to know and understand the longer, detailed procedures. After each explanation, I drafted a rough copy which I had approved by the Section Assistant and Supervisor before developing a preliminary draft for the Company Treasurer's approval.

In addition, the Cash Management personnel have created a jargon which I had to decipher and translate into terminology appropriate for the manual's primary audience, the new employee. In many instances the clerks have shortened titles, procedures and forms to one word, creating a problem for anyone not familiar with the Section. And since the manual's primary audience is new employees not familiar with the section, I had to alleviate this situation by gaining the support and confidence of the Cash Management Staff.

I also discovered that, though the five clerks possess a grasp of the individual procedures, only the Section Assistant and Supervisor comprehend the sequencing of job duties in relation to the overall purpose of the Cash Management Section. Clarificatory information could then only be obtained from the Section Assistant or the Supervisor who, in addition to helping me, had to fulfill their own job duties. This dilemma presented time delays.

It was also difficult to draft procedures for fulfilling the job duties of the Supervisor whose responsibilities include maintaining good relations with cooperating bankers, staying abreast of current trends in cash management procedures and federal government regulations and handling personnel matters in the Section, none of which lend themselves to specific, verifiable procedures within the Section. The Supervisor's scope of responsibility consists of only one concrete procedure--completing the daily investments calculations form which determines the financial status of the Company. Confronting the Company Treasurer with this problem, he suggested I leave the Supervisor's sections of the manual with only the two points--Scope of Responsibility and the concrete procedure described.

However, after overcoming these challenges, I received from the Cash Management Supervisor and the Company Treasurer initial copy approval on the preliminary drafts. I then began the final draft of this manual in September 1983.

Organization of the manual fell into a natural ordering by job descriptions since the manual's primary purpose was to condense procedures for each description into a printed manual.

The manual consists of five information and four reference sections. Three of the information sections are step-by-step descriptions, accompanied by illustrations, of routine procedures followed by the Cash Management Supervisor, Section Assistant and five clerks. The SUPERVISOR's section includes of one procedure and is accompanied by a current job description, another objective of this manual. The SECTION ASSISTANT's section includes of a current job description and detailed procedures for completing daily, monthly and quarterly reports. I found no problems with the ordering of either of these sections.

However, with the CLERK's section, I had to decide whether to group the procedures according to the existing job assignments and rotation schedule or to treat each procedure separately. Knowing that Cash Management is continually monitoring current trends in the market and, since I began researching this manual, has discarded three outdated procedures and replaced them with computer programs, the individual treatment of each clerical procedure was preferable. This treatment will help simplify any revisions to this manual when modifications are made to the existing procedures. I decided to include the rotation schedule and assignment

groupings in the updated job description of the clerical staff.

The fourth information section, MACHINES, consists of procedures for the operation of the four machines in the Section. Having the machines separated into an individual section in this manual allows for easy additions and revisions as the Cash Management Section expands its computer capacity.

The four reference sections, (TABLE OF CONTENTS, INTRODUCTION TO MANUAL, GLOSSARY, REVISION NOTICES), of this manual explain the manual's organization and the function of Cash Management in relation to El Paso Electric Company. Also included are the guidelines for making revisions to the manual.

The most frustrating and time consuming problem I faced while preparing this manual was obtaining copy approval from management. The Section is currently acquiring computer programs which have caused three procedures to be reviewed since I initially undertook of the project. Due to the lack of familiarity with the new systems, explanation of their procedures sometimes caused confusion. Revisions, interspersed with my other responsibilities as a staff writer, have been numerous. At times, achieving accuracy and clarity while maintaining consistency with other Company manuals and satisfying the opinions of not only the Cash Management Supervisor and Company Treasurer but also my Supervisor seemed an insurmountable task. Since I accepted this project, the Corporate Communications Department has withstood three drastic reorganizations under the direction of three new managers. Each new manager had to be updated and briefed on this project. Each new manager had input according to personal preferences. However, through discussion and several meetings, I was able to finalize the approved copy as it stands in this manual.

As my first documentation project, this manual proved to be far more complex than it appeared to be initially. However, after completing it, I have acquired a healthy respect for technical writing. Yet, I am very grateful to be a journalist, and have the opportunity to work in a capacity that allows me to offer El Paso Electric a totally different set of skills.

APPENDIX

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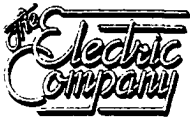
# CASH MANAGEMENT POLICY AND PROCEDURES MANUAL

DECEMBER 1983



El Paso Electric





El Paso Electric

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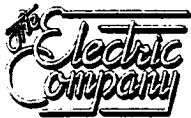
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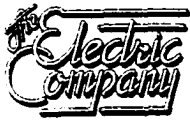
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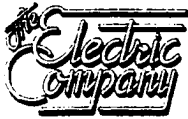
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  - 500-5 Mail Opener
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El Paso Electric

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Section: INTRODUCTION TO THE MANUAL

Issued: 12/83

SUBJECT: Manual Purpose and Objectives

PURPOSE OF THE MANUAL:

The purpose of the Policy and Procedures Manual for the Cash Management Section of El Paso Electric is to provide a guide in the day-to-day procedures for accomplishing the responsibilities of the Section.

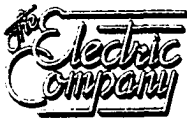
OBJECTIVES OF THE MANUAL:

As such, the manual has the following objectives:

1. To outline the fundamental policy and procedures for the Section's successful operation.
2. To expedite the training of new Cash Management personnel.
3. To expedite the training of Cash Management clerks as job assignments rotate every three months.

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Section: INTRODUCTION TO THE MANUAL

SUBJECT: Manual Organization

PURPOSE: To describe the manner in which The Cash Management Policy and Procedures Manual is organized.

ORGANIZATION: The Cash Management Policy and Procedure Manual is divided into 9 sections, 4 reference sections and 5 information sections.

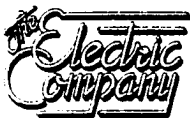
REFERENCE SECTIONS: The 4 reference sections are designed to be used for reference and information retrieval.

1. Table of Contents. Lists the contents of the manual in sequential order with the appropriate section/subject numbers.
2. Introduction to Manual. Defines the purpose of the manual, describes its organization and maintenance.
3. Glossary. Lists terms found in the manual in alphabetical order with corresponding definitions.
4. Revision Notes. Provides a record of changes in the manual in the form of memoranda which accompany each set of revised manual material.

INFORMATION SECTIONS: The 5 remaining sections of the manual contain the text of policy and procedures required to successfully complete the day-to-day function of the Cash Management Section of El Paso Electric. They are as follows:

1. Overview. Describes the Section.
2. Supervisor. Provides a job description for the Section Supervisor.
3. Section Assistant. Provides a job description for the Section Assistant and detailed instructions for completing the necessary forms and reports prepared by Cash Management.

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SUBJECT: Manual Organization (Continued)

4. Clerks. Provides detailed instructions for processing customer payments for Company use and completing the necessary forms and reports contributing to the overall function of Cash Management.
5. Machines. Provides detailed information for the operation of the machines used by the Cash Management Section.

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Section: INTRODUCTION TO THE MANUAL

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SUBJECT: Manual Maintenance

PURPOSE: To provide information on properly maintaining the Cash Management Policy and Procedures Manual.

RESPONSIBILITIES: The Supervisor-Cash Management and all manual holders are responsible for insuring that the Cash Management Policy and Procedures Manual is kept up-to-date.

KEEPING THE MANUAL CURRENT: Initiating Revisions--Notify the Supervisor-Cash Management when a change (addition, deletion or revision) to the content of the manual is necessary. Use the Policy and Procedure Revision Form found in the back of the manual for this purpose.

Approval Process--Draft revision for supervisor approval. When approval is obtained, have Supervisor-Cash Management sign final draft. Word Processing will put revised text in manual form and return. Section Assistant will direct memoranda and handle distribution.

Posting Revisions--A cover memorandum giving instructions for inserting and removing documents from the manual is sent with each revision. Complete the following:

1. Remove obsolete or superseded documents, if directed to do so by the cover letter.
2. Place revisions in the manual in the proper order.
3. File the cover memorandum behind the Revision Notices tab of the manual, retaining a record of all revisions.

▶ NOTE: It is highly recommended that manual holders perform maintenance themselves, becoming familiar with the manual's content and with all revisions.

REVISION NOTATIONS: Revision Alert Line--A heavy black vertical line will appear in the left-hand margin of all revised lines of the text.

Revision Date--The current revision date will appear in the top right-hand corner.

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Section: INTRODUCTION TO THE MANUAL

SUBJECT: Manual Distribution

PURPOSE: To provide information for obtaining additional copies of the Cash Management Policy and Procedures Manual.DISTRIBUTION: The Cash Management Section of El Paso Electric holds the reserve supply of the Cash Management Policy and Procedures Manual. These manuals are available, for internal use only, to anyone whose job requires knowing the policies and procedures of Cash Management.

REQUESTING COPIES: Additional copies of the manual can be requested from the Supervisor-Cash Management.

RETURNING MANUALS: When the Cash Management Policy and Procedures Manual is no longer required by the manual holder, please return the copy of the manual to the Supervisor-Cash Management.

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Section: OVERVIEW OF CASH MANAGEMENT SECTION

SUBJECT: Overview of the Cash Management Section of the Financial  
Division of El Paso Electric Company

FUNCTION: The Cash Management Section is a vital part of the Financial Division of El Paso Electric Company. It has two major functions--evaluating the Company's financial position and processing customer payments for Company use.

Primarily, Cash Management is responsible for determining the daily financial position of the Company. Each weekday morning, the Cash Management supervisor prepares an Investment Calculations Form to determine whether the Company is in an investment mode or a borrowing mode and then recommends secure investment or short-term borrowing.

Secure investments, which utilize current cash excesses, are obtained through First City National Bank. Short-term notes, in the form of Commercial Paper, are secured from the brokerage firm of Goldman, Sachs and Company of Chicago. Bids for short-term notes from correspondent banks are solicited via telephone by the supervisor. After solicited bids are returned, the supervisor borrows money, on behalf of El Paso Electric, at the lowest rate available for the day.

Cash Management also monitors maturity dates for these and other Company notes, insuring that interest payments are kept current. The Section also continually monitors account balances, funneling funds from correspondent banks to a central account at First City National Bank.

It is also Cash Management's responsibility to determine the financial position of Franklin Land & Resources Inc., a wholly-owned subsidiary of El Paso Electric. Except for Commercial Paper, Cash Management follows the same procedures described above for Franklin Land.

In addition to evaluating the financial position of the Company and Franklin Land, Cash Management is responsible for receiving check payments and processing them in a manner which best serves the Company's interest.

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Section: OVERVIEW OF CASH MANAGEMENT SECTION

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SUBJECT: Overview of the Cash Management Section of the Financial Division of El Paso Electric Company (Continued)

Cash Management sorts and deposits bill payments made by residential and commercial customers received through the U. S. mail. It is vital that payments be processed and deposited into the bank on a timely basis in order to maximize the Company's use of the money.

Cash Management also insures that Company Accounts Payable checks are disbursed in a timely manner.

PERSONNEL:

Cash Management's permanent staff consists of a supervisor, section assistant and five clerks whose responsibilities and expertise assure a work flow commensurate with the needs of the Section.

The supervisor's primary function is to determine the daily financial position of the Company and to monitor bank balances utilizing Cash Balance Sheets prepared by the Section staff. In addition, the supervisor attempts to maintain good relations with correspondent bankers and to stay abreast of current trends in cash management procedures and Federal government regulations. The supervisor also oversees work production and handles personnel matters within the Section.

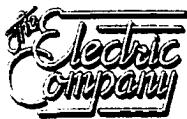
The Cash Management section assistant's principal function is to supervise the five clerks, insuring that their job performance remains consistent with the responsibilities of the Section. The section assistant also prepares monthly and quarterly financial reports and, in the absence of the supervisor, assumes the daily responsibilities of the supervisor.

The five Cash Management clerks all participate in sorting and processing bill payments made by residential and commercial customers through the U. S. mail. When this process is complete, each clerk becomes responsible for specific procedures which contribute to the overall function of the Cash Management Section of The Electric Company. The five clerks rotate job responsibilities every three months.

Specific procedures for the supervisor, section assistant and five clerks are described in this manual.

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Section: SUPERVISOR - CASH MANAGEMENT

SUBJECT: Scope of Responsibility

SCOPE OF RESPONSIBILITY: The supervisor is responsible for the direct supervision and control of Company cash flow on all related Cash Management activities.

JOB DUTIES:

\*Serves as the annual operations and maintenance budget preparation coordinator for the Section.

\*Serves as the daily cash manager for short-term investment purposes.

\*Monitors disbursements to insure that funding and check release decisions are made within established Company policies and procedures.

\*Acts as the Company's representative in dealing with banks and other financial institutions.

\*Supervises section assistant and clerical staff who process daily receipts received in the U.S. mail.

\*Evaluates performance of subordinates.

\*Interviews and recommends the hiring of new employees to fill vacancies.

\*Prepares and/or reviews reports for internal and external distribution.

\*Performs other duties as assigned.

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Section: SUPERVISOR

Issued: 12/83

SUBJECT: Investment Calculations

PURPOSE: To describe the process for evaluating the Company's cash position for the day.

- POLICY:
1. Investment calculations must be prepared each weekday morning by 9 a.m. to determine the Company's cash position.
  2. Information is obtained at 8 a.m. each day from the Banklink on the terminal. (See Machines, CMUM 500-2.)
  3. Information on Control Disbursing Account is to be obtained by First City National Bank each day.

PROCEDURE: \*Complete the Investment Calculations Form (see opposite) by entering the following data:

| <u>Reference Number</u> | <u>Description</u>   |
|-------------------------|--|
| 1                       | Today's date.  |
| 2                       | Collected Balance - one-day float as reflected on Banklink.  |
| 3                       | Half the cashier's total from the Cashier's Sheets.<br>▶ NOTE: This figure is used because not all deposits made are immediately usable cash. A number of checks are drawn on out-of-town banks and must have time to clear the bank before the money can be counted. This figure represents an approximation. |
| 4                       | Investment Maturing as supplied from the Banklink or Supervisor.   |
| 5                       | Today's Specials' total as provided by the clerk processing the Mail Specials and any incoming transfers.  |
| 6                       | Total of Items 1, 2, 3, 4 and 5.   |
| 7                       | Control Disbursing Account. Information is acquired from the First City Bank from a daily telephone call.  |

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Section: SUPERVISOR

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SUBJECT: Investment Calculations (Continued)

| <u>Reference Number</u> | <u>Description</u>   |
|-------------------------|--|
| 8                       | Total Compensating Balance as reflected on the Banklink.   |
| 9                       | Total of Items 7 and 8.  |
| 10                      | The balance remaining when Item 9 is subtracted from Item 6. The remainder determines whether the Company is in a borrowing mode or an investing mode.   |
| 11                      | Round down the difference to the nearest hundred. If the number is positive, the Company is investing. If it is negative, the Company is borrowing.  |
| 12                      | If the number is positive, the Company is investing. Call First City National Bank (915) 546-5559 with the amount to be invested. They will provide the current rate of interest. Enter the rate provided. |
| 13                      | Multiply the rate as provided by First City National Bank by total of Item 11 multiplied by Item 12.   |
| 14                      | Divide that answer by 360 days. The quotient is the interest earned.   |

\*Route the completed form to the clerk to enter in the terminal.

\*If the number is negative, the Company is in the borrowing mode. Money sources must be contacted by 9 a.m. to determine the lowest interest available. Telephone contact is made with source banks and the loan is awarded to the lowest bid.

\*Direct loan information to clerk processing promissory notes who will prepare necessary documentation. (See CMUM 300-4.)

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Sec. No.: CMUM 300-1

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Section: SECTION ASSISTANT - CASH MANAGEMENT

Issued : 12/83

SUBJECT: Scope of Responsibility

SCOPE OF RESPONSIBILITY: The Section Assistant is responsible for the supervision and control of the activities of the Cash Management clerical staff and the generation of cash related reports and accounting information. The Section Assistant also maintains Cash Management files and insures smooth continuation of Cash Management procedures by ordering supplies and keeping office equipment operational.

JOB DUTIES  
DAILY:

\*Supervises the processing of customer receipts received through the U. S. mail and assists the clerical staff when necessary.

\*Insures that deposit deadlines are met (10 a.m. for high dollars amounts and 2:15 p.m. for all other receipts).

\*Prepares cash ledgers for all banks utilized by El Paso Electric and records interest income and expense on short-term investments and borrowings.

\*In the absence of the Supervisor, prepares daily cash position forecast by 10:30 a.m. for main accounts at First City National Bank.

\*Maintains payables control work sheet and monitors the vendor deposit and clearing dates on all payable checks over \$10,000. Also reviews the release (mail) dates on these checks. Updates schedule for payable checks to clear as appropriate.

\*Prepares cash ledgers for all banks utilized by El Paso Electric and records interest income and expense on short-term investments and borrowings.

WEEKLY:

\*Reviews Commercial Paper work sheets and all Cashier's Daily Statements.

\*Prepares nuclear fuel report and submits it to Rio Grande Resources Trust for reimbursement.

MONTHLY:

\*Reviews outstanding Commercial Paper notes, daily cash sheets, dividend reinvestments, investment and nuclear fuel sheets, preparing appropriate reports.

\*Reconciles changes in monthly cash position with General Accounting personnel, prepares and forwards journal entries to General Accounting.

QUARTERLY:

\*Prepares reports as requested for internal and external use.

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Section: SECTION ASSISTANT

SUBJECT: Long-term Financing

PURPOSE: To describe the process for disbursing long-term financing to pay existing short-term notes or Commercial Paper.

POLICY: Process to be initiated approximately one week prior to payoff date.

PROCEDURE: \*Add General Entry 3014 (see CMUM 400-19) principal and interest for individual notes at each bank. The total represents the outstanding loans.

◆ NOTE: Financing will be secured by the Executive Vice-President of Finance to cover all existing notes.

\*Make a list of all short-term notes and Commercial Paper.

\*Type list.

\*Verify figures by comparing figures to Journal Entry 3014.

\*Send list to Word Processing.

\*After processing, telecopy disbursement instructions to bank issuing new note obtained by supervisor.

\*Make a requisition/voucher. (See CMUM 400-13.)

#

**EPE INTERNAL USE ONLY**



RIO GRANDE RESOURCES TRUST

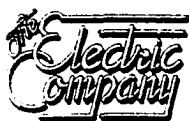
Original Line of Credit

Less: Amount utilized by Franklin Land: \$ 100,000,000  
 1 26,243,064  
 2 73,756,935

|                  | Nuclear Fuel | PVIV | Misc.  |
|------------------|--------------|------|--------|
| Fuel Schedule: 1 | \$ 3,710,000 |      |        |
| 2                | 66,896       |      | 37,280 |
| 3                | 125,429      |      | 16,486 |
| 4                | 1,185,987    |      |        |
| 5                | 1,859,097    |      |        |
| 6                |              |      | 58,447 |
| 7                |              |      | 930    |
| 8                | 756,932      |      |        |
| 9                | 233,688      |      | 221    |
| 10               | 17,856       |      |        |
| 11               | 6,796        |      |        |
| 12               | 29,072       |      | 292    |
| 13               | 592,974      |      | 4,231  |
| 14               | 139,830      |      |        |
| 15               |              |      | 2,742  |
| 16               | 62,568       |      |        |
| 17               | 790          |      | 4,601  |
| 18               | 33,022       |      |        |
| 19               | 762,350      |      | 51,258 |
| 20               |              |      |        |
| 21               | 24,016       |      | 927    |
| 22               |              |      |        |
| 23               | 202,872      |      |        |
| 24               | 217,882      |      |        |
| 25               | 300,042      |      | 405    |
| 26               |              |      | 3,143  |
| 27               | 34,760       |      |        |
| 28               |              |      | 276    |
| 29               |              |      | 273    |
| 30               | 21,646       |      |        |
| 31               | 10,746       |      |        |
| 32               | 36,340       |      | 1,185  |
| 33               | 567,120      |      | 328    |
| 34               | 296,408      |      |        |
| 35               |              |      | 176    |
| 36               |              |      | 315    |
| 37               | 87,591       |      | 1,455  |
| 38               |              |      |        |
| 39               | 215,986      |      | 5,000  |
| 40               | 130,192      |      |        |
| 41               |              |      |        |

|                    | Nuclear Fuel | PVUV      | Misc.       |
|--------------------|--------------|-----------|-------------|
| Fuel Schedule: 128 | 105,112      |           |             |
| 129                | 1,145,184    |           |             |
| 130                | 953,704      |           |             |
| 131                | 1,140,602    |           | 222         |
| 132                | 249,188      |           |             |
| 133                | 385,046      |           |             |
| 134                | 2,065        |           |             |
| ADJ 127            | 2,085,273    | 2,686     |             |
| 135                |              |           |             |
| 136                |              |           |             |
| 137                | 3,808        |           | 287         |
| Void 138           | 948,000      |           |             |
| 139                | 474,474      |           |             |
| Void 140           | 979,600      |           |             |
| 141                | 361,177      |           | 15,061      |
| 142                | 550,156      |           |             |
| 143                | 4,898        |           |             |
| 144                | 240,634      |           | 2,635       |
| 145                | 39,816       |           | 296         |
| 146                | 240,452      |           |             |
| 147                | 427,548      |           |             |
| 148                | 315,148      | 12,640    |             |
| 149                |              |           |             |
| 150                | 41,554       |           | 11,327      |
| 151                | 241,424      |           |             |
| 152                | 606,720      | 8,848     |             |
| 153                |              |           |             |
| 154                | 662,973      |           | 6,721       |
| 155                |              |           | 3,815       |
| 156                | 47,400       |           | 6,203       |
| 157                | 41,870       |           |             |
| 158                | 244,300      |           |             |
|                    | 49,479,759   | 4,634,152 | 344,715     |
|                    |              |           | 354,458,626 |
|                    |              |           | 419,296,330 |

Less Outstanding EPEC: -0-  
 Misc. Service Fees 6 12,020,330  
 Line Available 5 7,276,000



El Paso Electric

Sec. No.: CMUM 300-3

Page: 1 of 1

Section: SECTION ASSISTANT

Issued: 12/83

SUBJECT: Rio Grande Resources Trust Report

PURPOSE: To describe the process for updating Rio Grande Resources Trust Report totals.

POLICY: This update must occur each time nuclear fuel, uranium venture or miscellaneous transactions occur.

PROCEDURE: \*Complete the Rio Grande Resources Trust Report (see opposite) by entering the following data:

| <u>Reference Number</u> | <u>Description</u>  |
|-------------------------|---|
| 1                       | White out the existing total and enter the new total when money is borrowed or a payoff changes the total.        |
| 2                       | Subtract the new total from the line of credit and enter the remainder.   |
| 3                       | Enter either the nuclear fuel, uranium venture or miscellaneous in the appropriate column and change the balance. |
| 4                       | Subtract the total spent for nuclear fuel and uranium venture from Item 2.  |
| 5                       | Line of credit available as supplied Rio Grande Resources Trust.  |
| 6                       | Subtract item 5 from item 4. The total equals the miscellaneous service fees.                                     |

\*Have completed form typed by ninth floor receptionist who has the form on mag card.

\*Make one copy. Send copy to the Company Treasurer. Retain original for Cash Management files.

#

EPE INTERNAL USE ONLY

PROMISSORY NOTE

§ 1

Middletown, New York

Date 2

FOR VALUE RECEIVED, the undersigned, Franklin Land & Resources, Inc., does hereby promise to pay to the order of Rio Grande Resources Trust (the "Trust"), at the offices of The Bank of New York, the Corporate Trustee of the Trust, at 135 North Street, Middletown, New York 10940, in lawful money of the United States of America, the principal amount of (amount) 3 on (date) 4 and to pay interest (computed on the basis of the actual number of days elapsed in a year of 365 days) on the unpaid principal amount hereof, in like money, at maturity, at a rate per annum not to exceed one percent (1%) per annum in excess of the interest rate required to be paid by the Trust to obtain the funds to make this loan; provided, however, in no event shall the interest rate exceed the effective interest rate which the Company is authorized to pay upon notes issued to banks pursuant to the order issued by the Federal Energy Regulatory Commission on April 24, 1980, in Docket No. ES8036, after taking into consideration the 20% compensating balances which would be required by such banks.

The terms "Trust" and "Corporate Trustee", used herein shall have the meanings given them in the Credit Agreement dated as of January 4, 1979, between Security Pacific National Bank and Empire National Bank (predecessor in interest to The Bank of New York), as Corporate Trustee of the Trust, and Newton I. Waldman, Esq., as Cotrustee of the Trust, as amended from time to time.

FRANKLIN LAND & RESOURCES, INC.

By: 5

By: 6



El Paso Electric

Sec. No: CMUM 300-4

Page: 1 of 1

Issued: 12/83

Section: SECTION ASSISTANT

**SUBJECT:** Rio Grande Resources Trust/Promissory Note

**PURPOSE:** To describe the process of preparing and dispatching a Promissory Note.

**POLICY:** Signature of two authorized executives must be obtained before any promissory note is mailed or telecopied.

**PROCEDURE:** \*Complete the blanks in the promissory form letter (see opposite) by entering the following data:

Reference Number

Description

1 The amount of the promissory note as supplied by Security Pacific Capitol Market Group.

◆ NOTE: Promissory Notes for short-term notes, secured by Supervisor-Cash Management, follow the same procedure except each bank provides individualized forms similar to the example. The amount of each note is provided by the Supervisor-Cash Management.

2 Today's date.

3 Write out the amount of the note and put numerical amount in parenthesis.

4 Change the quarterly date to reflect the current quarter.

\*Take the completed form letter to the receptionist on the ninth floor for typing. The form letter is retained there on mag card.

\*Have typed copy signed by two authorized executives.

\*Have Word Processing telecopy the note to Security Pacific Capitol Market Group, (213) 613-4732, c/o Barbara Eaton.

◆ NOTE: For short-term notes, hand deliver to local banks; Federal Express to non-local banks.

\*Call Security Pacific Capitol Market or bank concerned to verify receipt of note.

\*Make one copy. Mail to Security Pacific or bank concurred. Retain copy for Cash Management files maintained by Section Assistant.

\*The information in Rio Grande Resources Trust Report. (See CMUM 300-3.)

#

EPE INTERNAL USE ONLY



page 1

El Paso Electric Company  
 P.O. Box 982  
 El Paso, Texas 79960  
 (915) 543-5711

October 17, 1983

Ms. Barbara C. Eaton  
 Security Pacific Capital Markets Group  
 333 South Hope Street  
 Los Angeles, Calif. 90071

Dear Ms. Eaton:

Enclosed, please find completed Fuel Schedule No. 1; please have  
 the proceeds wired to:

First City National, El Paso  
 El Paso, Texas  
 El Paso Electric Acct. #45-0047-4  
 Attn: Mr. Nathan Christian

Sincerely,

R. G. Crocker  
 Treasurer

page 2

FUEL SCHEDULE NO 1

FUEL SCHEDULE NO. 1 dated as of 2 between  
 NEWTON I. WALDMAN, ESQ., not in his individual capacity but solely as Cotrustee  
 acting under and pursuant to the Rio Grande Resources Trust Agreement dated as  
 of December 15, 1978 (the "Cotrustee"), and El Paso Electric Company, a Texas  
 corporation ("El Paso").

4. Except as hereinbefore expressly modified and amended, the Contract is ratified and confirmed in all respects including, without limitation, the obligation of El Paso to pay all Periodic Installment Payments, Basic Heat Supply Payments or Fixed Installment Payments and any Additional Sales Charges and other amounts to be paid by El Paso under the Contract.

IN WITNESS WHEREOF, Cotrustee and El Paso have caused this Fuel Schedule to be duly executed as of the date first above written.

---

NEWTON I. WALDMAN, ESQ. not in his individual capacity but solely as Cotrustee of the Rio Grande Resources Trust

"Cotrustee"

EL PASO ELECTRIC COMPANY

BY \_\_\_\_\_ 4 \_\_\_\_\_

Treasurer

"El Paso"

ANNEX I (Schedule B)

| <u>Description of Property</u> | <u>Net Investment</u> | <u>Account</u> |
|--------------------------------|-----------------------|----------------|
|--------------------------------|-----------------------|----------------|

3



Sec. No.: CMUM 300-5

Page: 1 of 1

Issued: 12/83

Section: SECTION ASSISTANT

**SUBJECT:** Rio Grande Resources Trust Nuclear Fuel

**PURPOSE:** Describe the process for completing a Fuel Schedule.

**POLICY:**

1. The nuclear fuel schedule is to be completed each time El Paso Electric has nuclear fuel to sell.
2. The amount will be provided by General Accounting.

**PROCEDURE:** \*Complete the Fuel Schedule (see excerpts from five-page form on previous page) by entering the following data:

| <u>Reference Number</u> | <u>Description</u>   |
|-------------------------|--|
| 1                       | Sequential number of fuel schedules as maintained by the Section Assistant.              |
| 2                       | Date of payment as provided by Security Pacific Capitol Market Group (Barbara C. Eaton). |
| 3                       | Identify, on page 4, the type of activity--nuclear fuel or uranium venture.              |
| 4                       | Signature of Company Treasurer on both the letter and page 3.                            |

▶ NOTE: Security Pacific Capitol Market Group will wire the money to First City National Bank on the pay date.

\*Make three copies. Send the original with two copies to Rio Grande Trust. Retain one copy for Cash Management files.

\*Make a Cashier's Daily Statement when First City National Bank verifies receipt of the money. (See Cashier's Daily Statement, CMUM 400-7.)

\*File the returned Fuel Schedule copy from Rio Grande Trust which will be signed by the President of Rio Grande Trust in Cash Management, replacing the copy retained earlier.

#

EPE INTERNAL USE ONLY







Sec. No.: CMUM 300-6

Page: 1 of 2

Section: SECTION ASSISTANT

Issued: 12/83

SUBJECT: Notes Payable and Commercial Paper Outstanding

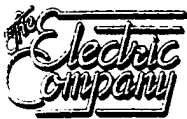
PURPOSE: To describe the process for completing the Notes Payable and Commercial Paper which is a list of outstanding notes payable for each individual bank.

- POLICY:
1. The report is prepared at the end of each month.
  2. It is based upon information acquired from the Yellow Book (see Glossary).
  3. A draft is to be prepared in pencil and the final copy is prepared only after it has been approved by the Company Treasurer

PROCEDURE: \*Complete a C-1 Notes Payable and Commercial Paper Outstanding form (see opposite) by entering the following data:

| <u>Reference<br/>Number</u> | <u>Description</u>   |
|-----------------------------|--|
| 1                           | The current month and year.  |
| 2                           | The previous month's totals for each account obtained from the previous month's C-1 Notes Payable form.  |
| 3                           | The current month's totals for each account obtained from the Journal Entry 3014.  |
| 4                           | The line of credit remains constant except for Rio Grande Resources Trust since El Paso Electric is currently borrowing on matching funds.               |
| 5                           | The unused line of credit is the same as line of credit (Item 4) unless the Company is borrowing on the line, in which case subtract Item 3 from Item 4. |
| 6                           | Total the previous month notes (Item 2), the current month notes (item 3), the line of credit (Item 4) and the unused line of credit (Item 5).           |

EPE INTERNAL USE ONLY



El Paso Electric

Sec. No.: CMUM 300-6

Page : 2 of 2

Issued : 12/83

Section: SECTION ASSISTANT

SUBJECT: Notes Payable and Commercial Paper Outstanding (Continued)

Reference  
Number

Description

▶ NOTE: Since Rio Grande Resources Trust's line of credit fluctuates, these totals will also fluctuate.

- 7 Total the Commercial Paper for the previous month and the current month with information obtained from the Commercial Paper Yellow Book. (See CMUM 400-14.).
- 8 Total the short-term debt for the previous month, current month and the line of credit. Add Items 6 and 7 in column 3 and then bring down the total under Total Bank Notes.
- 9 Subtract the current month total for short-term debt from the total line of credit.
- 10 Signature of preparer.
- 11 Company Treasurer signature.

\*Take penciled copy to Company Treasurer for approval.

\*After receiving approval, have a copy typed.

\*Send the typed copy to the Company Treasurer for final approval.

\*Make nine copies. Route one copy each to El Paso Electric's President and Chairman of the Board, Executive Vice President, Company Treasurer, Supervisor--Records & Reports, Assistant Secretary--Corporate, Financial Analyst--Rates, Assistant to Executive Vice President and Assistant to Vice President. Cash Management retains original.

▶ NOTE: Goldman Sachs and Company will call the Supervisor-Cash Management for the information.

#

EPE INTERNAL USE ONLY

El Paso Electric Company

Daily Weighted Average Balance of Bank Notes

For The Month of 1

| COLUMN<br>NO. | DAYS                           |             |
|---------------|--------------------------------|-------------|
|               | 2                              | 3           |
|               | BALANCE                        | OUTSTANDING |
| 1             |                                |             |
| 2             |                                |             |
| 3             |                                |             |
| 4             |                                |             |
| 5             |                                |             |
| 6             |                                |             |
| 7             |                                |             |
| 8             |                                |             |
| 9             |                                |             |
| 10            |                                |             |
| 11            |                                |             |
| 12            |                                |             |
| 13            |                                |             |
| 14            |                                |             |
| 15            |                                |             |
| 16            |                                |             |
| 17            |                                |             |
| 18            |                                |             |
| 19            |                                |             |
| 20            |                                |             |
| 21            |                                |             |
| 22            |                                |             |
| 23            |                                |             |
| 24            |                                |             |
| 25            |                                |             |
| 26            |                                |             |
| 27            |                                |             |
| 28            |                                |             |
| 29            |                                |             |
| 30            |                                |             |
| 31            |                                |             |
| 32            | TOTAL                          | 6           |
| 33            | Divided by days in the month   | 4           |
| 34            | Daily Weighted Average Balance | 7           |
| 35            |                                |             |
| 36            |                                |             |
| 37            |                                |             |
| 38            |                                |             |
| 39            |                                |             |
| 40            |                                |             |
| 41            |                                |             |
| 42            | Prepared by                    | 8           |
| 43            | Checked by                     | 10          |
| 44            |                                |             |
| 45            | Approved by                    | 11          |
| 46            |                                |             |
| 47            | DATE                           | 9           |
| 48            |                                |             |
| 49            |                                |             |
| 50            |                                |             |



Sec. No.: CMUM 300-7

Page: 1 of 1

Section: SECTION ASSISTANT

Issued: 12/83

SUBJECT: Daily Weighted Averages for Bank Notes

PURPOSE: To describe the process for completing the Daily Weighted Average Balance for Bank Notes.

- POLICY:
1. The Weighted Average is prepared daily to reflect new notes.
  2. The Daily Weighted Average Balance is to be based upon information obtained from the Notes Payable Report. (See CMUM 300-6.)
  3. All calculations must be double checked to insure accuracy.

PROCEDURE: \*Complete a Daily Weighted Average Balance of Bank Notes form (see opposite) by entering the following data:

| <u>Reference<br/>Number</u> | <u>Description</u>  |
|-----------------------------|---|
| 1                           | The ending date of the current month.   |
| 2                           | The total outstanding Bank Notes according to the transaction date.                               |
| 3                           | Total the days between transactions.  |
| 4                           | The number of days in the current month.  |
| 5                           | The total obtained by multiplying the outstanding days (Item 3) by the outstanding note (Item 2). |
| 6                           | The total from column 5.  |
| 7                           | The total obtained by dividing Item 6 by the number of days in the current month.                 |
| 8                           | Signature of preparer.  |
| 9                           | Preparation date.   |
| 10                          | Signature of Cash Management clerk who verifies figures and computations.                         |
| 11                          | Company Treasurer's signature.  |

\*Make one copy. Send the original to Records and Reports. Retain the copy for Cash Management files.

#

EPE INTERNAL USE ONLY

Initials Date  
 Prepared By  
 Approved By

El Paso Electric Company

Daily Weighted Average Balance of Commercial Papers  
 For the Month of 1

| COLUMN<br>WRITE |  |                                |         |                     |   | 1  |  |
|-----------------|--|--------------------------------|---------|---------------------|---|----|--|
|                 |  |                                | 2       | 3                   | 5 |    |  |
|                 |  |                                | BALANCE | DAYS<br>OUTSTANDING |   |    |  |
| 1               |  |                                |         |                     |   | 1  |  |
| 2               |  |                                |         |                     |   | 2  |  |
| 3               |  |                                |         |                     |   | 3  |  |
| 4               |  |                                |         |                     |   | 4  |  |
| 5               |  |                                |         |                     |   | 5  |  |
| 6               |  |                                |         |                     |   | 6  |  |
| 7               |  |                                |         |                     |   | 7  |  |
| 8               |  |                                |         |                     |   | 8  |  |
| 9               |  |                                |         |                     |   | 9  |  |
| 10              |  |                                |         |                     |   | 10 |  |
| 11              |  |                                |         |                     |   | 11 |  |
| 12              |  |                                |         |                     |   | 12 |  |
| 13              |  |                                |         |                     |   | 13 |  |
| 14              |  |                                |         |                     |   | 14 |  |
| 15              |  |                                |         |                     |   | 15 |  |
| 16              |  |                                |         |                     |   | 16 |  |
| 17              |  |                                |         |                     |   | 17 |  |
| 18              |  |                                |         |                     |   | 18 |  |
| 19              |  |                                |         |                     |   | 19 |  |
| 20              |  |                                |         |                     |   | 20 |  |
| 21              |  |                                |         |                     |   | 21 |  |
| 22              |  |                                |         |                     |   | 22 |  |
| 23              |  |                                |         |                     |   | 23 |  |
| 24              |  |                                |         |                     |   | 24 |  |
| 25              |  |                                |         |                     |   | 25 |  |
| 26              |  |                                |         |                     |   | 26 |  |
| 27              |  |                                |         |                     |   | 27 |  |
| 28              |  |                                |         |                     |   | 28 |  |
| 29              |  |                                |         |                     |   | 29 |  |
| 30              |  |                                |         |                     |   | 30 |  |
| 31              |  |                                |         |                     |   | 31 |  |
| 32              |  | Total                          |         |                     |   | 6  |  |
| 33              |  | Divided by days in the month   |         |                     |   | 4  |  |
| 34              |  | Daily Weighted Average Balance |         |                     |   |    |  |
| 35              |  |                                |         |                     |   | 7  |  |
| 36              |  |                                |         |                     |   | 36 |  |
| 37              |  |                                |         |                     |   | 37 |  |
| 38              |  |                                |         |                     |   | 38 |  |
| 39              |  | Prepared by                    | 8       |                     |   | 39 |  |
| 40              |  | Checked by                     | 10      |                     |   | 40 |  |
| 41              |  |                                |         |                     |   | 41 |  |
| 42              |  | Approved by                    | 11      |                     |   | 42 |  |
| 43              |  |                                |         |                     |   | 43 |  |
| 44              |  | Date                           | 9       |                     |   | 44 |  |
| 45              |  |                                |         |                     |   | 45 |  |
| 46              |  |                                |         |                     |   | 46 |  |
| 47              |  |                                |         |                     |   | 47 |  |
| 48              |  |                                |         |                     |   | 48 |  |
| 49              |  |                                |         |                     |   | 49 |  |
| 50              |  |                                |         |                     |   | 50 |  |

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Section: SECTION ASSISTANT

Issued: 12/83

**SUBJECT:** Daily Weighted Average Balance of Commercial Paper

**PURPOSE:** To describe the process for completing the Daily Weighted Average Balance of Commercial Paper form.

**POLICY:**

1. The Daily Weighted Average Balance of Commercial Paper is completed at the end of each month.
2. The Yellow Book Outstanding on Commercial Paper for the month will provide all data.
3. To insure exactness, calculation must be double checked.

**PROCEDURE:** \*Complete a Daily Weighted Average Balance of Commercial Paper form (see opposite) by entering the following data:

| <u>Reference<br/>Number</u> | <u>Description</u>  |
|-----------------------------|---|
| 1                           | Ending date of the current month.   |
| 2                           | The outstanding total in order of the transaction date. Skip days which have no activity.         |
|                             | ◆ NOTE: List all days in the month and enter notes by day not by bank.                            |
| 3                           | Total the number of days outstanding for each note.   |
| 4                           | The number of days in the current month.  |
| 5                           | The total obtained by multiplying the outstanding days (Item 3) by the outstanding note (Item 2). |
| 6                           | Total from column 5.  |
| 7                           | The results obtained by dividing Item 6 by the number of days in the month.                       |



El Paso Electric

Sec. No.: CMUM 300-8

Page: 2 of 2

Issued: 12/83

Section: SECTION ASSISTANT

SUBJECT: Daily Weighted Average Balance of Commercial Paper (Continued)

| <u>Reference Number</u> | <u>Description</u>   |
|-------------------------|--|
| 8                       | Signature of preparer.   |
| 9                       | Preparation date.  |
| 10                      | Signature of clerk in Cash Management who verifies figures and computations. |
| 11                      | Company Treasurer's signature.   |

\*Make one copy. Send the original to Records and Reports.  
Retain the copy for Cash Management files

#

EPE INTERNAL USE ONLY

EL PASO ELECTRIC COMPANY  
GENERAL ACCOUNTING MANUAL JOURNAL ENTRY

JOURNAL ENTRY NO.  
(REFERENCE)  
6103

|           |            |
|-----------|------------|
| BATCH NO. | MONTH/YEAR |
| _____     | _____      |

| ACCOUNT TITLE                          | ACCOUNT |             | COST CENTER | TAG NUMBER | AMOUNT |        |
|--|---------|-------------|-------------|------------|--------|--------|
|  | FERC    | Designation |             |            | DEBIT  | CREDIT |
| Cash<br>First City National Bank       | 1,3,1   | 0,0,1C,A    | 1,0,1       | 0,0,00     | 1      |        |
| Cash<br>El Paso National Bank          | 1,3,1   | 0,0,1C,A    | 1,0,2       | 0,0,00     |        |        |
| Cash<br>State National Bank            | 1,3,1   | 0,0,1C,A    | 1,0,3       | 0,0,00     |        |        |
| Cash<br>Interfirst-Cheimont            | 1,3,1   | 0,0,1C,A    | 1,0,5       | 0,0,00     |        |        |
| Cash<br>First National Bank-Anthony    | 1,3,1   | 0,0,1C,A    | 1,0,6       | 0,0,00     |        |        |
| Cash<br>First National Bank-Fabens     | 1,3,1   | 0,0,1C,A    | 1,0,7       | 0,0,00     |        |        |
| Cash<br>Van Horn State Bank            | 1,3,1   | 0,0,1C,A    | 1,0,8       | 0,0,00     |        |        |
| Cash<br>Bank of Sierra Blanca          | 1,3,1   | 0,0,1C,A    | 1,0,9       | 0,0,00     |        |        |
| Cash<br>Interfirst Bank of El Paso     | 1,3,1   | 0,0,1C,A    | 1,1,4       | 0,0,00     |        |        |
| Cash<br>Mercantile Bank-Dallas         | 1,3,1   | 0,0,1C,A    | 1,1,5       | 0,0,00     |        |        |
| Cash<br>Franklin National Bank         | 1,3,1   | 0,0,1C,A    | 1,1,6       | 0,0,00     |        |        |
| Cash<br>Citizens Bank-Las Cruces       | 1,3,1   | 0,0,1C,A    | 2,0,1       | 0,0,00     |        |        |
| Cash<br>First National Bank-Las Cruces | 1,3,1   | 0,0,1C,A    | 2,0,2       | 0,0,00     |        |        |
| Cash<br>Western Bank-Las Cruces        | 1,3,1   | 0,0,1C,A    | 2,0,3       | 0,0,00     |        |        |
| <b>TOTALS</b>                          |         |             |             |            |        |        |

| ACCOUNT TITLE                                 | ACCOUNT |             | COST CENTER | TAG NUMBER | AMOUNT |        |
|---|---------|-------------|-------------|------------|--------|--------|
|   | FERC    | Designation |             |            | DEBIT  | CREDIT |
| Cash<br>Bank of Dona Ana County-Hatch         | 1,3,1   | 0,0,1C,A    | 2,0,4       | 0,0,00     |        |        |
| Cash<br>Bank of Las Cruces                    | 1,3,1   | 0,0,1C,A    | 2,0,5       | 0,0,00     |        |        |
| Cash<br>Bank of America-L.A.                  | 1,3,1   | 0,0,1C,A    | 5,0,1       | 0,0,00     |        |        |
| Cash<br>Chase Manhattan-N.Y.                  | 1,3,1   | 0,0,1C,A    | 5,0,2       | 0,0,00     |        |        |
| Cash<br>Irving Trust Company-N.Y.             | 1,3,1   | 0,0,1C,A    | 5,0,3       | 0,0,00     |        |        |
| Cash<br>Cit Bank-Houston                      | 1,3,1   | 0,0,1C,A    | 5,0,4       | 0,0,00     |        |        |
| Cash<br>Horseshoe Guaranty Trust              | 1,3,1   | 0,0,1C,A    | 5,0,5       | 0,0,00     |        |        |
| Cash<br>First Pennsylvania Bank               | 1,3,1   | 0,0,1C,A    | 5,0,6       | 0,0,00     |        |        |
| Cash<br>State Street Trust                    | 1,3,1   | 0,0,1C,A    | 5,0,7       | 0,0,00     |        |        |
| Cash<br>Mar Midland Bank                      | 1,3,1   | 0,0,1C,A    | 5,0,8       | 0,0,00     |        |        |
| Cash<br>Northern Trust Company                | 1,3,1   | 0,0,1C,A    | 5,0,9       | 0,0,00     |        |        |
| Cash<br>Bank of New York-N.Y.                 | 1,3,1   | 0,0,1C,A    | 5,1,0       | 0,0,00     |        |        |
| Customer Accounts Receivable<br>Customers ARC | 1,4,2   | 0,0,1       |             | 0,0,00     |        | 2      |
| Customer Accounts Receivable<br>Customer-ARJ  | 1,4,2   | 0,0,2       |             | 0,0,00     |        |        |
| <b>TOTALS</b>                                 |         |             |             |            |        |        |



EL PASO ELECTRIC COMPANY  
GENERAL ACCOUNTING MANUAL JOURNAL ENTRY

JOURNAL ENTRY NO.  
(REFERENCE)  
6103

BATCH NO. \_\_\_\_\_ MONTH/YEAR \_\_\_\_\_

| ACCOUNT TITLE   | ACCOUNT      |             | COST CENTER | TAG NUMBER | AMOUNT |        |
|---|--------------|-------------|-------------|------------|--------|--------|
|   | FERC         | Designation |             |            | DEBIT  | CREDIT |
| Other Accounts Receivable<br>Miscellaneous-ARM                            | 1,4,30,0,1   |             | 0,0,0,0     |            |        | 3      |
| Other Accounts Receivable<br>Employee Merchandise                         | 1,4,30,10,12 |             | 0,0,0,0     |            |        | 4      |
| Customer Deposits<br>Active   | 2,3,50,0,1   |             | 0,0,0,0     |            |        | 5      |
| Miscellaneous Deferred Debits<br>Cashier Overages/Shortages               | 1,8,60,0,4   |             | 0,0,0,0     |            |        | 6      |
| Accum. Pro. for Uncollectible<br>Accounts-Customer                        | 1,4,40,0,1   |             | 0,0,0,0     |            |        | 7      |
| Accounts Receivable from Associated<br>Companies-Franklin Land & Resource | 1,4,60,0,1   |             | 0,0,0,0     |            |        | 8      |
| Customer Stock Purchase Plan  | 2,4,20,1,6   |             | 0,0,0,0     |            |        | 9      |
| Unassignable Cash   | 2,5,30,1,0   |             | 0,0,0,0     |            |        |        |
| Other Electric Revenues<br>Texas  | 4,5,60,0,1   |             | 0,0,0,0     |            |        |        |
| Notes Payable<br>Commercial Paper   | 2,3,10,10,12 |             | 0,0,0,0     |            |        | 10     |
| Prepayments<br>Interest on Commercial Paper                               | 1,6,50,0,5   |             | 0,0,0,0     |            |        | 11     |
| Temporary Cash Investments  | 1,3,60,0,1   |             | 0,0,0,0     |            |        | 12     |
| Interest and Dividend Income<br>First City National-Houston               | 4,4,90,0,3   |             | 0,0,0,0     |            |        |        |
| Misc. Current-Accrued Liabilities<br>Dividend Reinvestment Plan           | 2,4,20,0,8   |             | 0,0,0,0     |            |        |        |
| <b>TOTALS</b>   |              |             |             |            |        |        |

| ACCOUNT TITLE | ACCOUNT    |             | COST CENTER | TAG NUMBER | AMOUNT |        |
|---------------|------------|-------------|-------------|------------|--------|--------|
|               | FERC       | Designation |             |            | DEBIT  | CREDIT |
| Nuclear Fuel  | 1,8,60,0,1 | A,N,0,1     | 0,0,0,0     |            |        |        |
|               |            |             |             |            |        | 13     |
|               |            |             |             |            |        |        |
|               |            |             |             |            |        |        |
|               |            |             |             |            |        |        |
|               |            |             |             |            |        |        |
|               |            |             |             |            |        |        |
|               |            |             |             |            |        |        |
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|               |            |             |             |            |        |        |
|               |            |             |             |            |        |        |
|               |            |             |             |            |        |        |
|               |            |             |             |            |        |        |
| <b>TOTALS</b> |            |             |             |            |        |        |
|               |            |             |             |            | 14     | 15     |

ENTRY TITLE Cash Receipts  
16 CHECKED BY: 17 APPROVED BY: 18



Sec. No.: CMUM 300-9  
Page: 1 of 2  
Issued: 12/83

Section: SECTION ASSISTANT

SUBJECT: General Accounting Manual Journal Entry 6103  
PURPOSE: To describe the process for completing Journal Entry 6103.  
POLICY: 1. General Accounting will send a monthly preprinted form for this report to Cash Management.  
2. General Accounting will set the completion deadline for Cash Management.  
3. Cash Management is to obtain Cashier's Daily Statements for the month from each outlying office.  
PROCEDURE: \*Complete the Manual Journal Entry 6103 (see opposite) with the following data:

Reference Number                      Description

1                      Debit each bank account by entering the total from the Balance Forward on the Cashier's Daily Statement for each office.

▶ NOTE: The Trawood and Chelmont office accounts are entered as a single total under the Interfirst bank account.

El Paso cashiers, El Paso mail and special (CSPPs, Uranium Venture, Dividend Reinvestment, Nuclear Fuel, Cash Investments, Pollution Control, Texas-New Mexico Power and Mutual Insurance) accounts are entered as a single total under the First City National Bank account.

2                      Credit ARCs.

3                      Credit ARMs. Verify total from General Accounting by running a second tape.

4                      Credit ARM-Merchandise. Verify the total from General Accounting by running a second tape.



Sec. No.: CMUM 300-9

Page: 2 of 2

Issued: 12/83

Section: SECTION ASSISTANT

SUBJECT: General Accounting Manual Journal Entry 6103 (Continued)

| <u>Reference Number</u> | <u>Description</u>  |
|-------------------------|---|
| 5                       | Credit customer deposits. Verify the total with Customer Accounting by running a second tape.           |
| 6                       | Credit overages.  |
| 7                       | Credit UARs.  |
| 8                       | Credit Franklin Land & Resources Inc.   |
| 9                       | Credit CSPP.  |
| 10                      | Credit Notes Payable on Commercial Paper.   |
| 11                      | Debit interest on Commercial Paper.   |
| 12                      | Credit Temporary Cash Investment.   |
| 13                      | Credit all remaining items on the Cashier's Daily Statement not yet entered by type and account number. |
| 14                      | Total debits.   |
| 15                      | Total credits   |

▶ NOTE: Debits must equal credits giving a zero balance.

\*A Cash Management clerk verifies each figure and all totals. After the clerk has verified the information, make an original copy.

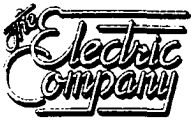
- 16 Signature of preparer.
- 17 Signature of verifying clerk.
- 18 Company Treasurer's approval.

\*Make one copy. Route the original to General Accounting. Retain copy for Cash Management's files.

\*Route Cashier's Daily Statement to Customer Accounting. When returned, Cash Management files by outlying offices.

#

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Section: SECTION ASSISTANT

Issued: 12/83

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**SUBJECT:** Bank Reconciliation**PURPOSE:** To reconcile Cash Management's Green Sheet balance (CMUM 400-17) with all bank statements.**PROCEDURE:** \*After receiving bank statements during the first week of each month from each of the active accounts, make one copy of each.

\*Send the original to General Accounting. Retain the copy for reconciliation procedures.

\*Using the copy of the bank statements and Green Sheet maintained daily during the month, verify that the Green Sheet debits and credits (wire transfer and Insufficient checks) correspond to the bank's record of transactions on the statement.

\*Match each bank debit with a debit indicated on the Green Sheet in black ink.

\*Match each bank credit with a credit indicated on the Green Sheet in red ink.

▶ **NOTE:** Insufficient checks itemized daily on bank statements are reflected in the total credits on the Green Sheets. Therefore, they will have to be totaled to balance with bank statements.

\*To correct errors, make correction on the Cash Balance Sheet next to the error and adjust the Green Sheet for the following day by the amount of the correction.

#



Sec. No.: CMUM 300-11

Page: 1 of 1

Issued: 12/83

Section: SECTION ASSISTANT

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**SUBJECT:** Amarillo

**PURPOSE:** To describe the process for transferring payment for transmission line expenditures to Southwest Public Service.

**POLICY:** Southwest Public Service calls Cash Management approximately twice a week with two figures--the total amount due and El Paso Electric's share of the amount due.

**PROCEDURE:** \*Call First City National Bank with transfer instructions of the Company's share of the payment. Transfer payment to the First National Bank of Amarillo, Texas.

\*Prepare requisition voucher. (See CMUM 400-13.)

\*Enter the total amount and El Paso Electric's share in the Transmission Line Book. (See Glossary.)

\*When the credit slip is returned from First National Bank of Amarillo, retain it for reconciling bank statement at the end of the month. (See CMUM 300-10.)

#

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El Paso Electric

Sec. No. CMUM 300-12

Page : 1 of 1

Issued : 12/83

Section: SECTION ASSISTANT

SUBJECT: Texas-New Mexico Power

PURPOSE: To describe the process for transferring money from Texas-New Mexico Power to First City National Bank.

POLICY: The Records and Reports Section of El Paso Electric provides Cash Management with a written report indicating the amount to be paid by Texas-New Mexico Power for use of the Amrad/Artesia Interconnection (Project 0440).

PROCEDURE: \*Call Texas-New Mexico Power (817-335-3311) giving the total amount of the bill.

▶ NOTE: Texas-New Mexico Power will wire transfer amount to El Paso Electric's account at First City National Bank.

\*When the deposit receipt from First City National Bank arrives in Cash Management, post the amount to the daily Cash Balance Sheet currently being prepared.

\*Enter the amount on the Journal Entry 6103 at the end of the month.

#

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# Moody's Investors Service

## Commercial Paper

99 Church Street, New York, N.Y. 10007 (212) 553-0368

September 30, 1983

### QUARTERLY BORROWING FORM

(Millions of Dollars)

|   | Max.<br>3rd Qtr.<br><u>1983</u> | Min.<br>3rd Qtr.<br><u>1983</u> | Avg. Daily<br>3rd Qtr.<br><u>1983</u> | As of<br>Sept. 30.<br><u>1983</u> | Antic.<br>Dec. 31.<br><u>1983</u> <input type="checkbox"/> | Antic.<br>Mar. 31<br><u>1984</u> <input type="checkbox"/> | Antic.<br>June 30,<br><u>1984</u> <input type="checkbox"/> |
|---|---------------------------------|---------------------------------|---------------------------------------|-----------------------------------|--|---|--|
| (1) Total short-term bank lines                   | 1a                              | 1b                              |                                       | 5                                 | 9  | 10  | 11   |
|   |                                 |                                 |                                       |                                   |  |   |  |
| (2) Total other lines <input type="checkbox"/>    | 2                               | 2                               |                                       |                                   |  |   |  |
|   |                                 |                                 |                                       |                                   |  |   |  |
| (3) Short-term bank debt <input type="checkbox"/> | 3a                              | 3b                              |                                       | 3c                                |  |   |  |
|   |                                 |                                 |                                       |                                   |  |   |  |
| (4) Commercial paper <input type="checkbox"/>     | 4a                              | 4b                              |                                       | 6                                 |  |   |  |
|   |                                 |                                 |                                       |                                   |  |   |  |
| (5) Master Notes                                  |                                 |                                 |                                       |                                   |  |   |  |
| (6) Total short-term debt                         |                                 |                                 |                                       | 7                                 | 12   | 13  | 14   |
|   |                                 |                                 |                                       |                                   |  |   |  |
| (7) Assumed long-term financings                  |                                 |                                 |                                       |                                   | 15   | 16  | 17   |
|   |                                 |                                 |                                       |                                   |  |   |  |
| (8) Name(s) of commercial paper dealer(s)         |                                 | 8                               |                                       |                                   |  |   |  |
|   |                                 |                                 |                                       |                                   |  |   |  |

- Explain (i.e., revolving credit, etc.)
- Please do not net short-term investments here; show such investments on reverse side of this sheet.
- Please explain any difference from amount shown in quarterly balance sheets and 10Q's.
- This information is for Moody's confidential use.

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|                 |                      |
|-----------------|----------------------|
| Name of Company | Authorized Signature |
|-----------------|----------------------|

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Sec. No.: CMUM 300-13

Page : 1 of 2

Issued : 12/83

Section: SECTION ASSISTANT

SUBJECT: Moody's Investors Service

PURPOSE: To describe the completion of the Quarterly Borrowing Form for Moody's Investors Service.

- POLICY:
1. The form is to be prepared quarterly for Moody's Investors Service.
  2. The report form will be supplied by Moody's.
  3. The report is based upon information from the account analysis, the C-1 Form, the Outstanding Notes Payable Report and the Commercial Paper Weighted Averages Report for the past three months.

PROCEDURE: \*Complete a Moody's Investor Service Report (see opposite) by entering the following data:

| <u>Reference Number</u> | <u>Description</u>   |
|-------------------------|--|
| 1a-1b                   | <u>Total short-term bank lines. Maximum for the quarter.</u> Using the weighted average totals for short-term notes select the maximum and the minimum total as supplied by the Commercial Paper Weighted Averages Report. |
| 2                       | <u>Total other lines.</u> Always NA (Not Applicable).  |
| 3a-3b                   | <u>Short-term bank debt.</u> Totals from C-1 Form (Outstanding Notes Payable) Item 4.  |
| 3c                      | <u>Short-term bank debt</u> as of the end of the quarter.  |
| 4a-4b                   | Commercial Paper, Maximum and Minimum for the quarter. Totals from the Commercial Paper Weighted Averages, Column 1.   |

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El Poso Electric

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Sec. No.: CMUM 300-13

Page: 2 of 2

Issued: 12/83

Section: SECTION ASSISTANT

SUBJECT: Moody's Investors Service (Continued)

| <u>Reference<br/>Number</u> | <u>Description</u>  |
|-----------------------------|---|
| 5                           | Total short-term bank lines as of the end of the quarter as reflected by the last total on the weighted averages for Outstanding Notes Payable. |
| 6                           | Commercial Paper as of the end of the quarter. Use the last total on the Commercial Paper Weighted Averages.                                    |
| 7                           | Total short-term debt, the sum of Item 6 and Item 3c.   |
| 8                           | Name of Commercial Paper dealer. Goldman, Sachs and Company.  |
| 9-17                        | Completed by the Company Treasurer.   |
| 18                          | Authorized signature of the Company Treasurer.  |

\*After completing Reference Numbers one through eight, take the partially completed form to the Company Treasurer.

\*When returned, have the penciled copy typed.

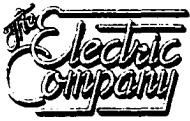
\*Have Company Treasurer sign typed copy.

\*Make two copies of the typed original. Send original to Moody's Investors Service at the address on the form. Reroute one copy to the Company Treasurer. Retain one copy for Cash Management. File.

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El Paso Electric

Sec. No.: CMUM 300-14

Page: 1 of 1

Issued: 12/83

Section: SECTION ASSISTANT

SUBJECT: Mercantile Lockbox

PURPOSE: To describe the crediting of customer accounts when checks have been cleared through the Mercantile Bank in Dallas, Texas.

- POLICY:
1. The Mercantile Bank acts as a clearing house for non-local commercial customers whose monthly statements exceed \$500.
  2. The Mercantile Bank processes checks, sending a copy of the check and all other contents of the envelope to Cash Managemet through the U.S. mail.

PROCEDURE: \*Verify that the total on the copy of the check corresponds with the amount due on the bill stub.

▶ REMINDER: Some checks may not be accompanied by the bill stub in which case the terminal must be consulted to obtain original billing data. (See Machines.)

\*Run a tape to verify that stubs balance with deposit slip. If information is obtained from the terminal, make a dummy bill stub. (See CMUM 400-11.)

\*Batch all Mercantile check copies and stubs and send to Data Entry for crediting of customer accounts.

\*When Data Entry returns the batch, it is accompanied by a transmittal slip verifying the deposit.

\*Post verified total to Cash Sheet.

#

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|    |           | CASH BALANCE THROUGH            |     |
|----|-----------|---------------------------------|-----|
|    |           | 2                               | 1   |
| \$ | 100,000   | Bank of Las Cruces              | 3   |
|    | 300,000   | Citizens State Bank, Las Cruces |     |
|    | **        | First National, Anthony         |     |
|    | **        | First National, Hatch           |     |
|    | 400,000   | First National, Las Cruces      |     |
|    | 250,000   | Western Bank, Las Cruces        |     |
|    | **        | Bank of Sierra Blanca           |     |
|    | 50,000    | First National, Fabens          |     |
|    | **        | Van Horn State Bank             |     |
|    | 300,000   | American Bank of Commerce       |     |
|    | 500,000   | Interfirst, Chelmont            |     |
|    | 200,000   | Coronado State Bank             |     |
|    | 1,000,000 | El Paso National Bank           |     |
|    | 1,125,000 | First City National Bank        |     |
|    | **        | First State Bank                |     |
|    | 500,000   | State National Bank             |     |
|    | **        | Franklin National Bank          |     |
|    | **        | Interfirst of El Paso           |     |
|    | **        | Mercantile Bank, Dallas         |     |
|    | **        | TOTAL LOCAL BANKS               | 5 5 |
|    | 100,000   | Bank of America                 |     |
|    | 1,500,000 | Chase Manhattan, N.Y.           |     |
|    | 100,000   | First National City, N.Y.       |     |
|    | 500,000   | First Pennsylvania Bank         |     |
|    | 1,000,000 | Irving Trust Co., N.Y.          |     |
|    | 800,000   | Marine Midland                  |     |
|    | 100,000   | Morgan Guaranty Trust Co., N.Y. |     |
|    | 600,000   | Northern Trust Co.              |     |
|    | 325,000   | State Street, Boston, Mass.     |     |
|    | **        | Bank of New York                |     |
|    | **        | TOTAL NONLOCAL BANKS            | 4 4 |
|    | **        | TOTAL CASH                      | 6 6 |



Section: SECTION ASSISTANT

Issued: 12/83

SUBJECT: Cash Balance Sheet

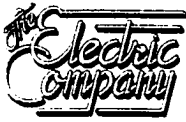
PURPOSE: To describe the process for updating the Cash Balance Sheet which reflects the total balance of each bank, local and non-local, on a given day. All transactions (debits and credits) for the previous day are posted on the sheet.

- POLICY:
1. All vouchers and cash sheets needed to complete the Cash Balance Sheet are delivered to the Cash Balance clerk first thing in the morning. They include: Cashier's Daily Statement, Insufficient Checks, Check Register, Vendor Register, Banklink and Commercial Paper Data Sheet.
  2. The Cash Balance Sheet must be completed as soon after 11 a.m. as possible.
  3. Credits are to be written in RED ink, debits in PENCIL and totals in BLACK ink.

PROCEDURE: \*Complete the Cash Balance Sheet (see opposite) by entering the following data:

| <u>Reference Number</u> | <u>Description</u>  |
|-------------------------|---|
| 1 & 2                   | Post credits (Ref. 1) and debits (Ref. 2) using the following information:  |
| A                       | Cashier's Daily Statement--take the total deposit made to each bank as is indicated on the debit (bottom half) side of the statement. Debit the corresponding bank.   |
| B                       | Insufficient checks--credit the corresponding bank's account with the amount of the insufficient check deposits made by an outlying office.   |
| C                       | Check Register (computer printout of check disbursements)--credit First City National Bank with the total.  |
| D                       | Vendor Register--credit First City National Bank with the total of all No. 3000-99999 accounts.   |
| E                       | Banklink--credit each bank and debit the total to First City National Bank. (Banklink information is received with a written copy and an IBM copy. Verify that all deposits on the IBM copy are reflected on the written copy.) |

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El Paso Electric

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Sec. No.: CMUM 300-15

Page: 2 of 2

Section: SECTION ASSISTANT

Issued: 12/83

SUBJECT: Cash Balance Sheet (Continued)

| <u>Reference Number</u> | <u>Description</u>   |
|-------------------------|--|
| F                       | Commercial Paper Data Sheet—debit and credit according to the information received from Goldman, Sachs and Company.  |
| 3                       | Reconcile each account with the previous day's balance by:<br><br>Adding debits to and subtracting credits from the previous day's balance.<br><br>This will yield the balance for the day for each bank.  |
| 4                       | Total non-local bank balances for the day.   |
| 5                       | Total local bank balances for the day.   |
| 6                       | Total cash—if the total of the local banks is in the RED, subtract the total from the total balance of the non-local banks and enter. If neither is in the RED, add the totals from the local banks and the non-local banks and enter. If both totals are in the BLACK, there is a positive total cash. If one is in the RED, subtract the difference. There will be a positive and negative cash. |

\*Forward cash sheets and vouchers to Cash Management clerk preparing the Green Sheet.

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El Paso Electric

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Sec. No.: GMUM 400-1

Page : 1 of 2

Section: CLERKS - CASH MANAGEMENT

Issued : 12/83

SUBJECT: Scope of Responsibility

SCOPE OF RESPONSIBILITY: Five Cash Management clerks are responsible for performing Cash Management clerical and typing tasks as specified under job duties. Each clerk participates in the sorting and processing of bill payments made by residential and commercial customers through the U.S. mail. When this process is complete, each clerk becomes responsible for specific procedures which contribute to the overall function of the Cash Management Section. The five clerks rotate job responsibilities every three months.

JOB DUTIES: \*Sorts and balances incoming checks and remittance stubs received through the U.S. mail.

\*Performs each of the following on a three-month rotational basis:

-Balances batch totals and then prepares checks for bank deposit after verifying that invoice totals match voucher total;

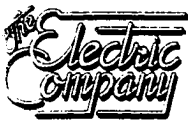
-Signs and mails accounts payable checks after verifying that invoice totals match voucher totals;

-Receives batch sheets, batches (remittance stubs) and Daily Cashier's Statements from outlying service area offices; reconciles any difference between Cashier's Daily Statements and batch control report; contacts outlying office to correct figures when necessary; carries forward balances for each location on the Cashier's Daily Statement;

-Receives call from Commercial Paper dealer to ascertain how much Paper has matured and how much has been sold; manually records notes outstanding in Commercial Paper ledger and records date in tickler files; prepares voucher to record maturity of a note; prepares cash sheet for all new notes; prepares amortization schedule for all notes outstanding;

-Updates Cash Balance Sheet for each bank, local and non-local; carries forward daily balances for each of the 11 Company offices.

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El Paso Electric

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Sec. No: CMUM 400-1

Page: 2 of 2

Issued: 12/83

Section: CLERKS - CASH MANAGEMENT

SUBJECT: Scope of Responsibility (Continued)

\*Accesses Banklink via computer terminal and receives daily balance report and check clearings (control disbursement) by 8:30 a.m.

\*Accesses Banklink via computer terminal and receives daily deposit report by 2:30 p.m. Immediately contacts outlying service area offices which have failed to report.

\*Performs other clerical duties as required by Supervisor-Cash Management.

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El Paso Electric

Section: CLERKS

Issued: 12/83

**SUBJECT:** Crediting Residential and Commercial Customer Accounts

**PURPOSE:** To describe the process of crediting residential and commercial customer accounts with monthly electric bill payments made by check only through the United States mail.

**GENERAL**

**POLICIES:**

1. Each Monday through Friday morning, monthly bill payments are sorted in the Company's mail room according to color-coded envelopes and delivered to Cash Management from the mail room by 8 a.m. Mail room deliveries also include payments made in non-Company envelopes. The mail room slits each envelope for easy handling by the Cash Management personnel.
2. There are three types of "mail":
  - A. Specials - Specials include yellow-coded envelopes and legal letter sized non-Company envelopes containing payments in excess of \$500 from large commercial accounts.

▶ NOTE: Contents of these envelopes have to be posted and processed for bank deposit by 10 a.m. in order for the Company to gain use of the money on that particular day.
  - B. Regular Mail - Contents of all other Company envelopes and any non-Company envelopes containing payments must be posted and processed for bank deposit by 2:15 p.m.
  - C. Bank Drafts - Customer bills delivered in duplicate represent residential and commercial bills sent directly to the bank for payment.
3. Cash Management personnel checks each envelope to insure that it contains a stub and a check.
  - A. When a check is remitted without a bill stub, a blank stub must be completed. To obtain the account number and any other pertinent information not available on the check, the terminal is consulted. (See Machines, CMUM 500-3)
  - B. When a stub not accompanied by a check is received, the stub is sent to the Customer Accounting Department.
4. Cash payments are not handled by Cash Management. Cash payments are collected until the mail procedure is completed, then cash is sent to the head cashier. The cash book maintained by the head cashier must be signed when delivery is made.
5. Notes, disconnect notices or any other form of communication are to be sent to Customer Accounting.

#

**EPE INTERNAL USE ONLY**





El Paso Electric

Sec. No.: CMUM 400-3

Page: 1 of 2

Issued: 12/83

Section: CLERKS

SUBJECT: Regular Mail

PURPOSE: To describe the procedure for processing the regular mail and preparing it for bank deposit.

PROCEDURE: \*Remove the contents of each envelope through one of the following processes:

- A. Machine-open. (See Machines, CMUM 500-5.)
- B. Hand open, removing the contents of each envelope. After the contents are removed, separate into the following stacks: monthly bill payments and monthly bill payments containing: Project CARE donations, ARMs (Accounts Receivable Merchandise or Accounts Receivable Miscellaneous), UARs (Uncollectible Accounts Receivable), CSPP (Customer Stock Purchase Plan), Franklin Land & Resources Inc., and Texas-New Mexico Power Company.

▶ NOTE: Each of these classes will be handled separately.

\*On monthly bill payments, verify that the enclosed check is "payable to" El Paso Electric Company. Stamp El Paso Electric Company on any check not made out to anyone else. If it is made out to someone else, but endorsed on the back, process it. If it is not endorsed, send the check to Customer Accounting.

\*Verify that the amount of the check (both printed and written) corresponds to the amount due printed on the bill stub. If the amounts do not correspond, line out the "amount due" on the bill stub and immediately write the actual amount of the check above the original "amount due" on the bill stub. When more than one stub is presented with a payment in one check, verify that the amount on the check totals the amount on the stubs. If the stubs' combined total of does not equal the amount of the check, total the amounts of the smaller "amount due" stubs. Subtract that total from the check amount. Adjust the larger "amount due" stub by lining out the "amount due" and writing in the difference between the check and the stub.

\*Verify that the numerical (printed) and written amount on the check correspond. If the amounts do not, adjust the numerical amount on the check up to \$15 to match the written amount. If the amount to be adjusted is more than \$15, send the check to Customer Accounting.

\*Verify that the check is signed or, in the case of a two-party check, endorsed. If it is not signed or endorsed, send it to Customer Accounting.

EPE INTERNAL USE ONLY



El Paso Electric

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Sec. No.: CMUM 400-3

Page: 2 of 2

Section: CLERK

Issued: 12/83

SUBJECT: Regular Mail (Continued)

\*Separate the checks with corresponding bill stubs into stacks according to the length of the checks--long and short. Stacking by size insures easy handling and helps avoid lost checks.

\*Make batches of approximately 250 checks with the corresponding bill stub on top of each check. Bind each batch with a rubber band.

\*Send bound batches to Data Entry each hour until all checks and stubs for the day have been processed. Log the number of batches and the time sent in the Log Book. Data Entry will process the checks and return them with a keypunched tape upon completion of processing.

▶ **REMINDER:** To provide a double check for reconciliation, Cash Management personnel must use the written amount on the check, while Data Entry will use the printed or numerical amount. This provides a double check for reconciliation of the tapes.

\*Run a verification tape of the cancelled checks for each batch returned from Data Entry to insure that all checks are accounted for. Make sure that this tape balances with the keypunched tape accompanying the checks. If the Data Entry and Cash Management tapes do not balance, compare the two tapes for a missing amount or an incorrectly punched amount. Data Entry tapes have the check quantity and the numerical order of each check within the batch enabling errors to be found more quickly. Errors are generally of two types:

1. The numerical (printed) and written amounts on the checks do not correspond. In this case, correct the numerical figure by adjusting it to match the written amount. Make two copies of the check before making the adjustment. Then correct Data Entry's verification tapes. Make the correction next to the error and correct the tape total. Take the entire batch along with one copy of the check to Data Entry for check correction and correct crediting of the customer's account and tape.
2. A check is missing from the batch. In this case, track it through Data Entry.

\*Complete a Cashier's Daily Report. (See Mail Closing, CMUM 400-1.)

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EPE INTERNAL USE ONLY



El Paso Electric

49

Sec. No.: CMUM 400-3

Page : 2 of 2

Issued : 12/83

Section: CLERK

SUBJECT: Regular Mail (Continued)

\*Separate the checks with corresponding bill stubs into stacks according to the length of the checks--long and short. Stacking by size insures easy handling and helps avoid lost checks.

\*Make batches of approximately 250 checks with the corresponding bill stub on top of each check. Bind each batch with a rubber band.

\*Send bound batches to Data Entry each hour until all checks and stubs for the day have been processed. Log the number of batches and the time sent in the Log Book. Data Entry will process the checks and return them with a keypunched tape upon completion of processing.

▶ REMINDER: To provide a double check for reconciliation, Cash Management personnel must use the written amount on the check, while Data Entry will use the printed or numerical amount. This provides a double check for reconciliation of the tapes.

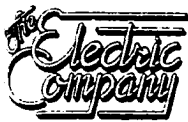
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1. The numerical (printed) and written amounts on the checks do not correspond. In this case, correct the numerical figure by adjusting it to match the written amount. Make two copies of the check before making the adjustment. Then correct Data Entry's verification tapes. Make the correction next to the error and correct the tape total. Take the entire batch along with one copy of the check to Data Entry for check correction and correct crediting of the customer's account and tape.
2. A check is missing from the batch. In this case, track it through Data Entry.

\*Complete a Cashier's Daily Report. (See Mail Closing, CMUM 400-1.)

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EPE INTERNAL USE ONLY



El Paso Electric

Sec. No.: CMUM 400-4

Page: 1 of 2

Section: CLERKS

Issued: 12/83

SUBJECT: Specials

PURPOSE: To describe the procedure for processing the Mail Specials and preparing them for bank deposit.

PROCEDURE: \*Hand open, removing the contents of the white-or orange-banded envelopes.

\*Verify that the check is "payable to" El Paso Electric Company. A check payable to anyone else must be payable to El Paso Electric Company. If it is made out to someone else and not endorsed to El Paso Electric Company, send the check to Customer Accounting. If it is endorsed to El Paso Electric Company, process it.

\*Verify that the amount of the check (both printed and written) corresponds to the "amount due" printed on the bill stub. If they do not correspond, line out the "amount due" on the bill stub and immediately write the actual amount of the check above it.

When more than one stub is presented with a payment in one check, verify, by adding the stub amounts, that the amount on the check equals the total of the stub amounts. If the check amount does not equal the combined total of the stubs, adjust the stub showing the larger "amount due."

After totaling the amounts of the smaller "amount due" stubs, subtract the total from the check amount. Adjust the larger "amount due" stub by lining out the "amount due" and writing in the difference between the check and the stub totals.

\*Verify that the numerical and written amounts on the check correspond. If they do not correspond, adjust the numerical (printed) amount on the check up to \$15 to match the written amount. If the amount to be adjusted is more than \$15, send the check to Customer Accounting.

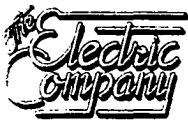
\*Verify that the check is signed (or if it is a two-party check, verify an endorsement to El Paso Electric). If it is not signed or endorsed, send it to Customer Accounting.

\*Separate the checks and the corresponding stubs into two separate stacks: a) checks drawn on local banks into one stack; and b) checks drawn on out-of-town banks. Stack each stub on the top of its corresponding check.

▶ REMINDER: When running a tape, Cash Management personnel uses up the written amount, not the printed amount, on the check.

\*Run a tape of the checks drawn on out-of-town banks and obtain the total.

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El Paso Electric

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Sec. No.: CMUM 400-4

Page : 2 of 2

Issued : 12/83

CLERKS

Section:

SUBJECT: Specials (Continued)

\*Run a tape of checks drawn on local banks and obtain the total.

\*Combine the two totals by adding, circling the local bank total.

\*Verify each of the above totals by running a second tape. If the total amounts of the second set of tapes match the first tapes, they have balanced.

\*Deliver one of the two combined-totaled tapes to the supervisor of Cash Management as early in the morning as possible. The supervisor uses the total of the local bank drafts in determining the daily financial position of the Company.

\*Take both the local bank drafts and the out-of-town bank drafts to the Data Entry Section where customer accounts are credited. Data Entry will process the checks and return them with a keypunched tape upon completion of processing.

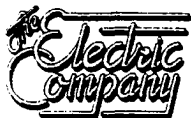
\*When the checks are returned from Data Entry, run a verification tape. This is to insure that all checks are accounted for. By comparing totals, verify that this tape balances with the tapes produced earlier and with the keypunched tape from Data Entry. If they do not balance, compare the tapes for a missing amount or an incorrectly punched amount. Discern whether the error is on the Cash Management or Data Entry tape. If it is Cash Management's, adjust the tape. If the error is on the Data Entry tape, return for proper crediting.

\*Prepare a deposit slip for the First City National Bank when the tapes have been balanced. Deliver all the checks, local and out-of-town, along with the deposit slip and keypunched tape, to the head cashier for armored car pickup.

\*Complete a "Cashier's Daily Report" (See CMUM 400-7.)

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EPE INTERNAL USE ONLY



El Paso Electric

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Sec. No.: CMUM 400-5

Page: 1 of 1

Issued: 12/83

Section: CLERKS

SUBJECT: Bank Drafts

PURPOSE: To describe the preparation of monthly bank draft bill payments for crediting to the customer's account and bank deposit.

POLICY: All bank draft accounts are handled through El Paso National Bank except the State National Bank and State National-West which handle their own.

PROCEDURE: \*Separate, along the perforated line, the bill stub (top half) from the bottom half of the bill, insuring that both copies of the bill stay together.

▶ NOTE: One copy of the bill represents the "bill" and will remain in Data Entry, the other copy represents the "check" and will be handled as a canceled check.

\*Separate the two copies of the bills into stacks:

- a. Those designated for the State National Bank and the State National Bank-West.
- b. Those designated for all other banks.

▶ NOTE: Bills that are not bank drafts must be sent to Customer Accounting.

\*Make batches, keeping State National and all other banks separate, of approximately 250 bank drafts. Bind with rubber band.

\*When bank drafts are bound, process the bank drafts as Regular Mail until closing. (See Regular Mail, CMUM 400-3.)

▶ NOTE: When bank drafts are returned from Data Entry, a Cash Management clerk runs a tape to make sure that Data Entry picked up the correct amount.

\*At closing, bundle all bank draft "checks" for the State National Bank and State National Bank-West together. Complete deposit slip.

Bundle all other bank draft "checks" and complete a deposit slip for El Paso National Bank.

\*Deliver to each bank daily.

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EPE INTERNAL USE ONLY





Section: CLERKS

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**SUBJECT:** Separate Handling of Items Other Than Regular Mail**PURPOSE:** To describe the processing of monthly bill enclosures other than regular bill payments.**POLICY:** Monthly bill enclosures are separated when opening envelopes and to remove contents.**PROCEDURE:** 1. Project CARE donations:

\*Treat as regular mail until you are ready to batch.

\*Complete a Collectors Report for bill payments containing Project CARE donations. This form is used the by Star Services Section to predict the daily budget of Project CARE. (See opposite.)

▶ **NOTE:** Enclosed checks usually reflect the amount of the bill plus a donation.

To complete a Collectors Report use the following data:

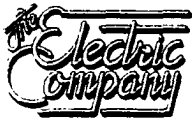
| <u>Reference Number</u> | <u>Description</u>                                  |
|-------------------------|---|
| 1                       | Today's date.                                       |
| 2                       | Folio - EPE account number.                         |
| 3                       | Name - customer's name.                             |
| 4                       | Batch Letter "KY".                                  |
| 5                       | ARC - donation amount                               |
| 6                       | Totals - total donations in the Project CARE batch. |
| 7                       | Write the name of clerk preparing report.           |

\*Mark out the amount of the bill on the stub and write the amount of the check.

\*Route the prepared batch with two tapes--one with total ARC and the other tape with donation total only to Data Entry along with the Regular Mail batches. Process it from this point as regular mail.

**EPE INTERNAL USE ONLY**





El Paso Electric

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Sec. No.: CMUM 400-6  
Page: 2 of 2  
Issued: 12/83

CLERKS

Section:

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SUBJECT: Separate Handling of Items Other Than Regular Mail (Continued)

- \*Route the prepared Collectors Report to Star Services.
- 2. ARMs:
  - \*Total the ARM-Merchandise batch. Do not send to Data Entry.
  - \*Total the ARM-Miscellaneous batch. Do not send to Data Entry.
- 3. UARs:
  - \*Total UAR batch. Do not send to Data Entry.
- 4. CSPPs:
  - \*Total CSPP batch. Do not send to Data Entry.
- 5. Franklin Land & Resources Inc.:
  - \*Total the Franklin Land batch. Do not send to Data Entry.
- 6. Texas & New Mexico Power Company:
  - \*Total the Texas-New Mexico Power batch. Do not send to Data Entry unless it is an ARC.
  - \*Bind each batch separately and attach a tape indicating the total.
  - \*Route to closing clerk in Cash Management.

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EPE INTERNAL USE ONLY

Form No. 122

EL PASO ELECTRIC COMPANY

CASHIER'S DAILY REPORT

Office CASH MANAGEMENT

Date \_\_\_\_\_

| Description                  | Receivables  |            |   |        |     |
|------------------------------|--------------|------------|---|--------|-----|
|                              | Punched      | Card       |   | Others |     |
| Batch No. 1                  | 2            | 3          | 4 | x x x  | x   |
| Batch No.                    |              |            |   | x x x  | x   |
| Batch No.                    |              |            |   | x x x  | x   |
| Batch No.                    |              |            |   | x x x  | x   |
| Batch No.                    |              |            |   | x x x  | x   |
| Batch No.                    |              |            |   | x x x  | x   |
| Batch No.                    |              |            |   |        |     |
| Batch No.                    |              |            |   |        |     |
| Batch No.                    |              |            |   |        |     |
| Batch No.                    |              |            |   |        |     |
| Batch No.                    |              |            |   |        |     |
| Batch No.                    |              |            |   |        |     |
| Batch No.                    |              |            |   |        |     |
| TOTAL                        | 5            |            |   |        |     |
| TOTAL PUNCHED CARD AND OTHER |              |            |   |        |     |
| Cash Statement               |              |            |   |        |     |
| Checks                       |              |            |   |        |     |
| Currency                     |              |            |   |        |     |
| Coin                         |              |            |   |        |     |
| Total                        |              |            |   |        |     |
| LESS: CHANGE FUND            |              |            |   |        |     |
| Actual Receipts              |              |            |   |        |     |
| Cashier's Shortage           |              |            |   |        |     |
| AMOUNT OF DEPOSIT            |              |            |   |        |     |
| Cashier                      | Head Cashier | Tab. Dept. |   |        | Ac. |



Section: CLERKS

SUBJECT: Mail Closing

PURPOSE: To describe the closing of mail which consists of completing two reports and accounting for processed checks.

PROCEDURE: \*Complete a Cashiers Daily Report (see opposite) by entering the following data:

| <u>Reference<br/>Number</u> | <u>Description</u>  |
|-----------------------------|---|
| 1                           | Write the batch letter assigned by Data Entry including the Project CARE batch. It will be assigned "KY" as a batch letter. |
| 2                           | Write the number of checks in the batch.  |
| 3                           | Transfer the balanced tape dollar amount.   |
| 4                           | Identify the clerk who ran the batch.   |
| 5                           | Total the dollar amount. This total becomes the ARCs for the day.   |

\*Transfer the total from the Cashier's Daily Report to the Cashier's Daily Statement under ARC.

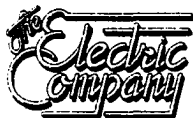
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EL PASO ELECTRIC COMPANY  
 CASHIER'S DAILY STATEMENT

DATE 1

OFFICE \_\_\_\_\_

| ACCOUNT TITLE                   | F.E.R.C. ACCOUNT |          | DESIGNATION NO. | DAILY RECEIPTS | PREVIOUSLY REPORTED | RECEIPTS |
|---------------------------------|------------------|----------|-----------------|----------------|---------------------|----------|
|                                 | ACCOUNT          | SUB ACCT |                 |                |                     |          |
| Accts. Rec. - Customers         | 1 4 2            | 0 0 1    |                 | 2              |                     |          |
| Accts. Rec. - Jobbing           | 1 4 2            | 0 0 2    |                 | 3              |                     |          |
| Accts. Rec. - Misc.             | 1 4 3            | 0 0 1    |                 | 4              |                     |          |
| Accts. Rec. - Employee Mdse.    | 1 4 3            | 0 0 2    |                 |                |                     |          |
| Customers' Deposits             | 2 3 5            | 0 0 1    |                 |                |                     |          |
| Cashiers' Overages              | 1 8 6            | 0 0 4    |                 |                |                     |          |
| Accum. Prov. for Uncoll.        |                  |          |                 |                |                     |          |
| Accts. - Util. Cust.            | 1 4 4            | 0 0 1    |                 | 5              |                     |          |
|                                 |                  |          |                 | 6              |                     |          |
|                                 |                  |          |                 | 7              |                     |          |
|                                 |                  |          |                 |                |                     |          |
| <b>TOTAL RECEIPTS (CREDITS)</b> |                  |          |                 | <b>8</b>       |                     |          |
|                                 |                  |          |                 |                |                     |          |
| First City National Bank - E.P. | 1 3 1            | 0 0 1    | C A 1 0 1       | 11             |                     |          |
| El Paso National Bank           | 1 3 1            | 0 0 1    | C A 1 0 2       |                |                     |          |
| State National Bank - E.P.      | 1 3 1            | 0 0 1    | C A 1 0 3       |                |                     |          |
| Bank of El Paso                 | 1 3 1            | 0 0 1    | C A 1 0 5       |                |                     |          |
| First National Bank - Anthony   | 1 3 1            | 0 0 1    | C A 1 0 6       |                |                     |          |
| 1st National Bank - Fabens      | 1 3 1            | 0 0 1    | C A 1 0 7       |                |                     |          |
| Van Horn State Bank             | 1 3 1            | 0 0 1    | C A 1 0 8       |                |                     |          |
| Bank of Sierra Blanca           | 1 3 1            | 0 0 1    | C A 1 0 9       |                |                     |          |
| Citizens Bank - Las Cruces      | 1 3 1            | 0 0 1    | C A 2 0 1       |                |                     |          |
| First National Bank - L.C.      | 1 3 1            | 0 0 1    | C A 2 0 2       |                |                     |          |
| Western Bank - L.C.             | 1 3 1            | 0 0 1    | C A 2 0 3       |                |                     |          |
| Bank of Dona Ana County - Hatch | 1 3 1            | 0 0 1    | C A 2 0 4       |                |                     |          |
| Bank of Las Cruces              | 1 3 1            | 0 0 1    | C A 2 0 5       |                |                     |          |
| Bank of America - L.A., Calif.  | 1 3 1            | 0 0 1    | C A 5 0 1       |                |                     |          |
| Chase Manhattan - N.Y.          | 1 3 1            | 0 0 1    | C A 5 0 2       |                |                     |          |
| Irving Trust - N.Y.             | 1 3 1            | 0 0 1    | C A 5 0 3       |                |                     |          |
| CITibank - Houston, Tx.         | 1 3 1            | 0 0 1    | C A 5 0 4       |                |                     |          |
| Morgan Guaranty Trust - N.Y.    | 1 3 1            | 0 0 1    | C A 5 0 5       |                |                     |          |
| Firat Penns. Bank - PHIL, Pa.   | 1 3 1            | 0 0 1    | C A 5 0 6       |                |                     |          |
| State Street Bank - BOSTON      | 1 3 1            | 0 0 1    | C A 5 0 7       |                |                     |          |
| Marine Midland - N.Y.           | 1 3 1            | 0 0 1    | C A 5 0 8       |                |                     |          |
| Northern Trust - CHICAGO        | 1 3 1            | 0 0 1    | C A 5 0 9       |                |                     |          |
|                                 |                  |          |                 | 10             |                     |          |
|                                 |                  |          |                 |                |                     |          |
| <b>TOTAL DEPOSITS (DEBITS)</b>  |                  |          |                 | <b>12</b>      |                     |          |
| CASHIER:                        | APPROVED         |          |                 |                |                     |          |



El Paso Electric

Section: CLERK

SUBJECT: Mail Closing (Continued)

\*Complete a Cashier's Daily Statement (see opposite) by entering the following data:

| <u>Reference Number</u> | <u>Description</u>  |
|-------------------------|---|
| 1                       | Today's date.   |
| 2                       | Transfer ARCs from Cashier's Daily Report.  |
| 3                       | Transfer ARM-Merchandise from totaled tape.   |
| 4                       | Transfer ARM-Miscellaneous from totaled tape.   |
| 5                       | Transfer UARs from totaled tape.  |
| 6                       | Transfer CSPPs from totaled tape.   |
| 7                       | Transfer Franklin Land from totaled tape.   |
| 8                       | Write the amount of the "Special" deposit made earlier in the day.  |
| 9                       | Total all credits. This represents the cash processed for the day by Cash Management.   |
| 10                      | Enter the Mercantile Bank/lockbox deposit.  |
| 11                      | Enter deposit amount to all banks. Total the deposits made to First City National Bank with the "Specials."   |
| 12                      | Add all bank deposits. Subtract this total from Item 7, total credits. This should equal zero to be in balance. If it does not, double check each step. |

\*Bundle the checks and complete deposit slip for First City National Bank.

\*Send one of the tapes with the deposits to the head cashier for armored car pickup by 2:15 p.m.

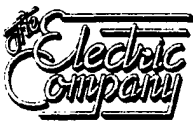
\*Total items processed for the day. Give this total to the Supervisor--Cash Management

\*Deliver the Cashier's Daily Report and Cashier's Daily Statement, along with the ARMs, UARs, CSPPs and Franklin Land to Control clerk.

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El Paso Electric

Section: CLERKS

**SUBJECT:** Banklink

**PURPOSE:** To describe the process by which Cash Management utilizes the Banklink.

**POLICY:** Outlying offices enter and relay by 2:30 p.m. each day, via computer, the amount of deposits made to their respective banks.

**PROCEDURE:** \*Complete a General Accounting Manual Journal 6101 using the information relayed over the computer terminal by outlying office (see opposite page). To complete the Journal Entry 6101 use the following data:

| <u>Reference Number</u> | <u>Description</u>   |
|-------------------------|--|
| 1                       | Today's date.  |
| 2                       | Account title - Write the name of each bank. Carry to a second page if necessary.                |
| 3                       | Write the account number--FERC designation and Cost Center.                                      |
| 4                       | Write the amount of debit for the First City National Bank transaction. Bring down debit amount. |
| 5                       | Write the amount of credit to each bank.   |
| 6                       | Total credits. Bring down credit amount. Credit total must equal debit total.                    |

\*Send the completed Journal Entry 6101 to another Cash Management clerk for verification.

\*Route the verified Journal Entry 6101 form to the Company's Treasurer for approval.

\*Attach a credit slip from First City National Bank when the approved form is returned.

\*Make one copy. Route the original to General Accounting and retain the copy for use in the posting of the Cash Balance Sheet.

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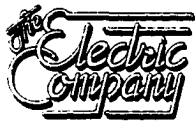
Date 1

Deposits 5

CONTROL SHEET

| <u>ARC - 142 001</u> | <u>OVERAGES</u> | <u>UAR - 144 001</u> |
|----------------------|-----------------|----------------------|
| EP Mail <u>2</u>     | <u>3</u>        | <u>4</u>             |
| EP Cashiers _____    | _____           | _____                |
| Van Horn _____       | _____           | _____                |
| Sierra Blanca _____  | _____           | _____                |
| Fabens _____         | _____           | _____                |
| Anthony _____        | _____           | _____                |
| Las Cruces _____     | _____           | _____                |
| Hatch _____          | _____           | _____                |
| Chelmont _____       | _____           | _____                |
| Rushfair _____       | _____           | _____                |
| Trawood _____        | _____           | _____                |
| Total <u>6</u>       | <u>6</u>        | <u>6</u>             |





El Paso Electric

Sec. No.: CMUM 400-9

Page: 1 of 5

Issued: 12/83

Section: CLERKS

SUBJECT: Control

PURPOSE: To describe the process for verifying deposits made during the day.

- POLICY:
1. Bill stubs, Cashier's Daily Reports and Cashier's Daily Statements are routed by local and outlying offices to Cash Management in order to be received by 3:45 p.m. daily. Sierra Blanca and Van Horn offices send reports through the United States mail and are received a day later for posting on daily receipt.
  2. Control sheets must be delivered to Data Entry by 4:30 p.m. each day.

PROCEDURE: \*Verify that the total of each batch and the batch number, as indicated on the accompanying transmittal slip, corresponds to the amount of each batch on the Cashier's Daily Report.

\*Verify the total amount of all batches on the Cashier's Daily Report by running a verifying tape.

\*Verify the correct transferral of the total amount from the Cashier's Daily Report to the Accounts Receivable (ARC) column on the Cashier's Daily Statement.

\*Verify the UAR totals by adding the receipts.

\*Repeat the above procedure for each of the reporting offices.

\*Complete two original Control Sheets using the information provided by the Cashier's Daily Report and the Cashier's Daily Statement.

Complete the Control Sheet (see opposite) by entering the following data:

| <u>Reference<br/>Number</u> | <u>Description</u>  |
|-----------------------------|---|
| 1                           | Today's date.   |
| 2                           | ARC amount as indicated on the Cashier's Daily Statement. |

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El Paso Electric

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Sec. No.: CMUM 400-9  
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Section: CLERKS

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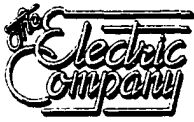
SUBJECT: Control (Continued)

| <u>Reference<br/>Number</u> | <u>Description</u>   |
|-----------------------------|--|
| 3                           | Amount of overages and cashier's number as indicated on the Cashier's Daily Statement.       |
| 4                           | Uncollectible Accounts Receivable (UAR) total as indicated on the Cashier's Daily Statement. |
| 5                           | New Service deposit total as indicated on the Deposit Tally Form.                            |
| 6                           | Total each column--ARC, Overages, and UAR.   |

EPE INTERNAL USE ONLY

DAILY CASH SHEET

| CASHIER/OFFICE | CASH DATE | TIME RECEIVED | TIME DELIVERED | IF ON PROB. RECORDS | TOTAL |
|----------------|-----------|---------------|----------------|---------------------|-------|
| ZULEMA         | 1         | 2             | 3              |                     |       |
| MARGIE         |           |               |                |                     |       |
| SYLVIA         |           |               |                |                     |       |
| BETTY          |           |               |                |                     |       |
| CHELMONT       |           |               |                |                     |       |
| ANTHONY        |           |               |                |                     |       |
| LAS CRUCES     |           |               |                |                     |       |
| RUSHFAIR       |           |               |                |                     |       |
| YAN HORN       |           |               |                |                     |       |
| SIERRA BLANCA  |           |               |                |                     |       |
| FAZENS         |           |               |                |                     |       |
| HATCH          |           |               |                |                     |       |
| TRAWOOD        |           |               |                |                     |       |
| MAIL ROOM      |           |               |                |                     |       |



El Paso Electric

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Issued: 12/83

Section: CLERK

SUBJECT: Control (Continued)

Complete a Daily Cash Sheet (see opposite) by entering the following data:.

| <u>Reference Number</u> | <u>Description</u>   |
|-------------------------|--|
| 1                       | The transaction date as recorded on outlying office reports. |
| 2                       | The time that reports are received by Cash Management.       |
| 3                       | The time bill stubs are delivered to Data Entry.             |

EPE INTERNAL USE ONLY

DEPOSIT TALLY FORM

Date 1

235-101

E P MAIL 2

E P CASHIERS \_\_\_\_\_

V H \_\_\_\_\_

S B \_\_\_\_\_

FABENS \_\_\_\_\_

ANTHONY \_\_\_\_\_

L C \_\_\_\_\_

HATCH \_\_\_\_\_

YSLETA \_\_\_\_\_

CHELMONT \_\_\_\_\_

TOTAL 3



Sec. No.: CMJM 400-9

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Section: CLERK

Issued: 12/83

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SUBJECT: Control (Continued)

\*Complete a Deposit Tally Form used for recording the amount of deposits for new service at a given office. Each office's receipts are batched together. Verify the total of the receipts by running a tape.

To Complete a Deposit Tally Form, enter the following data:

| <u>Reference<br/>Number</u> | <u>Description</u>   |
|-----------------------------|--|
| 1                           | Today's date.  |
| 2                           | The total amount of deposits for new service entered by the individual office. |
| 3                           | The total of all Company deposits for new service.                             |

EPE INTERNAL USE ONLY

ARM LISTING FORM

DATE 1

|               | ARM | MDSE. |
|---------------|-----|-------|
| EP CASHIERS   | 2   | 3     |
| EP CASHIERS   |     |       |
| VAN HORN      |     |       |
| SIERRA BLANCA |     |       |
| FABENS        |     |       |
| ANTHONY       |     |       |
| LAS CRUCES    |     |       |
| HATCH         |     |       |
| RUSHFAIR      |     |       |
| CHELMONT      |     |       |
| TRAWOOD       |     |       |
| TOTAL         | 4   | 5     |



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Issued: 12/83

Section: CLERKS

SUBJECT: Control (Continued)

\*Complete an ARM Listing form using the receipts provided by the individual offices (see opposite). To complete the ARM listing enter the following data:

| <u>Reference<br/>Number</u> | <u>Description</u>    |
|-----------------------------|-----------------------|
| 1                           | Today's date.         |
| 2                           | ARMS.                 |
| 3                           | Merchandise.          |
| 4                           | Total of ARMS.        |
| 5                           | Total of Merchandise. |

\*Enter overages in the Cashier's Overages Book by date, cashier's number, office and amount.

\*Deliver bill stubs and one control sheet to Data Entry after all offices have reported for the day.

#

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El Paso Electric

Section: CLERKS

Issued: 12/83

**SUBJECT:** Control Followup

**PURPOSE:** To describe Cash Management's follow-up process for corrections and closing to Data Entry's crediting of customers' accounts.

**POLICY:** Data Entry will deliver processed Control Sheet and Daily Cash Sheet when processing is complete.

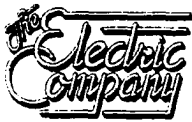
◆ **NOTE:** The Daily Cash Sheet may contain a list of specified errors or simply the word "error" with the amount of the error indicated. (See Correction Procedure, CMUM 400-11.)

**PROCEDURE:** \*If the Daily Cash Sheet contains no errors, route the Control information as follows:

- A. UARs to UAR Clerk-Customer Accounting along with receipts and tapes;
- B. ARMs to General Accounting;
- C. CSPPs to Company Assistant Secretary along with a copy of the Cashier's Daily Statements;
- D. Deposit Receipts Form, tape and Deposit Tally Form to Customer Accounting Control Section;
- E. One Control Sheet Form, Daily Cash Sheet and the printout from Data Entry to Customer Accounting;
- F. Corrected batched and Batch Sheets to Data Entry;
- G. Cashier's Daily Statements and the ARM forms stay in Cash Management for the preparation of the Cash Balance Sheet.

#

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El Paso Electric

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Page: 1 of 1

Section: CLERKS

Issued: 12/83

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SUBJECT: Control Followup - Correction Procedures

PROCEDURE: \*Make correction of marked errors on the Cashier's Daily Statement for the office involved. Mark the correction above existing figure and call the office concerned with the amount, batch number and cashier number. Direct for overdeposit or underdeposit for the next day.

◆ NOTE: The adjustment on totals will be reflected on the following day's Cashier's Daily Statement for the office concerned.

\*For correction of unmarked errors, secure batch sheets from Data Entry and compare them with the 29 (listing of all office batch sheets). Discern discrepancy, find fault and the corresponding stub. Follow the correction procedure from this point as if the error had been marked on the Cash Sheet from Data Entry.

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El Paso Electric

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Section: CLERKS

Issued: 12/83

**SUBJECT:** Balance Forward

**PURPOSE:** To describe the process for reflecting the current daily balance for each of the 11 Company offices. Maintaining the current daily balance simplifies the monthly posting to the General Entry Form 6103.

- POLICY:**
1. Balance forward is maintained on a Cashier's Daily Statement form.
  2. A Balance Forward is maintained for each individual office for a month.

**PROCEDURE:** \*Add the Daily Receipts to the previously reported amount. This is found on the previous day's balance sheet under Total Receipts. This total represents the receipts for the month-to-date. The total credits on the top half must equal the debits on the bottom half of the Cashier's Daily Statement. (See CMUM 400-7 for Completing Cashier's Daily Statement.)

\*Check the deposit slips for each bank against the deposits on Cashier's Daily Statement for the day. If error is found, see CMUM 400-11.

\*Staple the deposit slips to the back of Cashier's Daily Statement.

#

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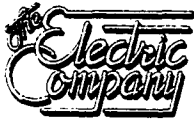
COMMERCIAL PAPER DATA

|          |          |          |            |
|----------|----------|----------|------------|
| Amount   | From     | To       | Net Amount |
| <u>1</u> | <u>2</u> | <u>3</u> | <u>6</u>   |
| Percent  | Days     |          | Discount   |
| <u>3</u> | <u>4</u> |          | <u>5</u>   |

COMMERCIAL PAPER DATA

|          |          |          |            |
|----------|----------|----------|------------|
| Amount   | From     | To       | Net Amount |
| <u>1</u> | <u>2</u> | <u>3</u> | <u>6</u>   |
| Percent  | Days     |          | Discount   |
| <u>3</u> | <u>4</u> |          | <u>5</u>   |

|              |                |                  |
|--------------|----------------|------------------|
| Total Amount | Total Discount | Total Net Amount |
| <u>7</u>     | <u>8</u>       | <u>9</u>         |



El Paso Electric

Section: CLERKS

Issued: 12/83

SUBJECT: Commercial Paper

PURPOSE: To describe the process of obtaining short-term loans in the form of Commercial Paper which offers lower interest rates than the banks.

POLICY: Goldman, Sachs and Company (El Paso Electric Company brokerage firm) provides the borrowed money data needed to compile the Commercial Paper Data Sheet. This information is supplied daily by telephone.

PROCEDURE: \*Complete the Commercial Paper Data Sheet on each note due for the day with the information conveyed via telephone report with Goldman, Sachs on the amount due for the day. (See opposite.) To complete the Commercial Paper Data Sheet, use the following data:

| <u>Reference Number</u> | <u>Description</u>                                |
|-------------------------|---|
| 1                       | Amount of each note (principal).                  |
| 2                       | Maturing date of each note.                       |
| 3                       | Rate of interest for each note.                   |
| 4                       | Days of note.                                     |
| 5                       | Discount amount for each note.                    |
| 6                       | Net amount for each note.                         |
| 7                       | Total of principal of all notes due for the day.  |
| 8                       | Total of discounts for all notes due for the day. |
| 9                       | Total of all net amounts due for the day.         |

\*Verify the discounted amount for each note due for the day by multiplying the principal by the rate of interest and dividing by 360 days. The quotient equals the discounted amount.

\*Verify the net amount by subtracting the discounted amount from the principal. The difference equals the net amount.

\*Total the principal amount of all notes, enter and circle at the bottom of the Commercial Paper Data Sheet (Item 7).

\*Total all discounted amounts given on all notes, enter and circle at the bottom of the Commercial Paper Data Sheet (Item 8).

EPE INTERNAL USE ONLY

**REQUISITION FOR VOUCHER/CHECK**

El Paso Electric Company

FORM 190 - REV. 11-80 - GUYNES PRINTING CO.

DATE 1

PLEASE AUTHORIZE ISSUANCE OF  VOUCHER  CHECK IN THE AMOUNT OF \$ 2

TO THE ORDER OF CITIBANK

ADDRESS VOUCHER ONLY

THIS  VOUCHER  CHECK IS FOR REDEMPTION OF \$3

PRINCIPAL AMOUNT OF 4%

5 DAYS, COMMERCIAL PAPER

**NOTES PAYABLE**

| F.E.R.C. ACCOUNT |            | DESIGNATION NO. | COST CENTER | TAG NO. | 700 - 800 ACCOUNTS ONLY |              | AMOUNT |
|------------------|------------|-----------------|-------------|---------|-------------------------|--------------|--------|
| ACCOUNT          | SUBACCOUNT |                 |             |         | WORK ORDER NO.          | PROPERTY NO. |        |
| 231002           |            |                 | 0000        |         |                         |              | 6      |
|                  |            |                 |             |         |                         |              |        |
|                  |            |                 |             |         |                         |              |        |
|                  |            |                 |             |         |                         |              |        |
|                  |            |                 |             |         |                         |              |        |

VOUCHER/CHECK REQUESTED BY 7 VOUCHER/CHECK APPROVED BY 9

FOR GENERAL ACCOUNTING USE ONLY

CLASSIFICATION VERIFIED BY: CLASSIFICATION APPROVED BY:

DESCRIPTION 8 DAY



El Paso Electric

Section: CLERKS

Issued : 12/83

SUBJECT: Commercial Paper (Continued)

\*Total all the net amounts, enter and circle at the bottom of the Commercial Paper Data Sheet (Item 9).

\*Have another Cash Management clerk verify figures.

\*Complete a Requisition for Vouchers/Check form for each note payable for the day. (See opposite.) To complete the requisition for voucher/check, enter the following data:

▶ NOTE: This information is obtained from the Commercial Paper Book and deals with only notes due for the day.

| <u>Reference Number</u> | <u>Description</u>                  |
|-------------------------|-------------------------------------|
| 1                       | Today's date.                       |
| 2                       | Principal amount.                   |
| 3                       | Principal amount.                   |
| 4                       | Rate of interest.                   |
| 5                       | Terms.                              |
| 6                       | Principal amount.                   |
| 7                       | Signature of Cash Management clerk. |
| 8                       | Terms.                              |
| 9                       | Company Treasurer's signature.      |

▶ NOTE: Another authorized Company officer's signature will suffice in the absence of the Company Treasurer.

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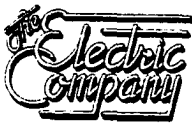
EL PASO ELECTRIC COMPANY  
 CASHIER'S DAILY STATEMENT

OFFICE 1

DATE 2

| ACCOUNT TITLE                   | F.E.R.C. ACCOUNT |           | DESIGNATION NO. | DAILY RECEIPTS | PREVIOUSLY REPORTED | TOTAL RECEIPTS |
|---------------------------------|------------------|-----------|-----------------|----------------|---------------------|----------------|
|                                 | ACCOUNT          | SUB-ACCT. |                 |                |                     |                |
| Accts. Rec. - Customers         | 1 4 2            | 0 0 1     |                 |                |                     |                |
| Accts. Rec. - Jobbing           | 1 4 2            | 0 0 2     |                 |                |                     |                |
| Accts. Rec. - Misc.             | 1 4 3            | 0 0 1     |                 |                |                     |                |
| Commercial Paper                | 2 3 1            | 0 0 2     | 3               |                |                     |                |
| Due: 4 Days                     | 5                |           |                 |                |                     |                |
| CS Rate: 6                      |                  |           |                 |                |                     |                |
| Eff. Rate:                      |                  |           |                 |                |                     |                |
| FF Int. - Comm. Paper           | 1 6 5            | 0 0 5     |                 | (7)            |                     |                |
| Brokers Fee:                    | 9 3              | 0 2 0 5   |                 |                |                     |                |
| TOTAL RECEIPTS (CREDITS)        |                  |           |                 | 8              |                     |                |
| First City National Bank - E.P. | 1 3 1            | 0 0 1     | C A 1 0 1       |                |                     |                |
| El Paso National Bank           | 1 3 1            | 0 0 1     | C A 1 0 2       |                |                     |                |
| State National Bank - E.P.      | 1 3 1            | 0 0 1     | C A 1 0 3       |                |                     |                |
| Bank of El Paso                 | 1 3 1            | 0 0 1     | C A 1 0 5       |                |                     |                |
| First National Bank - Anthony   | 1 3 1            | 0 0 1     | C A 1 0 6       |                |                     |                |
| 1st National Bank - Pecos       | 1 3 1            | 0 0 1     | C A 1 0 7       |                |                     |                |
| Van Horn State Bank             | 1 3 1            | 0 0 1     | C A 1 0 8       |                |                     |                |
| Bank of Sierra Blanca           | 1 3 1            | 0 0 1     | C A 1 0 9       |                |                     |                |
| Citizens Bank - Las Cruces      | 1 3 1            | 0 0 1     | C A 2 0 1       |                |                     |                |
| First National Bank - L.C.      | 1 3 1            | 0 0 1     | C A 2 0 2       |                |                     |                |
| Western Bank - L.C.             | 1 3 1            | 0 0 1     | C A 2 0 3       |                |                     |                |
| Bank of Dona Ana County - Hatch | 1 3 1            | 0 0 1     | C A 2 0 4       |                |                     |                |
| Bank of Las Cruces              | 1 3 1            | 0 0 1     | C A 2 0 5       |                |                     |                |
| Bank of America - L.A., Calif.  | 1 3 1            | 0 0 1     | C A 5 0 1       |                |                     |                |
| Chase Manhattan - N.Y.          | 1 3 1            | 0 0 1     | C A 5 0 2       | 9              |                     |                |
| Irving Trust - N.Y.             | 1 3 1            | 0 0 1     | C A 5 0 3       |                |                     |                |
| Chitbank - Houston, Tx.         | 1 3 1            | 0 0 1     | C A 5 0 4       |                |                     |                |
| Morgan Guaranty Trust - N.Y.    | 1 3 1            | 0 0 1     | C A 5 0 5       |                |                     |                |
| First Penna. Bank - PHIL., Pa.  | 1 3 1            | 0 0 1     | C A 5 0 6       |                |                     |                |
| State Street Bank - BOSTON      | 1 3 1            | 0 0 1     | C A 5 0 7       |                |                     |                |
| Mutual Midland - N.Y.           | 1 3 1            | 0 0 1     | C A 5 0 8       |                |                     |                |
| Northern Trust - CHICAGO        | 1 3 1            | 0 0 1     | C A 5 0 9       |                |                     |                |
| TOTAL DEPOSITS (DEBITS)         |                  |           |                 | 10             |                     |                |
| CASHIER: 11                     |                  |           | APPROVED 12     |                |                     |                |





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Section: CLERKS

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SUBJECT: Commercial Paper (Continued)

\*Complete a Cashier's Daily Statement for each new note for the day using information provided by Goldman, Sachs (see opposite page). To complete the Cashiers Daily Statement, enter the following data:

| <u>Reference Number</u> | <u>Description</u>  |
|-------------------------|---|
| 1                       | Title--Commercial Paper.  |
| 2                       | Today's date.   |
| 3                       | Principal amount.   |
| 4                       | Due date.   |
| 5                       | Day's outstanding.  |
| 6                       | Rate of Interest.   |
| 7                       | Prepaid interest obtained from Commercial Paper Data Sheet No. 5 in brackets. |
| 8                       | Net amount.   |
| 9                       | Net amount.   |
| 10                      | Net amount.   |
| 11                      | Signature of Cash Management clerk.   |
| 12                      | Company officer's approval.   |

\*Transfer Commercial Paper Data from the Commercial Paper Data Sheet to the Commercial Paper book (the Green Book) listing each note by the due date (month and date of the new note).

\*Transfer the list of outstanding notes to date to the Yellow Book.

\*Check Requisition Vouchers against Yellow Book to verify that the amount due, date due and rate of interest correspond.

\*Obtain the total of outstanding notes by adding the Requisition Voucher's principal amounts. (This sum equals the amount due for the day.) Subtract the sum from the total provided by Goldman, Sachs (Item 9 on the Commercial Paper Data Sheet) for the day. Enter the difference in the Yellow Book. If the difference is more than the outstanding total entered the previous day, add it to the outstanding total. If it is less than the outstanding total for the previous day, subtract it.

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El Paso Electric

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Section: CLERKS

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SUBJECT: Commercial Paper (Continued)

\*Enter new note data obtained from the Commercial Paper Data Sheet on the terminal. (See Machines, CMUM 500-2.)

\*Make one copy of the Commercial Paper Data Sheet. Retain the original for Cash Management files. Route the copy to the Company Treasurer.

\*Make one copy of the Requisition Voucher. Route the original to General Accounting. Retain the copy for Cash Management files.

#

EPE INTERNAL USE ONLY

COMMERCIAL PAPER

Agent: Goldman Sachs Co.  
New York

| Term | Period |    | % | Face   | Discounted | Prepaid  | Amortization | Int | Curr |
|------|--------|----|---|--------|------------|----------|--------------|-----|------|
|      | From   | To |   | Amount | Amount     | Interest | 1 Sav        |     |      |
| A    | B      | B  | C | 1      | 2          | 3        | 4            |     |      |
| 1    |        |    |   |        |            |          |              |     |      |
| 2    |        |    |   |        |            |          |              |     |      |
| 3    |        |    |   |        |            |          |              |     |      |
| 4    |        |    |   |        |            |          |              |     |      |
| 5    |        |    |   |        |            |          |              |     |      |
| 6    |        |    |   |        |            |          |              |     |      |
| 7    |        |    |   |        |            |          |              |     |      |
| 8    |        |    |   |        |            |          |              |     |      |
| 9    |        |    |   |        |            |          |              |     |      |
| 10   |        |    |   |        |            |          |              |     |      |
| 11   |        |    |   |        |            |          |              |     |      |
| 12   |        |    |   |        |            |          |              |     |      |
| 13   |        |    |   |        |            |          |              |     |      |
| 14   |        |    |   |        |            |          |              |     |      |
| 15   |        |    |   |        |            |          |              |     |      |
| 16   |        |    |   |        |            |          |              |     |      |
| 17   |        |    |   |        |            |          |              |     |      |
| 18   |        |    |   |        |            |          |              |     |      |
| 19   |        |    |   |        |            |          |              |     |      |
| 20   |        |    |   |        |            |          |              |     |      |
| 21   |        |    |   |        |            |          |              |     |      |
| 22   |        |    |   |        |            |          |              |     |      |
| 23   |        |    |   |        |            |          |              |     |      |
| 24   |        |    |   |        |            |          |              |     |      |
| 25   |        |    |   |        |            |          |              |     |      |
| 26   |        |    |   |        |            |          |              |     |      |
| 27   |        |    |   |        |            |          |              |     |      |
| 28   |        |    |   |        |            |          |              |     |      |
| 29   |        |    |   |        |            |          |              |     |      |
| 30   |        |    |   |        |            |          |              |     |      |
| 31   |        |    |   |        |            |          |              |     |      |
| 32   |        |    |   |        |            |          |              |     |      |
| 33   |        |    |   |        |            |          |              |     |      |
| 34   |        |    |   |        |            |          |              |     |      |
| 35   |        |    |   |        |            |          |              |     |      |
| 36   |        |    |   |        |            |          |              |     |      |
| 37   |        |    |   |        |            |          |              |     |      |
| 38   |        |    |   |        |            |          |              |     |      |
| 39   |        |    |   |        |            |          |              |     |      |
| 40   |        |    |   |        |            |          |              |     |      |



El Paso Electric

Section: CLERKS

Issued: 12/83

SUBJECT: Commercial Paper Form

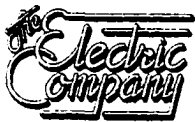
PURPOSE: To describe the process for completing monthly Commercial Paper Form which reflects the total accrued monthly interest for all new and old Commercial Paper notes.

- POLICY:
1. Two Commercial Paper forms are to be completed. One is for entering all new note data and the other is for all outstanding note data.
  2. Information on Commercial Paper Form will be used to prepare Journal Entry Form 6129.

PROCEDURE: \*Complete the form (see opposite) by entering the following data for each note:

| <u>Reference<br/>Number</u> | <u>Description</u>  |
|-----------------------------|---|
| A                           | The day's note outstanding.   |
| B                           | Period of note.   |
| C                           | Rate of interest.   |
|                             | 1. Face amount (principal amount).  |
|                             | 2. Discounted amount (net amount).  |
|                             | 3. Prepaid interest.  |
|                             | 4. Amortization for one day (Item 3 prepaid interest divided by "A Terms").                           |
|                             | 5. Amortization current month (quotient of Item 4 multiplied by the number of days in current month). |
|                             | 6. Total all interest.  |

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El Paso Electric

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Section: CLERKS

SUBJECT: Commercial Paper Form (Continued)

\*Complete a second Commercial Paper Form entering outstanding note data (see opposite) by entering the following data for each outstanding note:

Reference  
Number

Description

A, B, C &  
1, 2, 3 & 4

Follow the same procedure as for the  
Commercial Paper Form for new note data.

5 Subtract the last month's accrued interest from  
prepaid interest.

#

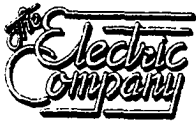
EPE INTERNAL USE ONLY

EL PASO ELECTRIC COMPANY  
CASHIER'S DAILY STATEMENT

OFFICE \_\_\_\_\_

DATE 16

| ACCOUNT TITLE                   | F.E.R.C. ACCOUNT |          | DESIGNATION NO. | DAILY RECEIPTS | PREVIOUSLY REPORTED | TOTAL RECEIPTS |
|---------------------------------|------------------|----------|-----------------|----------------|---------------------|----------------|
|                                 | ACCOUNT          | SUBACCT. |                 |                |                     |                |
| Accts. Rec. - Customers         | 1 4 2            | 0 0 1    |                 |                |                     |                |
| Accts. Rec. - Jodding           | 1 4 2            | 0 0 2    |                 |                |                     |                |
| Accts. Rec. - Misc.             | 1 4 3            | 0 0 1    |                 |                |                     |                |
| Commercial Paper                | 2 3 1            | 0 0 2    |                 | 2              | 1                   | 3              |
| Due: Days                       |                  |          |                 |                |                     |                |
| GS Rate:                        |                  |          |                 |                |                     |                |
| Eff. Rate:                      |                  |          |                 |                |                     |                |
| FF Int. - Comm. Paper           | 1 5 5            | 0 0 5    |                 | 5              | 4                   | 6              |
| Brokers Fee:                    | 9 3 0            | 2 0 5    |                 |                |                     |                |
| <b>TOTAL RECEIPTS (CREDITS)</b> |                  |          |                 | <b>8</b>       | <b>7</b>            | <b>9</b>       |
| First City National Bank - E.P. | 1 3 1            | 0 0 1    | C A 1 0 1       |                |                     |                |
| El Paso National Bank           | 1 3 1            | 0 0 1    | C A 1 0 2       |                |                     |                |
| State National Bank - E.P.      | 1 3 1            | 0 0 1    | C A 1 0 3       |                |                     |                |
| Bank of El Paso                 | 1 3 1            | 0 0 1    | C A 1 0 5       |                |                     |                |
| First National Bank - Anthony   | 1 3 1            | 0 0 1    | C A 1 0 6       |                |                     |                |
| 1st National Bank - Fabens      | 1 3 1            | 0 0 1    | C A 1 0 7       |                |                     |                |
| Van Horn State Bank             | 1 3 1            | 0 0 1    | C A 1 0 8       |                |                     |                |
| Bank of Sierra Blanca           | 1 3 1            | 0 0 1    | C A 1 0 9       |                |                     |                |
| Citizens Bank - Las Cruces      | 1 3 1            | 0 0 1    | C A 2 0 1       |                |                     |                |
| First National Bank - L.C.      | 1 3 1            | 0 0 1    | C A 2 0 2       |                |                     |                |
| Western Bank - L.C.             | 1 3 1            | 0 0 1    | C A 2 0 3       |                |                     |                |
| Bank of Dona Ana County - Hatch | 1 3 1            | 0 0 1    | C A 2 0 4       |                |                     |                |
| Bank of Las Cruces              | 1 3 1            | 0 0 1    | C A 2 0 5       |                |                     |                |
| Bank of America - L.A., Calif.  | 1 3 1            | 0 0 1    | C A 5 0 1       |                |                     |                |
| Chase Manhattan - N.Y.          | 1 3 1            | 0 0 1    | C A 5 0 2       |                |                     |                |
| Irving Trust - N.Y.             | 1 3 1            | 0 0 1    | C A 5 0 3       |                |                     |                |
| Citibank - Houston, Tx.         | 1 3 1            | 0 0 1    | C A 5 0 4       | 11             | 10                  | 12             |
| Morgan Guaranty Trust - N.Y.    | 1 3 1            | 0 0 1    | C A 5 0 5       |                |                     |                |
| First Penna. Bank - PHIL. Pa.   | 1 3 1            | 0 0 1    | C A 5 0 6       |                |                     |                |
| State Street Bank - BOSTON      | 1 3 1            | 0 0 1    | C A 5 0 7       |                |                     |                |
| Marine Midland - N.Y.           | 1 3 1            | 0 0 1    | C A 5 0 8       |                |                     |                |
| Northern Trust - CHICAGO        | 1 3 1            | 0 0 1    | C A 5 0 9       |                |                     |                |
| <b>TOTAL DEPOSITS (DEBITS)</b>  |                  |          |                 | <b>14</b>      | <b>13</b>           | <b>15</b>      |
| CASHIER:                        | APPROVED         |          |                 |                |                     |                |



El Paso Electric

Section: CLERKS

Issued: 12/83

SUBJECT: Commercial Paper Balance Forward

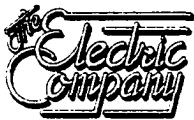
PURPOSE: To describe the process for preparing a Cashier's Daily Statement Balance Forward for Commercial Paper.

POLICY: Information on the Cashier's Daily Statement--Balance Forward will be used to prepare monthly report Form 6103.

PROCEDURE: \*Complete the Cashier's Daily Statement--Balance Forward Form (see opposite) by entering the following data:

| <u>Reference Number</u> | <u>Description</u>                                      |
|-------------------------|---|
| 1                       | Previously reported total of principal amounts to date. |
| 2                       | The day's receipt of individual notes.                  |
| 3                       | Total of Items 1 and 2 (Balance Forward).               |
| 4                       | Previously reported total of prepaid interest to date.  |
| 5                       | Today's interest on individual notes.                   |
| 6                       | Total of Items 4 and 5 (Balance Forward).               |
| 7                       | Previously reported total of net amounts.               |
| 8                       | Today's net amount on individual notes.                 |
| 9                       | Total of Items 7 and 8 (Balance Forward).               |
| 10                      | Previously reported total of debits to Citibank.        |
| 11                      | Today's debit of individual notes to Citibank.          |
| 12                      | Total of Items 10 and 11 (Balance Forward).             |
| 13                      | Previously reported total debits to Citibank.           |
| 14                      | Today's debit total to Citibank.                        |
| 15                      | Total of Items 13 and 14 (Balance Forward).             |
| 16                      | Today's date.   |

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El Paso Electric

Section: CLERKS

Issued: 12/83

SUBJECT: Green Sheet

PURPOSE: To describe the process for completing the Green Sheet, which is used to reconcile bank statements at the end of each month, and to verify the calculations of the Cash Balance Sheet.

- POLICY:
1. The monthly record is kept on green accounting paper prepared by allocating two columns each to First City National Bank and Mercantile Bank and one column for each of the other bank balances.
  2. The bank balances are brought up to date daily using the cash sheets and vouchers delivered by the clerk computing the Cash Balance Sheet.
  3. Credits are written in RED and debits in BLACK.

PROCEDURE: \*Complete the Green Sheet by entering the following data:

Vouchers are credited to First City National Bank.

Specials are debited to First City National Bank.

Check Register total plus account No. 3000-99999 from the Vendor Register are credited to First City National Bank.

Make other credits and debits as they appear for each bank on the Cash Balance Sheet. Include the Banklink information.

\*Reconcile each account with the previous day's balance. To the previous day's balance, add debits, subtract credits. This equals the balance of the day for each bank.

\*Indicate credit balances with a RED bracket ( ). Debit balances stand in BLACK ink.

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El Paso Electric

Sec. No.: CMUM 400-17

Page : 1 of 1

Section: CLERKS

Issued : 12/83

SUBJECT: Journal Entry 6129

PURPOSE: To describe the process for completing Journal Entry Form 6129.

POLICY: Journal Entry Form 6129 will be furnished by General Accounting each month.

PROCEDURE: \*Complete Journal Entry Form 6129 (see opposite) by entering the following data:

| <u>Reference<br/>Number</u> | <u>Description</u>  |
|-----------------------------|---|
| 1                           | Debit Citibank (total of Item 6 on Commercial Paper Form from both new and outstanding notes).                        |
| 2                           | Credit interest (total of Item 5 on the Commercial Paper Data Form for both the new notes and the outstanding notes). |
| 3                           | Total debit and credit columns. Totals should be equal. If not equal, recheck figures.                                |

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EPE INTERNAL USE ONLY



El Paso Electric

Sec. No.: CMUM 400-18

Page: 1 of 3

Issued: 12/83

Section: CLERKS

**SUBJECT:** Accounts Payable Disbursement Checks

**PURPOSE:** To describe the process for disbursement of Accounts Payable checks to employees and outside vendors.

- POLICY:**
1. Accounts Payable checks are delivered between 11 a.m. and 1 p.m. daily with a requisition voucher attached. Checks are usually computer printed but unsigned. Some check manuals will be typed reflecting a need for expediency in handling.
  2. Keys for the signature machine and signature plate are always to be kept by the Cash Management clerk. The keys and the plate are to be kept locked unless they are being used.

**PROCEDURE:** \*Process the check through the signature machine. (See Machines, CMUM 500-4.)

\*Make a notation of the numbered count on the signature machine when starting the batch.

\*Make a notation of the ending numbered count on the signature machine. Subtract the beginning number from the ending number. The difference indicates the number of checks processed safeguarding against embezzlement. This number will be used later.

\*Remove keys and signature plate.

\*Attach signed checks to corresponding voucher. Verify that the information--payable to, amount of check and mailing address--corresponds.

\*Separate the checks and vouchers into two batches:

- a. Checks for more than \$500 and insufficient check vouchers;
- b. Checks less than \$500.

\*Route checks of more than \$500 and insufficient check vouchers to the Company Treasurer or Senior Officer for second signature. Checks under \$500 go to Supervisor--Cash Management or Section Assistant. The Company Treasurer or any officer and the supervisor will verify that the information on the check and the voucher corresponds. The Company officer will sign the vouchers and return the checks and vouchers to Cash Management.

\*Stuff the in-house employee disbursement checks into the yellow envelopes and write the name of the employee on the envelope.

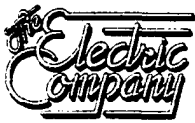
**EPE INTERNAL USE ONLY**



45,513  
Made in USA

Month

| 1<br>Date | 2<br>Name | 1<br>Computer Checks |     | 3<br>Totals | 7<br>Signatures |     | 8<br>Total |     | 9<br>Manuals |     | 10<br>End |
|-----------|-----------|----------------------|-----|-------------|-----------------|-----|------------|-----|--------------|-----|-----------|
|           |           | Beg.                 | End |             | Beg.            | End | Beg.       | End | Beg.         | End |           |
| 1         |           |                      |     |             |                 |     |            |     |              |     |           |
| 2         |           |                      |     |             |                 |     |            |     |              |     |           |
| 3         |           |                      |     |             |                 |     |            |     |              |     |           |
| 4         |           |                      |     |             |                 |     |            |     |              |     |           |
| 5         |           |                      |     |             |                 |     |            |     |              |     |           |
| 6         |           |                      |     |             |                 |     |            |     |              |     |           |
| 7         |           |                      |     |             |                 |     |            |     |              |     |           |
| 8         |           |                      |     |             |                 |     |            |     |              |     |           |
| 9         |           |                      |     |             |                 |     |            |     |              |     |           |
| 10        |           |                      |     |             |                 |     |            |     |              |     |           |
| 11        |           |                      |     |             |                 |     |            |     |              |     |           |
| 12        |           |                      |     |             |                 |     |            |     |              |     |           |
| 13        |           |                      |     |             |                 |     |            |     |              |     |           |
| 14        |           |                      |     |             |                 |     |            |     |              |     |           |
| 15        |           |                      |     |             |                 |     |            |     |              |     |           |
| 16        |           |                      |     |             |                 |     |            |     |              |     |           |
| 17        |           |                      |     |             |                 |     |            |     |              |     |           |
| 18        |           |                      |     |             |                 |     |            |     |              |     |           |
| 19        |           |                      |     |             |                 |     |            |     |              |     |           |
| 20        |           |                      |     |             |                 |     |            |     |              |     |           |
| 21        |           |                      |     |             |                 |     |            |     |              |     |           |
| 22        |           |                      |     |             |                 |     |            |     |              |     |           |
| 23        |           |                      |     |             |                 |     |            |     |              |     |           |
| 24        |           |                      |     |             |                 |     |            |     |              |     |           |
| 25        |           |                      |     |             |                 |     |            |     |              |     |           |
| 26        |           |                      |     |             |                 |     |            |     |              |     |           |
| 27        |           |                      |     |             |                 |     |            |     |              |     |           |
| 28        |           |                      |     |             |                 |     |            |     |              |     |           |
| 29        |           |                      |     |             |                 |     |            |     |              |     |           |
| 30        |           |                      |     |             |                 |     |            |     |              |     |           |
| 31        |           |                      |     |             |                 |     |            |     |              |     |           |
| 32        |           |                      |     |             |                 |     |            |     |              |     |           |



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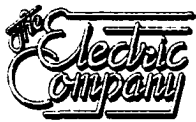
Section: CLERKS

SUBJECT: Accounts Payable Disbursement Checks (Continued)

- \*Stuff the outside vendor checks in the Company white envelopes.
- \*Have another Cash Management clerk verify that the correct check is stuffed in the corresponding addressed envelope.
- \*Mail the outside vendor checks in white Company envelopes in the outgoing United States mail.
- \*Route in-house employee disbursement checks through the in-house mail. If employee personally requests through the Supervisor-Cash Management to pick up a check, the Vendor Register must be initialed before the check can be released.
- \*Route refund checks to Customer Accounting Control Section.
- \*Route meal checks to the appropriate department head or supervisor of the department concerned.
- \*Route checks payable to Harrison's Office Products to the Company's Assistant Treasurer.
- \*Route Postmaster checks to the supervisor of the mail room or supervisor of the Company office concerned.
- \*Stack vouchers in numerical order. Each voucher will need to be accounted for so be sure that all voucher numbers appear in order.
- \*Complete a Reconciliation Sheet (see opposite) by entering the following data:

| <u>Reference Number</u> | <u>Description</u>  |
|-------------------------|---|
| 1                       | Date  |
| 2                       | Name of the Cash Management clerk processing the checks and in parenthesis the name of verifying clerk.                                 |
| 3                       | Computer check number--the beginning of the batch and the end of batch.   |
| 4                       | Check number of the SPOILED checks in the batch. These are included in the batch in order to maintain the number sequence of the batch. |

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El Paso Electric

Sec. No.: CMUM 400-18

Page : 3 of 3

Section: CLERKS

Issued : 12/83

SUBJECT: Accounts Payable Disbursement Checks (Continued)

| <u>Reference Number</u> | <u>Description</u>  |
|-------------------------|---|
| 5                       | Signature machine number--the beginning and the ending number.        |
| 6                       | Total number of checks processed through the check signature machine. |
| 7                       | Check number of the manually prepared checks.                         |
| 8                       | Number of voids processed for the day.                                |

\*Take all vouchers to the General Accounting Department.

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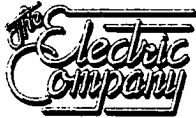
EL PASO ELECTRIC COMPANY  
 CASHIER'S DAILY STATEMENT

OFFICE 1

DATE 2

| ACCOUNT TITLE                   | F.E.R.C. ACCOUNT |           | DESIGNATION NO. | DAILY RECEIPTS | PREVIOUSLY REPORTED | TOTAL RECEIPTS |
|---------------------------------|------------------|-----------|-----------------|----------------|---------------------|----------------|
|                                 | ACCOUNT          | SUB ACCT. |                 |                |                     |                |
| Accts. Rec. - Customers         | 1 4 2            | 0 0 1     |                 |                |                     |                |
| Accts. Rec. - Jobbing           | 1 4 2            | 0 0 2     |                 |                |                     |                |
| Accts. Rec. - Misc.             | 1 4 3            | 0 0 1     |                 |                |                     |                |
| Accts. Rec. - Employee Mdse.    | 1 4 3            | 0 0 2     |                 |                |                     |                |
| Customers' Deposits             | 2 3 5            | 0 0 1     |                 |                |                     |                |
| Cashiers' Overages              | 1 8 6            | 0 0 4     |                 |                |                     |                |
| Accum. Prov. for Uncoll.        |                  |           |                 |                |                     |                |
| Accts. - Util. Cust.            | 1 4 4            | 0 0 1     | 5               | 6              |                     |                |
| 3                               | 4                |           |                 |                |                     |                |
| TOTAL RECEIPTS (CREDITS)        |                  |           |                 | 7              |                     |                |
| First City National Bank - E.P. | 1 3 1            | 0 0 1     | C A 1 0 1       | 8              |                     |                |
| El Paso National Bank           | 1 3 1            | 0 0 1     | C A 1 0 2       |                |                     |                |
| State National Bank - E.P.      | 1 3 1            | 0 0 1     | C A 1 0 3       |                |                     |                |
| Bank of El Paso                 | 1 3 1            | 0 0 1     | C A 1 0 5       |                |                     |                |
| First National Bank - Anthony   | 1 3 1            | 0 0 1     | C A 1 0 6       |                |                     |                |
| 1st National Bank - Fabens      | 1 3 1            | 0 0 1     | C A 1 0 7       |                |                     |                |
| Van Horn State Bank             | 1 3 1            | 0 0 1     | C A 1 0 8       |                |                     |                |
| Bank of Sierra Blanca           | 1 3 1            | 0 0 1     | C A 1 0 9       |                |                     |                |
| Citizens Bank - Las Cruces      | 1 3 1            | 0 0 1     | C A 2 0 1       |                |                     |                |
| First National Bank - L.C.      | 1 3 1            | 0 0 1     | C A 2 0 2       |                |                     |                |
| Western Bank - L.C.             | 1 3 1            | 0 0 1     | C A 2 0 3       |                |                     |                |
| Bank of Dona Ana County - Hatch | 1 3 1            | 0 0 1     | C A 2 0 4       |                |                     |                |
| Bank of Las Cruces              | 1 3 1            | 0 0 1     | C A 2 0 5       |                |                     |                |
| Bank of America - L.A., Calif.  | 1 3 1            | 0 0 1     | C A 5 0 1       |                |                     |                |
| Chase Manhattan - N.Y.          | 1 3 1            | 0 0 1     | C A 5 0 2       |                |                     |                |
| Irving Trust - N.Y.             | 1 3 1            | 0 0 1     | C A 5 0 3       |                |                     |                |
| Citibank - Houston, Tx.         | 1 3 1            | 0 0 1     | C A 5 0 4       |                |                     |                |
| Morgan Guaranty Trust - N.Y.    | 1 3 1            | 0 0 1     | C A 5 0 5       |                |                     |                |
| First Penns. Bank - PHIL, Pa.   | 1 3 1            | 0 0 1     | C A 5 0 6       |                |                     |                |
| State Street Bank - BOSTON      | 1 3 1            | 0 0 1     | C A 5 0 7       |                |                     |                |
| Marine Midland - N.Y.           | 1 3 1            | 0 0 1     | C A 5 0 8       |                |                     |                |
| Northern Trust - CHICAGO        | 1 3 1            | 0 0 1     | C A 5 0 9       |                |                     |                |
| TOTAL DEPOSITS (DEBITS)         |                  |           |                 | 9              |                     |                |
| CASHIER:                        | 10               | APPROVED  |                 | 11             |                     |                |

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El Paso Electric

Sec. No.: CMUM 400-19

Page: 1 of 2

Issued: 12/83

Section: CLERKS

SUBJECT: Short-Term Note

PURPOSE: To describe the process for completing the paperwork after securing a short-term note from a bank.

- POLICY:
1. Paperwork is begun immediately after the bank terms are accepted by the supervisor or section assistant.
  2. Interest is calculated for the day the note is secured but not on the payoff date.
  3. Notes which continue to the following month must be reentered on the Journal Entry 3014.

PROCEDURE: \*Complete a Promissory Note. (See CMUM 300-4)

\*Make one copy of the Promissory Note. Federal Express the original to the non-local bank granting the loan. Hand deliver the original to the local bank. Retain the copy for Cash Management.

\*Complete a Cashier's Daily Statement (see opposite) by entering the following data:

| <u>Reference<br/>Number</u> | <u>Description</u>                                  |
|-----------------------------|---|
| 1                           | Title--Note Payable.                                |
| 2                           | Date of acquisition.                                |
| 3                           | Name of the bank issuing the Note.                  |
| 4                           | FERC number.  |
| 5                           | Designation Number.                                 |
| 6                           | Principal Amount.                                   |
| 7                           | Credit the total Principal Amount.                  |
| 8                           | Debit bank to which the money is being transferred. |
| 9                           | Total debits  |
| 10                          | Cashier preparing form                              |
| 11                          | Section Assistant's approval                        |

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Section: CLERKS

Issued : 12/83

SUBJECT: Short-term Note (Continued)

\*Complete a Journal Entry 3014 (see opposite) by entering the following data:

| <u>Reference Number</u> | <u>Description</u>  |
|-------------------------|---|
| 1                       | Number of days outstanding.   |
| 2                       | Name of bank issuing Note.  |
| 3                       | Amount of Note.   |
| 4                       | Interest rate.  |
| 5                       | Term of Note, dates from and to.  |
| 6                       | Principal multiplied by the interest rate.  |
| 7                       | Item 6 divided by 360 days.   |
| 8                       | Item 7 multiplied by the days outstanding for the month, yielding the interest expense for the current month. |
| 9                       | Item 6 divided by 12, yielding the accrued interest for the current month. Round off upward.                  |

▶ REMINDER: When doing the calculations, put calculator on full.

\*On due date, calculate interest using the total principal amount. Use the figures on the Journal Entry 3014 as a verification for interest calculations. (See CMUM 400-19.)

\*Make two requisition forms on the day of payoff--one with the principal and the other with interest payoff. (See CMUM 400-13.)

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EPE INTERNAL USE ONLY



Sec. No.: CMUM 500-1

Page: 1 of 1

Issued: 12/83

Section: MACHINES

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**SUBJECT:** General Office Equipment**PURPOSE:** To describe small office equipment supplies used in the Cash Management Section.**EQUIPMENT:** 1. Each desk in the Cash Management Section is equipped with a Victor 850 10-key calculator. Basic job qualifications require Cash Management personnel to be able to operate rapidly and accurately a 10-key calculator by touch.

◆ NOTE: Service for calculators is performed by S&H Business Equipment Inc., 2101 East Yandell, El Paso, Texas.

2. All supplies--rubber bands, red ink pens, black ink pens, pencils, paperclips, stuffer paper, staplers, and staples and staple removers are obtained through the El Paso Electric Company's warehouse. The section assistant will place resupply orders by calling Supervisor-Warehouse at Ext. 4029.

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**EPE INTERNAL USE ONLY**



Section: MACHINES

Issued: 12/83

**SUBJECT:** Texas Instruments Compressed Print Select 700 Terminal

**PURPOSE:** To describe the process for signing on and signing off the Texas Instruments Compressed Print Silent 700 Terminal.

**POLICY:** The Texas Instruments computer terminal is used to enter and receive data for Banklink and Commercial Paper.

▶ **NOTE:** Service is performed through COMCS Inc., El Paso, Texas.

**PROCEDURE:** \*Transfer all telephone calls to Ext. 2076 or 2024 by depressing the button and dialing \*2 and the extension.

▶ **NOTE:** If calls are not transferred, the connection with the terminal will be disconnected in the event of an incoming call.

\*Dial 9-915-533-1453 to access the computer. Alternate numbers are 9-915-944-7621 and 9-212-4035 which can be used if there is trouble on the primary line.

\*Turn terminal on at the "On/Off" switch located on right rear of machine.

\*When high pitched tone is heard on the telephone headset, insert ear and mouth piece of the receiver into the two rubber acoustic couplur on the terminal.

\*When the green light appears on the keyboard, locate the half-dup key on the right of the keyboard. To interface with Banklink, the key should face right. To interface with Citibank, N.Y. the key should face left. Turn the key to the appropriate position. Other two keys always stay in position--low speed to right, on line to left.

\*Type user password, as assigned, to interface with the program.

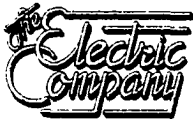
\*Follow the procedure for entering date or requesting data as provided in the User Manual, Citi Treasury Manual.

\*Verify entry of the correction data by calling Transformation Log. (See Glossary.)

\*After accepting data, sign off by pressing "MM" and return button.

\*Press "X" and return.

**EPE INTERNAL USE ONLY**



El Paso Electric

Sec. No.: CMUM 500-2

Page: 2 of 2

Issued: 12/83

Section: MACHINES

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SUBJECT: Texas Instruments Compressed Print Select 700 Terminal (Continued)

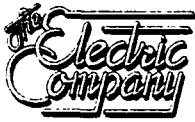
\*Type "ready." The computer will respond with "bye."

\*Turn off computer at the "On/Off" switch.

\*Disconnect telephone receiver and cancel call forwarding by dialing #2.

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EPE INTERNAL USE ONLY



El Paso Electric

83

Sec. No.: CMUM 500-3

Page: 1 of 1

Section: MACHINES

Issued: 12/83

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SUBJECT: IBM Computer Terminal

PURPOSE: To describe the process for gaining access to the customer account files accessible through the IBM computer program.

POLICY: IBM computer terminal will access user with assigned password to customer account history, current billing and other pertinent information regarding customer accounts.

◆ NOTE: Service for IBM Computer Terminal is performed at Banas.

PROCEDURE: \*Switch terminal on at the "On/Off" button.

\*Type "CCSN" and password data.

\*Type "Gen Acct" for General Accounting.

\*When "Requested Enter" appears on the terminal screen, type last name of the customer followed by the first name.

\*The computer will list all customers with the same name. Select correct customer by address of service. Type the Company account number.

\*Customer's file will appear on the terminal screen.

\*When the desired information is acquired, type "CSSF" and the computer will indicate the time sign off is complete.

\*Turn terminal off at the "On/Off" switch at the end of the day.

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Sec. No.: CMUM 500-4

Page: 1 of 1

Issued: 12/83

Section: MACHINES

- SUBJECT:** Signature Machine
- PURPOSE:** To describe the procedure for operating the signature machine.
- POLICY:**
1. The keys and the signature plate are kept locked unless they are being used.
  2. The two keys for the signature machine and the signature plate are always to be kept under the personal control of the Cash Management clerk processing accounts payable disbursement checks.
- PROCEDURE:**
- \*Insert the silver-colored key in the silver-colored keyhole.
  - \*Insert the brass-colored key in the brass-colored keyhole.
  - \*Turn the two keys to the unlocked position on the machine. Sequence is not relevant.
  - \*Insert the signature plate in the notch on the right side of the machine.
- ▶ **NOTE:** The signature plate will not slide into the notch if the keys are not completely in the unlocked position.
- \*Position each check between the plastic grid markers.
  - \*Press the white start bar at the top front of the machine. The white bar activates the stamping of the signature.
  - \*Repeat the process with each check in the batch.
  - \*When all checks in the batch are stamped, remove the signature plate.
  - \*Turn the two keys to the locked position and remove.

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EPE INTERNAL USE ONLY



Sec. No.: CMUM 500-5

Page: 1 of 1

Issued: 12/83

Section: MACHINES

SUBJECT: Mail Opener

PURPOSE: To describe the procedure for operating the two mail-opening machines.

POLICY: The mail-opening machines are used solely for regular mail.

PROCEDURE: \*Stack the Regular Mail envelopes in the tray on the right side of the machine with the stamped side in the upper right hand corner.

\*Start the machine by depressing the switch in the center front of the machine.

▶ NOTE: The machine immediately begins operating by moving one envelope at a time into a narrow groove. The envelope is stopped between two rubber suction cups which pull the envelope open.

\*Extract the contents from each envelope.

▶ NOTE: A light monitors each envelope and reactivates the machine when its contents are removed, placing a new envelope in position.

A second light, further along the groove, acts as a safeguard against anything being left in an envelope. If something is left in an envelope, a red light flashes and the machine stops operating until the operator removes the contents.

\*When the regular mail has been opened, turn off the machine by depressing the switch in the center front of the machine.

#

EPE INTERNAL USE ONLY





Section: GLOSSARY

SUBJECT: Glossary

**A**

ARC Account Receivable Customer

ARM Account Receivable Miscellaneous

ARM-Merchandise Account Receivable-Merchandise for purchasing merchandise through El Paso Electric.

**B**

Bank Drafts Remittances drawn directly through the customer's bank account.

Banklink Computer terminal link between local and non-local banks which give daily credit and debit activity of El Paso Electric's accounts used by outlying offices.

Batch To bind checks and stubs in stacks of approximately 250.

**C**

Cashier's Daily Report Record of daily transactions for individual cashiers within the Company.

Cashier's Daily Statement Record of daily transactions for individual offices within the Company.

Citibank, N.Y. Issuing agent for Commercial Paper Notes.

Check Register Computer printout of all accounts payable checks for the day.

**EPE INTERNAL USE ONLY**



Section: GLOSSARY

SUBJECT: Glossary (Continued)

Commercial Paper                      Short-term Promissory Note issued and sold by utilities and usually through dealers.

CSPP                                      Customer Stock Purchase Plan.

## D

Designation Number                      A five-digit number consisting of two alphabetical digits and three numerical digits. Used primarily to record cost for items used by a limited number of people and departments within the Company, providing numerous and detailed breakdowns of cost and facilitating accounting for activities which have a rapid turnover.

Dividend Reinvestments                      The reinvesting of dividends by stockholders in Company stock.

## F

FERC Numbers                              Federal Energy Regulatory Commission's uniformed system of accounts for class A electric utilities.

Foreign Checks                              Checks drawn on a foreign bank. Check without a U. S. bank must be taken to the foreign exchange at First City National Bank. When the check clears, customer's account may be credited. Checks with a U. S. bank may be processed as usual.

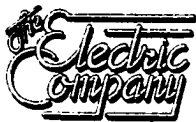
Franklin Land & Resources Inc.                      A wholly-owned subsidiary of El Paso Electric Company.

Fuel Schedule                              Paper work for documentation of purchase of nuclear fuel, uranium venture and miscellaneous charges.

## G

Green Book                                  Tickler file of Commercial Paper posted by due date.

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El Paso Electric

Section: GLOSSARY

SUBJECT: Glossary (Continued)

Goldman, Sachs and  
Company

El Paso Electric Company's Commerical Paper dealer.

**I**

Insufficient Checks

Customer checks returned from the bank for insufficient funds.

**L**

Line of Credit

Amount of credit allowed by a given bank.

Lockbox

Post office box located in Dallas, Texas, enables El Paso Electric to receive and process monthly remittances of large out-of-town customers in a more timely fashion.

Log Book

Records batch numbers and time of delivery to Data Entry.

**M**

Meal Checks

Cash given to hourly employees working at least two hours overtime through the dinner meal.

Mercantile Bank of Dallas

Handling agent for checks received in the lockbox.

Moody's Investment Service

A national credit rating service, evaluating the relative credit quality of short-term note and commercial paper issuers.

**N**

Nuclear Fuel Trust

An account in the Rio Grande Resources Trust which allows for the purchasing of nuclear fuel and placement of it in a trust for future use.

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Section: GLOSSARY

SUBJECT: Glossary (Continued)

## P

**Password** Userid for protecting data sets from direct or indirect referencing.

**Project CARE** An El Paso Electric program to assist the needy customers in paying electric energy bills through voluntary customer contributions.

## R

**Requisition Voucher** A written itemized request for printing of account payable disbursement check.

**Rio Grande Resources Trust** A trust established to enable the Company to acquire nuclear inventory but not tie up funds until the inventory is actually used.

**Route** Utilizing the in-house mail system for delivering items between departments.

## S

**Security Pacific Market Group** Co-trustees responsible for administration of the Rio Grande Resources Trust. Department of Security Pacific National Bank.

**Specials** Remittance payments in excess of \$500.

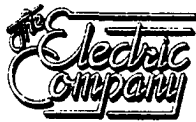
**Star Services** El Paso Electric program designed to ease the stress of paying electric bills for people on fixed incomes.

## T

**Texas-New Mexico Power** Electric utility company headquartered in Fort Worth and serving southeastern New Mexico and the Panhandle of Texas.

**Transformation Log** Explanation of the Texas Instruments Silent Printer 700.

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El Paso Electric

Sec. No.: CMJM 500-1

Page: 5 of 5

Issued: 12/83

Section: GLOSSARY

SUBJECT: Glossary (Continued)

Transmission Line Book                      Record of expenditures for use of the Artesia transmission line.

## U

Uranium Venture                                      Account in the Rio Grande Resources Trust.

UAR    Uncollectible Accounts Receivable.

## V

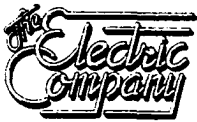
Vendor Register                                      Computer printout record of all accounts payable checks printed.

Verification, Verify                                      A check of figures made by comparing original figures to transcribed figures or by running a second tape.

## Y

Yellow Book    Tickler file for Commercial Paper outstanding.

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El Paso Electric

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Sec. No.: CMUM 700-1

Page : 1 of 1

Section: REVISION NOTICES

Issued : 12/83

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SUBJECT: Policy and Procedures Revision Form

This manual was prepared by the Corporate Communications Department of El Paso Electric. It is our intention to provide documentation that is current in every respect. Use the Policy and Procedure Revision Form provided to submit comments, corrections or suggestions to the Supervisor-Cash Management.

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|                           |               |                     |
|---------------------------|---------------|---------------------|
| Date:                     | Suggested by: | Supervisor Checked: |
| Section and Sub-topic:    |               |                     |
| SUGGESTED REVISION:       |               |                     |
| REVISION MADE:            |               |                     |
| Department Head Approved: | Date:         |                     |

## VITA

Elizabeth Ann Nelan Hagans was born in El Paso, Texas, on February 24, 1947, the daughter of Joseph F. and Marie Nelan. After completing her work at Loretto Academy, El Paso, Texas, in 1965, she entered The University of Texas at El Paso. She received the degree of Bachelor of Science from the University of Texas at El Paso in May 1969. During the following years, she was employed in various teaching positions from Austin, Texas to Washington, D. C. After 13 years of teaching, she accepted a position at El Paso Electric as a staff writer. She is currently the Publication Coordinator at The Electric Company.

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