

El Paso Electric
Post Office Box 982
El Paso, Texas 79960

2520032900885

Office of the General Counsel
Brenda C. Karickhoff
Corporate Counsel

February 25, 1992

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Office of Employee Benefits
Security Labor - Management Services Administration
U.S. Department of Labor
Washington, D.C. 20216

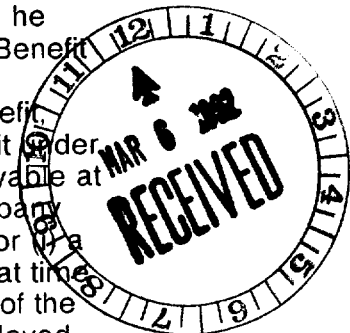
**RE: FILING OF STATEMENT PURSUANT TO REGULATION §2520.104-23 CONCERNING
ADOPTION OF UNFUNDED PENSION PLAN BY EL PASO ELECTRIC COMPANY**

Ladies and Gentlemen:

Please be advised that El Paso Electric Company (the "Company"), Post Office Box 982, El Paso, Texas 79960, Employer Identification No. 74-0607870, has adopted the plan described below for the purpose of providing deferred compensation for its Executive Vice President and Chief Operating Officer, who is a member of a select group of management and a highly compensated employee:

Supplemental Retirement Benefit Agreement. On December 16, 1991, the Company and Curtis Lynn Hoskins, the Executive Vice President and Chief Operating Officer of the Company, entered into a Supplemental Retirement Benefit Agreement providing certain supplemental retirement and death benefits to Mr. Hoskins that he otherwise would not have been able to receive under the Company's Amended and Restated Supplemental Retirement and Survivor Income Plan for Key Employees (the "Basic Supplemental Retirement Plan"). The general intent of the Supplement Retirement Benefit Agreement is to provide Mr. Hoskins with the benefits he would have received under the Basic Supplemental Retirement Plan had he received credit for his service with Utah Power & Light Company beginning in October 1966 as though he had been employed with the Company. The Supplemental Retirement Benefit Agreement provides that if Mr. Hoskins retires from the Company after reaching age 60, he will be eligible to receive an annual retirement benefit payable monthly, equal to 60% of his final salary (reduced by his benefit under the Company's Retirement Plan, his primary Social Security Benefit payable at age 65, and his monthly entitlement under the Utah Power & Light Company Retirement Plan. The Supplemental Retirement Benefit also provides for (i) a pre-retirement death benefit equal to 250% of Mr. Hoskins' final salary at time of death and (ii) a post-retirement death benefit computed on the basis of the number of years since retirement (after reaching age 60 while still employed by the Company) in which death occurs and a specified percentage of Mr. Hoskins' final salary at the time of retirement. In the event of certain changes of control of the Company and termination (other than under certain

500



circumstances) of employment within two years of such change of control, Mr. Hoskins will be entitled to receive retirement benefits under the Supplemental Retirement Benefit Agreement and can choose to receive such retirement benefits as a lump sum, determined actuarially, rather than in monthly payments. If Mr. Hoskins is receiving retirement benefits at the time of a change of the Company, he will be entitled to elect lump sum payment, determined actuarially, or may continue to receive monthly payments of the benefits. If Mr. Hoskins' surviving spouse is receiving death benefits in monthly installments and a change of control of the Company occurs or has occurred, she will be entitled to elect lump sum payment, determined actuarially, or may elect to continue to receive monthly payments. Currently, Mr. Hoskins is the only employee of the Company eligible to receive benefits under the Supplemental Retirement Benefit Agreement.

On January 8, 1992, the Company filed a voluntary petition under Chapter 11 of the U.S. Bankruptcy Code in the U.S. Bankruptcy Court for the Western District of Texas, Austin Division. No order has been entered in the bankruptcy proceedings to either assume or reject the Supplemental Retirement Benefit Agreement.

A copy of the Supplemental Retirement Benefit Agreement may be requested from either the undersigned or from Mr. Eduardo Rodriguez, Secretary, El Paso Electric Company, Post Office Box 982, El Paso, Texas 79960. Please direct any other information or requests to either my or Mr. Rodriguez's attention as well.

Sincerely,



Brenda C. Karickhoff
Corporate Counsel

cc: Eduardo Rodriguez