THIS FILING IS		
Item 1: [X] An Initial (Original) Submission	OR [ ]	Resubmission No. ____

Form 1 Approved
OMB No.1902-0021
(Expires 11/30/2022)
Form 1-F Approved
OMB No.1902-0029
(Expires 11/30/2022)
Form 3-Q Approved
OMB No.1902-0205
(Expires 11/30/2022)

FERC FINANCIAL REPORT
FERC FORM No. 1: Annual Report of Major Electric Utilities, Licensees and Others and Supplemental Form 3-Q: Quarterly Financial Report

These reports are mandatory under the Federal Power Act, Sections 3, 4(a), 304 and 309, and 18 CFR 141.1 and 141.400. Failure to report may result in criminal fines, civil penalties and other sanctions as provided by law. The Federal Energy Regulatory Commission does not consider these reports to be of confidential nature

Exact Legal Name of Respondent (Company)	**Year/Period of Report**
El Paso Electric Company	**End of** 2019/Q4

KPMG LLP
811 Main Street
Houston, TX 77002

Independent Auditors' Report

The Board of Directors
El Paso Electric Company:

We have audited the accompanying financial statements of El Paso Electric Company, which comprise the comparative balance sheet as of December 31, 2019 and 2018, and the related statements of income, retained earnings, cash flows, and accumulated comprehensive income, comprehensive income, and hedging activities for the years then ended, included on pages 110 through 123 of the accompanying Federal Energy Regulatory Commission Form No.1, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the requirements of the Federal Energy Regulatory Commission as set forth in its applicable Uniform System of Accounts and published accounting releases; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of El Paso Electric Company as of December 31, 2019 and 2018, and the result of its operations and cash flows for the years then ended in accordance with the requirements of the Federal Energy Regulatory Commission as set forth in its applicable Uniform System of Accounts and published accounting releases.

KPMG

Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. As described in Note 1 to the financial statements, the financial statements are prepared by El Paso Electric Company in conformity with the requirements of the Federal Energy Regulatory Commission as set forth in its applicable Uniform System of Accounts and published accounting releases, which is a basis of accounting other than U.S. generally accepted accounting principles, to meet the requirements of the Federal Energy Regulatory Commission. Our opinion is not modified with respect to this matter.

Restriction on Use

Our report is intended solely for the information and use of the Board of Directors and management of El Paso Electric Company and for filing with the Federal Energy Regulatory Commission, the Public Utility Commission of Texas, and the New Mexico Public Regulatory Commission, and is not intended to be and should not be used by anyone other than these specified parties.

KPMG LLP

Houston, Texas
April 8, 2020

INSTRUCTIONS FOR FILING FERC FORM NOS. 1 and 3-Q

GENERAL INFORMATION

I. Purpose

FERC Form No. 1 (FERC Form 1) is an annual regulatory requirement for Major electric utilities, licensees and others (18 C.F.R. § 141.1). FERC Form No. 3-Q (FERC Form 3-Q)is a quarterly regulatory requirement which supplements the annual financial reporting requirement (18 C.F.R. § 141.400). These reports are designed to collect financial and operational information from electric utilities, licensees and others subject to the jurisdiction of the Federal Energy Regulatory Commission. These reports are also considered to be non-confidential public use forms.

II. Who Must Submit

Each Major electric utility, licensee, or other, as classified in the Commission's Uniform System of Accounts Prescribed for Public Utilities and Licensees Subject To the Provisions of The Federal Power Act (18 C.F.R. Part 101), must submit FERC Form 1 (18 C.F.R. § 141.1), and FERC Form 3-Q (18 C.F.R. § 141.400).

Note: Major means having, in each of the three previous calendar years, sales or transmission service that exceeds one of the following:

(1) one million megawatt hours of total annual sales,
(2) 100 megawatt hours of annual sales for resale,
(3) 500 megawatt hours of annual power exchanges delivered, or
(4) 500 megawatt hours of annual wheeling for others (deliveries plus losses).

III. What and Where to Submit

(a) Submit FERC Forms 1 and 3-Q electronically through the forms submission software. Retain one copy of each report for your files. Any electronic submission must be created by using the forms submission software provided free by the Commission at its web site: http://www.ferc.gov/docs-filing/forms/form-1/elec-subm-soft.asp. The software is used to submit the electronic filing to the Commission via the Internet.

(b) The Corporate Officer Certification must be submitted electronically as part of the FERC Forms 1 and 3-Q filings.

(c) Submit immediately upon publication, by either eFiling or mail, two (2) copies to the Secretary of the Commission, the latest Annual Report to Stockholders. Unless eFiling the Annual Report to Stockholders, mail the stockholders report to the Secretary of the Commission at:

Secretary
Federal Energy Regulatory Commission
888 First Street, NE
Washington, DC 20426

(d) For the CPA Certification Statement, submit within 30 days after filing the FERC Form 1, a letter or report (not applicable to filers classified as Class C or Class D prior to January 1, 1984). The CPA Certification Statement can be either eFiled or mailed to the Secretary of the Commission at the address above.

The CPA Certification Statement should:

a) Attest to the conformity, in all material aspects, of the below listed (schedules and pages) with the Commission's applicable Uniform System of Accounts (including applicable notes relating thereto and the Chief Accountant's published accounting releases), and

b) Be signed by independent certified public accountants or an independent licensed public accountant certified or licensed by a regulatory authority of a State or other political subdivision of the U. S. (See 18 C.F.R. §§ 41.10-41.12 for specific qualifications.)

Reference Schedules	Pages
Comparative Balance Sheet	110-113
Statement of Income	114-117
Statement of Retained Earnings	118-119
Statement of Cash Flows	120-121
Notes to Financial Statements	122-123

e) The following format must be used for the CPA Certification Statement unless unusual circumstances or conditions, explained in the letter or report, demand that it be varied. Insert parenthetical phrases only when exceptions are reported.

"In connection with our regular examination of the financial statements of _____ for the year ended on which we have reported separately under date of ____________ , we have also reviewed schedules ____________________of FERC Form No. 1 for the year filed with the Federal Energy Regulatory Commission, for conformity in all material respects with the requirements of the Federal Energy Regulatory Commission as set forth in its applicable Uniform System of Accounts and published accounting releases. Our review for this purpose included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

Based on our review, in our opinion the accompanying schedules identified in the preceding paragraph (except as noted below) conform in all material respects with the accounting requirements of the Federal Energy Regulatory Commission as set forth in its applicable Uniform System of Accounts and published accounting releases."

The letter or report must state which, if any, of the pages above do not conform to the Commission's requirements. Describe the discrepancies that exist.

(f) Filers are encouraged to file their Annual Report to Stockholders, and the CPA Certification Statement using eFiling. To further that effort, new selections, "Annual Report to Stockholders," and "CPA Certification Statement" have been added to the dropdown "pick list" from which companies must choose when eFiling. Further instructions are found on the Commission's website at http://www.ferc.gov/help/how-to.asp.

(g) Federal, State and Local Governments and other authorized users may obtain additional blank copies of FERC Form 1 and 3-Q free of charge from http://www.ferc.gov/docs-filing/forms/form-1/form-1.pdf and http://www.ferc.gov/docs-filing/forms.asp#3Q-gas .

IV. When to Submit:

FERC Forms 1 and 3-Q must be filed by the following schedule:

a) FERC Form 1 for each year ending December 31 must be filed by April 18th of the following year (18 CFR § 141.1), and

b) FERC Form 3-Q for each calendar quarter must be filed within 60 days after the reporting quarter (18 C.F.R. § 141.400).

V. Where to Send Comments on Public Reporting Burden.

The public reporting burden for the FERC Form 1 collection of information is estimated to average 1,168 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data-needed, and completing and reviewing the collection of information. The public reporting burden for the FERC Form 3-Q collection of information is estimated to average 168 hours per response.

Send comments regarding these burden estimates or any aspect of these collections of information, including suggestions for reducing burden, to the Federal Energy Regulatory Commission, 888 First Street NE, Washington, DC 20426 (Attention: Information Clearance Officer); and to the Office of Information and Regulatory Affairs, Office of Management and Budget, Washington, DC 20503 (Attention: Desk Officer for the Federal Energy Regulatory Commission). No person shall be subject to any penalty if any collection of information does not display a valid control number (44 U.S.C. § 3512 (a)).

GENERAL INSTRUCTIONS

I. Prepare this report in conformity with the Uniform System of Accounts (18 CFR Part 101) (USofA). Interpret all accounting words and phrases in accordance with the USofA.

II. Enter in whole numbers (dollars or MWH) only, except where otherwise noted. (Enter cents for averages and figures per unit where cents are important. The truncating of cents is allowed except on the four basic financial statements where rounding is required.) The amounts shown on all supporting pages must agree with the amounts entered on the statements that they support. When applying thresholds to determine significance for reporting purposes, use for balance sheet accounts the balances at the end of the current reporting period, and use for statement of income accounts the current year's year to date amounts.

III Complete each question fully and accurately, even if it has been answered in a previous report. Enter the word "None" where it truly and completely states the fact.

IV. For any page(s) that is not applicable to the respondent, omit the page(s) and enter "NA," "NONE," or "Not Applicable" in column (d) on the List of Schedules, pages 2 and 3.

V. Enter the month, day, and year for all dates. Use customary abbreviations. **The "Date of Report" included in the header of each page is to be completed only for resubmissions** (see VII. below).

VI. Generally, except for certain schedules, all numbers, whether they are expected to be debits or credits, must be reported as positive. Numbers having a sign that is different from the expected sign must be reported by enclosing the numbers in parentheses.

VII For any resubmissions, submit the electronic filing using the form submission software only. Please explain the reason for the resubmission in a footnote to the data field.

VIII. Do not make references to reports of previous periods/years or to other reports in lieu of required entries, except as specifically authorized.

IX. Wherever (schedule) pages refer to figures from a previous period/year, the figures reported must be based upon those shown by the report of the previous period/year, or an appropriate explanation given as to why the different figures were used.

Definitions for statistical classifications used for completing schedules for transmission system reporting are as follows:

FNS - Firm Network Transmission Service for Self. "Firm" means service that can not be interrupted for economic reasons and is intended to remain reliable even under adverse conditions. "Network Service" is Network Transmission Service as described in Order No. 888 and the Open Access Transmission Tariff. "Self" means the respondent.

FNO - Firm Network Service for Others. "Firm" means that service cannot be interrupted for economic reasons and is intended to remain reliable even under adverse conditions. "Network Service" is Network Transmission Service as described in Order No. 888 and the Open Access Transmission Tariff.

LFP - for Long-Term Firm Point-to-Point Transmission Reservations. "Long-Term" means one year or longer and” firm" means that service cannot be interrupted for economic reasons and is intended to remain reliable even under adverse conditions. "Point-to-Point Transmission Reservations" are described in Order No. 888 and the Open Access Transmission Tariff. For all transactions identified as LFP, provide in a footnote the termination date of the contract defined as the earliest date either buyer or seller can unilaterally cancel the contract.

OLF - Other Long-Term Firm Transmission Service. Report service provided under contracts which do not conform to the terms of the Open Access Transmission Tariff. "Long-Term" means one year or longer and “firm” means that service cannot be interrupted for economic reasons and is intended to remain reliable even under adverse conditions. For all transactions identified as OLF, provide in a footnote the termination date of the contract defined as the earliest date either buyer or seller can unilaterally get out of the contract.

SFP - Short-Term Firm Point-to-Point Transmission Reservations. Use this classification for all firm point-to-point transmission reservations, where the duration of each period of reservation is less than one-year.

NF - Non-Firm Transmission Service, where firm means that service cannot be interrupted for economic reasons and is intended to remain reliable even under adverse conditions.

OS - Other Transmission Service. Use this classification only for those services which can not be placed in the above-mentioned classifications, such as all other service regardless of the length of the contract and service FERC Form. Describe the type of service in a footnote for each entry.

AD - Out-of-Period Adjustments. Use this code for any accounting adjustments or "true-ups" for service provided in prior reporting periods. Provide an explanation in a footnote for each adjustment.

DEFINITIONS

I. Commission Authorization (Comm. Auth.) -- The authorization of the Federal Energy Regulatory Commission, or any other Commission. Name the commission whose authorization was obtained and give date of the authorization.

II. Respondent -- The person, corporation, licensee, agency, authority, or other Legal entity or instrumentality in whose behalf the report is made.

EXCERPTS FROM THE LAW

Federal Power Act, 16 U.S.C. § 791a-825r

Sec. 3. The words defined in this section shall have the following meanings for purposes of this Act, to with:

(3) 'Corporation' means any corporation, joint-stock company, partnership, association, business trust, organized group of persons, whether incorporated or not, or a receiver or receivers, trustee or trustees of any of the foregoing. It shall not include 'municipalities, as hereinafter defined;

(4) 'Person' means an individual or a corporation;

(5) 'Licensee, means any person, State, or municipality Licensed under the provisions of section 4 of this Act, and any assignee or successor in interest thereof;

(7) 'municipality means a city, county, irrigation district, drainage district, or other political subdivision or agency of a State competent under the Laws thereof to carry and the business of developing, transmitting, unitizing, or distributing power; ......

(11) "project' means. a complete unit of improvement or development, consisting of a power house, all water conduits, all dams and appurtenant works and structures (including navigation structures) which are a part of said unit, and all storage, diverting, or fore bay reservoirs directly connected therewith, the primary line or lines transmitting power there from to the point of junction with the distribution system or with the interconnected primary transmission system, all miscellaneous structures used and useful in connection with said unit or any part thereof, and all water rights, rights-of-way, ditches, dams, reservoirs, Lands, or interest in Lands the use and occupancy of which are necessary or appropriate in the maintenance and operation of such unit;

"Sec. 4. The Commission is hereby authorized and empowered

(a) To make investigations and to collect and record data concerning the utilization of the water 'resources of any region to be developed, the water-power industry and its relation to other industries and to interstate or foreign commerce, and concerning the location, capacity, development -costs, and relation to markets of power sites; ... to the extent the Commission may deem necessary or useful for the purposes of this Act."

"Sec. 304. (a) Every Licensee and every public utility shall file with the Commission such annual and other periodic or special* reports as the Commission may be rules and regulations or other prescribe as necessary or appropriate to assist the Commission in the -proper administration of this Act. The Commission may prescribe the manner and FERC Form in which such reports salt be made, and require from such persons specific answers to all questions upon which the Commission may need information. The Commission may require that such reports shall include, among other things, full information as to assets and Liabilities, capitalization, net investment, and reduction thereof, gross receipts, interest due and paid, depreciation, and other reserves, cost of project and other facilities, cost of maintenance and operation of the project and other facilities, cost of renewals and replacement of the project works and other facilities, depreciation, generation, transmission, distribution, delivery, use, and sale of electric energy. The Commission may require any such person to make adequate provision for currently determining such costs and other facts. Such reports shall be made under oath unless the Commission otherwise specifies*.10

"Sec. 309. The Commission shall have power to perform any and all acts, and to prescribe, issue, make, and rescind such orders, rules and regulations as it may find necessary or appropriate to carry out the provisions of this Act. Among other things, such rules and regulations may define accounting, technical, and trade terms used in this Act; and may prescribe the FERC Form or FERC Forms of all statements, declarations, applications, and reports to be filed with the Commission, the information which they shall contain, and the time within which they shall be field..."

General Penalties

The Commission may assess up to $1 million per day per violation of its rules and regulations. *See* FPA § 316(a) (2005), 16 U.S.C. § 825o(a).

FERC FORM NO. 1/3-Q:
REPORT OF MAJOR ELECTRIC UTILITIES, LICENSEES AND OTHER

IDENTIFICATION

01 Exact Legal Name of Respondent El Paso Electric Company	02 Year/Period of Report End of 2019/Q4
03 Previous Name and Date of Change *(if name changed during year)* / /	
04 Address of Principal Office at End of Period *(Street, City, State, Zip Code)* P.O. Box 982, El Paso, TX 79960-0982; 100 North Stanton Street, El Paso, TX	
05 Name of Contact Person Russell G. Gibson	06 Title of Contact Person Vice President & Controller
07 Address of Contact Person *(Street, City, State, Zip Code)* P.O. Box 982, El Paso, TX 79960-0982; 100 North Stanton Street, El Paso, TX	

08 Telephone of Contact Person, *Including Area Code*	09 This Report Is	10 Date of Report *(Mo, Da, Yr)*
(915) 351-4222	(1) [X] An Original (2) [ ] A Resubmission	/ /

ANNUAL CORPORATE OFFICER CERTIFICATION

The undersigned officer certifies that:

I have examined this report and to the best of my knowledge, information, and belief all statements of fact contained in this report are correct statements of the business affairs of the respondent and the financial statements, and other financial information contained in this report, conform in all material respects to the Uniform System of Accounts.

01 Name	03 Signature	04 Date Signed *(Mo, Da, Yr)*
/s/ Russell G. Gibson	/s/ Russell G. Gibson	04/08/2020
02 Title Vice President & Controller		

Title 18, U.S.C. 1001 makes it a crime for any person to knowingly and willingly to make to any Agency or Department of the United States any false, fictitious or fraudulent statements as to any matter within its jurisdiction.

LIST OF SCHEDULES (Electric Utility)

Enter in column (c) the terms "none," "not applicable," or "NA," as appropriate, where no information or amounts have been reported for certain pages. Omit pages where the respondents are "none," "not applicable," or "NA".

LIST OF SCHEDULES (Electric Utility) (continued)

Enter in column (c) the terms "none," "not applicable," or "NA," as appropriate, where no information or amounts have been reported for certain pages. Omit pages where the respondents are "none," "not applicable," or "NA".

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
El Paso Electric Company	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2019/Q4

LIST OF SCHEDULES (Electric Utility) (continued)

Enter in column (c) the terms "none," "not applicable," or "NA," as appropriate, where no information or amounts have been reported for certain pages. Omit pages where the respondents are "none," "not applicable," or "NA".

Line No.	Title of Schedule (a)	Reference Page No. (b)	Remarks (c)
67	Transmission Line Statistics Pages	422-423	
68	Transmission Lines Added During the Year	424-425	None
69	Substations	426-427	
70	Transactions with Associated (Affiliated) Companies	429	None
71	Footnote Data	450	

Stockholders' Reports Check appropriate box:

- [X] Two copies will be submitted
- [ ] No annual report to stockholders is prepared

GENERAL INFORMATION

1. Provide name and title of officer having custody of the general corporate books of account and address of office where the general corporate books are kept, and address of office where any other corporate books of account are kept, if different from that where the general corporate books are kept.

Russell G. Gibson
Vice President & Controller
Stanton Tower, 100 North Stanton Street
El Paso, Texas 79901

Mailing Address:
Russell G. Gibson
Post Office Box 982
El Paso, Texas 79960-0982

2. Provide the name of the State under the laws of which respondent is incorporated, and date of incorporation. If incorporated under a special law, give reference to such law. If not incorporated, state that fact and give the type of organization and the date organized.

Texas - August 30, 1901

3. If at any time during the year the property of respondent was held by a receiver or trustee, give (a) name of receiver or trustee, (b) date such receiver or trustee took possession, (c) the authority by which the receivership or trusteeship was created, and (d) date when possession by receiver or trustee ceased.

Not applicable.

4. State the classes or utility and other services furnished by respondent during the year in each State in which the respondent operated.

Electric power generation, transmission and distribution for sale at retail in the states of Texas and New Mexico; and wholesale sales including sales for resale to other electric utilities primarily in the states of Texas, New Mexico and Arizona and sales for resale to power marketers.

5. Have you engaged as the principal accountant to audit your financial statements an accountant who is not the principal accountant for your previous year's certified financial statements?

(1) [ ] Yes...Enter the date when such independent accountant was initially engaged:
(2) [X] No

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
El Paso Electric Company	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2019/Q4

OFFICERS

1. Report below the name, title and salary for each executive officer whose salary is $50,000 or more. An "executive officer" of a respondent includes its president, secretary, treasurer, and vice president in charge of a principal business unit, division or function (such as sales, administration or finance), and any other person who performs similar policy making functions.
2. If a change was made during the year in the incumbent of any position, show name and total remuneration of the previous incumbent, and the date the change in incumbency was made.

Line No.	Title (a)	Name of Officer (b)	Salary for Year (c)
1	President and Chief Executive Officer	Mary E. Kipp	463,962
2	Interim Chief Executive Officer, General Counsel and		
3	Assistant Secretary	Adrian J. Rodriguez	483,200
4	Senior Vice President and Chief Financial Officer	Nathan T. Hirschi	411,723
5	Senior Vice President and Interim Chief		
6	Operating Officer	Elaina L. Ball	341,020
7	Senior Vice President, Operations	Steven T. Buraczyk	345,000
8	Senior Vice President, Corporate Development and		
9	Chief Compliance Officer	Rocky R. Miracle	339,884
10	Senior Vice President and Chief Human Resources		
11	Officer	William A. Stiller	19,519
12	Vice President, Transmission and Distribution	Robert C. Doyle	262,885
13	Vice President, Controller	Russell G. Gibson	254,884
14	Vice President, Strategic Communications, Customer and		
15	Community Engagement	Eduardo Gutierrez	224,884
16	Vice President, Generation, System Planning		
17	and Dispatch	David C. Hawkins	249,885
18	Vice President, Governmental Affairs	Patrick V. Reinhart	210,000
19	Vice President, Human Resources	Victor F. Rueda	264,885
20	Vice President, Regulatory Affairs	James A. Schichtl	244,769
21	Vice President, Compliance and Chief Risk Officer	Henry W. Soza	243,862
22	Vice President, Business Development	Richard E. Turner	220,862
23	Corporate Secretary	Jessica M. Goldman	152,810
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Schedule Page: 104 Line No.: 1 Column: b

Effective on August 1, 2019, Mary E. Kipp, President and Chief Executive Officer, resigned from her positions at the Company and as a member of the Board of Directors of the Company.

Schedule Page: 104 Line No.: 3 Column: b

On June 28, 2019, the Company’s Board of Directors appointed Adrian J. Rodriguez as the Company’s Interim Chief Executive Officer, making his title Interim Chief Executive Officer, General Counsel and Assistant Secretary effective August 1, 2019. On July 25, 2019, Mr. Rodriguez was appointed to the Board of Directors effective August 1, 2019. Formerly, Mr. Rodriguez served as Senior Vice President, General Counsel and Assistant Secretary from September 2017 through July 2019.

Schedule Page: 104 Line No.: 6 Column: b

On June 28, 2019, Elaina L. Ball was appointed Senior Vice President and Interim Chief Operating Officer effective August 1, 2019. Formerly, Ms. Ball served as Senior Vice President and Chief Administrative Officer, from April 2018 through July 2019.

Schedule Page: 104 Line No.: 11 Column: b

On February 1, 2019, William A. Stiller, Senior Vice President, retired from the Company.

Schedule Page: 104 Line No.: 19 Column: b

On February 18, 2019, Victor Rueda was appointed Vice President, Human Resources. Formerly, Mr. Rueda served as Vice President, Human Resources and Community Outreach, from March 2018 to February 2019.

Schedule Page: 104 Line No.: 22 Column: b

On January 21, 2019, Richard E. Turner was appointed Vice President, Business Development. Formerly, Mr. Turner served as Vice President, Renewables Development, from December 2015 to January 2019.

Name of Respondent El Paso Electric Company	This Report Is: (1) [X] An Original (2) [ ] A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2019/Q4

DIRECTORS

1. Report below the information called for concerning each director of the respondent who held office at any time during the year. Include in column (a), abbreviated titles of the directors who are officers of the respondent.
2. Designate members of the Executive Committee by a triple asterisk and the Chairman of the Executive Committee by a double asterisk.

Line No.	Name (and Title) of Director (a)	Principal Business Address (b)
1	Catherine A. Allen - Former Director***	The Santa Fe Group
2		3 Chamisa Drive North, Suite 2
3		Santa Fe, New Mexico 87508
4		
5	Paul M. Barbas - Director***	Post Office Box 458
6		Barnstable, Massachusetts 02630
7		
8	James W. Cicconi - Director***	AT&T
9		1120 20th Street, N.W., Suite 1000
10		Washington, D.C. 20036
11		
12	Edward Escudero - Director and Vice Chairman of the Board***	High Desert Capital, LLC
13		6080 Surety Drive
14		El Paso, Texas 79905
15		
16	Mary E. Kipp - Former Director, President and Chief	El Paso Electric Company
17	Executive Officer	100 North Stanton Street
18		El Paso, Texas 79901
19		
20	Raymond Palacios, Jr. - Director	Bravo Cadillac
21		6555 Montana Avenue
22		El Paso, Texas 79925
23		
24	Adrian J. Rodriguez - Director, Interim Chief Executive	El Paso Electric Company
25	Officer, General Counsel and Assistant Secretary	100 North Stanton Street
26		El Paso, Texas 79901
27		
28	Eric B. Siegel - Director**	11100 Santa Monica Boulevard, Suite 2000
29		Los Angeles, California 90025
30		
31	Stephen N. Wertheimer - Director***	W Capital Partners
32		400 Park Avenue, Suite 910
33		New York, New York 10022
34		
35	Charles A. Yamarone - Director and Chairman of the Board***	Houlihan Lokey
36		10250 Constellation Boulevard, 5th Floor
37		Los Angeles, California 90067
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Schedule Page: 105 Line No.: 1 Column: a

On May 23, 2019, Catherine A. Allen retired from the Board of Directors of the Company in accordance with the director retirement policy in the Company’s Corporate Governance Guidelines.

Schedule Page: 105 Line No.: 5 Column: a

On May 23, 2019, Paul M. Barbas was appointed as a member and Chairman of the Security Committee and a member of the Executive Committee.

Schedule Page: 105 Line No.: 16 Column: a

On August 1, 2019, Mary E. Kipp resigned from the Board of Directors.

Schedule Page: 105 Line No.: 24 Column: a

On August 1, 2019, Adrian J. Rodriguez was appointed to the Board of Directors filling the unexpired term of Mary E. Kipp.

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
El Paso Electric Company	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2019/Q4

INFORMATION ON FORMULA RATES
FERC Rate Schedule/Tariff Number FERC Proceeding

Does the respondent have formula rates?	[X] Yes [ ] No

1. Please list the Commission accepted formula rates including FERC Rate Schedule or Tariff Number and FERC proceeding (i.e. Docket No) accepting the rate(s) or changes in the accepted rate.

Line No.	FERC Rate Schedule or Tariff Number	FERC Proceeding
1	Rate Schedule FERC No. 18	ER08-742-001
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Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
El Paso Electric Company	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2019/Q4

INFORMATION ON FORMULA RATES
FERC Rate Schedule/Tariff Number FERC Proceeding

Does the respondent file with the Commission annual (or more frequent) filings containing the inputs to the formula rate(s)?

[X] Yes
[ ] No

2. If yes, provide a listing of such filings as contained on the Commission's eLibrary website

Line No.	Accession No.	Document Date \ Filed Date	Docket No.	Description	Formula Rate FERC Rate Schedule Number or Tariff Number
1	20190930-5224	09/30/2019	ER08-742	2019 Annual Update Filing	18
2		09/30/2019			
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Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
El Paso Electric Company	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2019/Q4

INFORMATION ON FORMULA RATES
Formula Rate Variances

1. If a respondent does not submit such filings then indicate in a footnote to the applicable Form 1 schedule where formula rate inputs differ from amounts reported in the Form 1.
2. The footnote should provide a narrative description explaining how the "rate" (or billing) was derived if different from the reported amount in the Form 1.
3. The footnote should explain amounts excluded from the ratebase or where labor or other allocation factors, operating expenses, or other items impacting formula rate inputs differ from amounts reported in Form 1 schedule amounts.
4. Where the Commission has provided guidance on formula rate inputs, the specific proceeding should be noted in the footnote.

Line No.	Page No(s).	Schedule	Column	Line No
1	N/A			
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Schedule Page: 1061 Line No.: 1 Column: d

The 2019 annual update is to the cost-based formula rate included in the Power Sales Agreement under ER08-742.

IMPORTANT CHANGES DURING THE QUARTER/YEAR

Give particulars (details) concerning the matters indicated below. Make the statements explicit and precise, and number them in accordance with the inquiries. Each inquiry should be answered. Enter "none," "not applicable," or "NA" where applicable. If information which answers an inquiry is given elsewhere in the report, make a reference to the schedule in which it appears.

1. Changes in and important additions to franchise rights: Describe the actual consideration given therefore and state from whom the franchise rights were acquired. If acquired without the payment of consideration, state that fact.
2. Acquisition of ownership in other companies by reorganization, merger, or consolidation with other companies: Give names of companies involved, particulars concerning the transactions, name of the Commission authorizing the transaction, and reference to Commission authorization.
3. Purchase or sale of an operating unit or system: Give a brief description of the property, and of the transactions relating thereto, and reference to Commission authorization, if any was required. Give date journal entries called for by the Uniform System of Accounts were submitted to the Commission.
4. Important leaseholds (other than leaseholds for natural gas lands) that have been acquired or given, assigned or surrendered: Give effective dates, lengths of terms, names of parties, rents, and other condition. State name of Commission authorizing lease and give reference to such authorization.
5. Important extension or reduction of transmission or distribution system: State territory added or relinquished and date operations began or ceased and give reference to Commission authorization, if any was required. State also the approximate number of customers added or lost and approximate annual revenues of each class of service. Each natural gas company must also state major new continuing sources of gas made available to it from purchases, development, purchase contract or otherwise, giving location and approximate total gas volumes available, period of contracts, and other parties to any such arrangements, etc.
6. Obligations incurred as a result of issuance of securities or assumption of liabilities or guarantees including issuance of short-term debt and commercial paper having a maturity of one year or less. Give reference to FERC or State Commission authorization, as appropriate, and the amount of obligation or guarantee.
7. Changes in articles of incorporation or amendments to charter: Explain the nature and purpose of such changes or amendments.
8. State the estimated annual effect and nature of any important wage scale changes during the year.
9. State briefly the status of any materially important legal proceedings pending at the end of the year, and the results of any such proceedings culminated during the year.
10. Describe briefly any materially important transactions of the respondent not disclosed elsewhere in this report in which an officer, director, security holder reported on Page 104 or 105 of the Annual Report Form No. 1, voting trustee, associated company or known associate of any of these persons was a party or in which any such person had a material interest.
11. (Reserved.)
12. If the important changes during the year relating to the respondent company appearing in the annual report to stockholders are applicable in every respect and furnish the data required by Instructions 1 to 11 above, such notes may be included on this page.
13. Describe fully any changes in officers, directors, major security holders and voting powers of the respondent that may have occurred during the reporting period.
14. In the event that the respondent participates in a cash management program(s) and its proprietary capital ratio is less than 30 percent please describe the significant events or transactions causing the proprietary capital ratio to be less than 30 percent, and the extent to which the respondent has amounts loaned or money advanced to its parent, subsidiary, or affiliated companies through a cash management program(s). Additionally, please describe plans, if any to regain at least a 30 percent proprietary ratio.

PAGE 108 INTENTIONALLY LEFT BLANK
SEE PAGE 109 FOR REQUIRED INFORMATION.

1. Changes in and Important Additions to Franchise Rights:

   None.

2. Acquisition of Ownership in Other Companies:

   On June 1, 2019, the Company entered into an Agreement and Plan of Merger (the "Merger Agreement"), by and among the Company, Sun Jupiter Holdings LLC, a Delaware limited liability company ("Parent"), and Sun Merger Sub Inc., a Texas corporation and wholly owned subsidiary of Parent ("Merger Sub"). Pursuant to the Merger Agreement, on and subject to the terms and conditions set forth therein, Merger Sub will merge with and into the Company (the "Merger"), with the Company continuing as the surviving corporation in the Merger and becoming a wholly owned subsidiary of Parent. Parent and Merger Sub are affiliates of the Infrastructure Investments Fund, an investment vehicle advised by J.P. Morgan Investment Management Inc. ("IIF"). Among other things, the Company, Parent and Merger Sub are required to obtain certain regulatory approvals of the Merger. See additional discussion in Item 12 below.

   On and subject to the terms and conditions set forth in the Merger Agreement, upon closing of the Merger, each share of common stock of the Company outstanding immediately prior to the effective time of the Merger shall be cancelled and converted into the right to receive $68.25 in cash, without interest.

   Also, see Notes D and R of "Notes to the Financial Statements."

3. Purchase or Sale of an Operating Unit or System:

   None.

4. Important Leaseholds That Have Been Acquired or Given, Assigned or Surrendered:

   None.

5. Important Extension or Reduction of Transmission or Distribution System:

   None.

6. Obligations Incurred as a Result of Issuance of Securities or Assumption of Liabilities or Guarantees:

   On January 30, 2019, the Company submitted applications with the New Mexico Public Regulation Commission ("NMPRC") and the Federal Energy Regulatory Commission ("FERC") seeking approvals to issue shares of common stock, including the reissuance of treasury shares, in an amount up to $200.0 million in one or more transactions. The application with the NMPRC was assigned Case No. 19-00033-UT, and the NMPRC issued a final order approving the Company's request on March 27, 2019. Included in the FERC application, which was assigned Docket No. ES19-15-000, the Company also requested various debt-related authorizations: to utilize the Revolving Credit Facility (the "RCF") for short-term borrowing not to exceed $400.0 million at any one time; to issue up to $225.0 million in new long-term debt; and to remarket the $63.5 million 2009 Series A 7.25% Pollution Control Bonds ("PCBs") and the $37.1 million 2009 Series B 7.25% PCBs in the form of replacement bonds or senior notes of equivalent value, not to exceed $100.6 million. On April 18, 2019, the FERC issued an order authorizing the Company's request through April 18, 2021.

   On February 1, 2019, and April 1, 2019, the Company purchased in lieu of redemption all $63.5 million aggregate principal amount of 2009 Series A 7.25% PCBs and $37.1 million aggregate principal amount of 2009 Series B 7.25% PCBs, respectively. The bonds were purchased utilizing funds borrowed under the RCF. On May 22, 2019, the Company reoffered and sold $63.5 million aggregate principal amount of 2009 Series A 7.25% PCBs and $37.1 million aggregate principal amount of 2009 Series B 7.25% PCBs with a fixed interest rate of 3.60% per annum until such PCBs mature on February 1, 2040 and April 1, 2040, respectively. The bonds are subject to optional redemption at a redemption price of par on or after June 1, 2029.

The Merger would constitute a "Change in Control" under the RCF and the consummation of the Merger would result in an event of default under the RCF. On and subject to the terms and conditions of the Merger Agreement, the Company requested that the lenders under the RCF consent to the Merger and waive any default or event of default that would occur as a result of the Merger. On August 9, 2019, the lenders agreed to such consent and waiver.

Under the Merger Agreement, subject to certain exceptions, the Company cannot incur additional indebtedness over $200.0 million (excluding borrowings up to the existing borrowing capacity of the RCF), without the prior written consent from Parent; however, the Company cannot issue shares of common stock, subject to limited exceptions, without the prior written consent of Parent.

On September 13, 2018, the Company and The Bank of New York Mellon Trust Company, N.A., as trustee of the RGRT, entered into a third amended and restated credit agreement (the "RCF Agreement") with MUFG Union Bank, N.A., as administrative agent and as syndication agent, various issuing banks and lending banks party thereto. Under the terms of the RCF Agreement, the Company has available a $350.0 million RCF with a $50.0 million subfacility for the issuance of letters of credit, and the Company extended the term of the Company's existing $350.0 million revolving credit agreement from January 14, 2020 to September 13, 2023. On March 20, 2020, the Company exercised its option to extend the maturity date of the RCF by one year to September 13, 2024 and to increase the borrowing commitments under the facility by $50.0 million to $400.0 million, and the lenders under the RCF Agreement agreed to the extension and increase. The Company still has the option to extend the maturity date of the RCF by one additional year to September 13, 2025 upon the satisfaction of certain conditions more fully set forth in the RCF Agreement, including requisite lender approval.

See Notes D, H and I of "Notes to Financial Statements."

7. Changes in Articles of Incorporation:

None.

8. Important Wage Scale Changes:

Base salaries for non-union employees were increased by an average of approximately 3% effective on December 24, 2018, through the annual merit award process. The annual effect of this increase was approximately $1.8 million.

Base salaries for union employees under contract were increased by 3.25% effective in September 2019 compared to the previous level. The annual effect of this increase was approximately $1.2 million.

See Notes L of "Notes to Financial Statements."

9. Materially Important Legal Proceedings:

The Company is a party to various legal actions. In many of these matters, the Company has excess casualty liability insurance that covers the various claims, actions and complaints. Based upon a review of the matters and applicable insurance coverage, the Company believes that none of these matters will have a material adverse effect on the financial position, results of operations or cash flows of the Company.

Also, see Notes D, L, and M of "Notes to Financial Statements."

10. Materially Important Transactions:

None.

11. Reserved

12. Important changes during the year:

Subsequent Event – Novel Coronavirus ("COVID-19 virus") Pandemic. As widely reported, the spread of the COVID-19 virus has migrated from predominately a regional concern in Asia, notably Wuhan City, China, in December 2019 to a global epidemic, which on March 11, 2020 the World Health Organization declared a pandemic. As of the date of this FERC Form No. 1, the Company is operating in a modified work environment, where all employees have been requested to operate from home except those who have responsibilities essential to servicing the Company's customers and that require them to be on site. The Company is working closely with community leaders to monitor the situation and to continue to provide safe, reliable and cost-effective energy to its customers. The Company cannot predict the impact that this pandemic will have on its financial condition, results of operations and cash flows.

Agreement and Plan of Merger. On August 2, 2019, the Company filed a definitive proxy statement with the United States ("U.S.") Securities and Exchange Commission ("SEC") in connection with the Merger. On August 13, 2019, the Company, Parent and IIF US Holding 2 LP, an affiliate of IIF, as applicable, filed (i) the joint report and application for regulatory approvals with the Public Utility Commission of Texas (the "PUCT") requesting approval of the Merger pursuant to the Texas Public Utility Regulatory Act ("PURA"), which was assigned PUCT Docket No. 49849, (ii) the joint application for regulatory approvals with the NMPRC requesting approval of the Merger pursuant to the New Mexico Public Utility Act ("NMPUA") and NMPRC Rule 450, which was assigned NMPRC Case No. 19-00234-UT, (iii) the joint application requesting approval of the Merger with the FERC under Section 203 of the Federal Power Act, which was assigned FERC Docket No. EC19-120-000, and (iv) the joint application for regulatory approval for the indirect transfer of the Company's Nuclear Regulatory Commission ("NRC") licenses to Parent from the NRC under the Atomic Energy Act of 1954, which was assigned Docket ID NRC-2019-0214. In addition, on August 13, 2019, the Company and Parent sought the authorization of the Federal Communications Commission ("FCC") to assign or transfer control of the Company's FCC licenses under FCC File No. 008737430. On December 4, 2019, the Company and Parent received consent from the FCC to transfer the Company's FCC licenses.

On August 16, 2019, the Company and Parent filed the notification and report form with the Antitrust Division of the Department of Justice and the Federal Trade Commission ("FTC") under the Hart-Scott-Rodino Antitrust Improvements Act of 1976 (the "HSR Act"), as amended, and the rules and regulations promulgated thereunder, which was assigned Transaction Identification No. 2019 1858. On September 3, 2019, the Company and Parent received notice from the FTC granting early termination of the waiting period under the HSR Act.

At a special meeting of the Company's shareholders held on September 19, 2019, the Company's shareholders approved the Merger Agreement and the transactions contemplated thereby, including the Merger, and the compensation that will or may become payable by the Company to its named executive officers in connection with the Merger.

Under the Merger Agreement, the consent to the Merger by the City of El Paso under its franchise agreement with the Company is a condition to the closing of the Merger. Under the franchise agreement, if the City of El Paso does not grant its consent to the Merger, the franchise agreement would terminate upon the closing of the Merger. On September 20, 2019, the Company submitted the Franchise Agreement Assignment Application to the City of El Paso to receive the City's consent to the Merger. On February 4, 2020, the City of El Paso passed Ordinance No. 019022 approving the Franchise Agreement Assignment Application and granting the City of El Paso's consent to the Merger.

On November 21, 2019, the Company and IIF reached an agreement in principle with the PUCT staff and most intervenors regarding the Merger. The PUCT issued an order delaying the hearing on the merits in order to assist in reaching a unanimous settlement. The parties continued discussions and provided an update on the status of settlement at the PUCT meeting on December 13, 2019. A non-unanimous settlement was filed with the PUCT on December 18, 2019, resolving substantially all issues in the application. The hearing at the PUCT on the non-unanimous issues was held on January 7, 2020, at the conclusion of which the PUCT requested the Company and IIF attend the PUCT's January 16, 2020 open meeting to answer any follow-up questions. On January 16, 2020, the PUCT approved the Merger and issued its final order on January 28, 2020.

On January 3, 2020, the Company and IIF filed an unopposed stipulation with the NMPRC regarding the Merger. A hearing at the NMPRC for the unopposed stipulation was held on January 16, 2020. On January 16, 2020, the Hearing Examiner agreed with the consent of parties to waive briefing. On February 12, 2020, the Hearing Examiner issued an Amended Certification of the Stipulation in which it is recommended that the NMPRC approve the unopposed stipulation subject to the parties agreeing to the Hearing Examiner's modifications. A final order adopting the Certification of the Stipulation and approving the Merger was issued by the NMPRC on March 11, 2020, which was assigned Case No. 19-00234-UT.

On December 5, 2019, the FERC requested additional information regarding the parties to the Merger. On January 6, 2020, the Company and IIF filed a joint response to FERC's inquiry. On January 17, 2020, the Company and IIF filed a second supplement to the application. The FERC established a January 27, 2020 deadline date for comments on the filings. Several motions to intervene were filed, along with a protest of the January 6, 2020 response. On February 6, 2020, the Company and IIF filed a reply to the January 27, 2020 protest. On March 30, 2020, FERC issued an order authorizing IIF’s proposed acquisition of the company, subject to the FERC’s approval of mitigation to address certain discrete competitive effects of the transaction that could arise. FERC concluded that the acquisition, as conditioned, satisfies governing federal standards and authorized the acquisition as consistent with the public interest. The proposed mitigation must be filed within 45 days of the issuance of the FERC Order.

On March 6, 2020, the NRC's staff approved the joint application for the indirect transfer of control of the Company’s ownership in Palo Verde Nuclear Generation Station ("Palo Verde") to IIF.

The FERC’s approval is the last regulatory approval needed to close the proposed acquisition. The Company anticipates that the closing of the Merger will occur in the first half of 2020, upon FERC’s approval of the required mitigation and satisfaction or waiver of the other closing conditions.

The Company and IIF have agreed to numerous regulatory commitments in connection with the Merger under the agreements with the PUCT, NMPRC, and the City of El Paso discussed above. Among the commitments that will apply to the Company as of the closing of the Merger are the issuance of rate credits to its Texas customers in a total aggregate amount of $21 million and to New Mexico customers of $8.7 million. Both rate credits will be distributed among customers in 36 monthly installments. The Company is required to make tariff filings to implement the rate credits no later than 45 days and 7 days, respectively, in Texas and New Mexico after the closing of the Merger. The Company made its required tariff filing in Texas on March 13, 2020. The Company will not attempt to recover the value of these rate credits in future rate cases.

In connection with the Merger, the Company recorded $12.1 million of strategic transaction costs, principally related to advisory fees, legal, and other consulting costs, in the twelve months ended December 31, 2019, which are reflected in Other Deductions in the Company's Regulatory-Basis Statement of Income. The Company will not attempt to recover strategic transaction costs in future rate cases. The Company will reflect any non-deductible amounts in the effective tax rate at the Merger closing date.

Fuel Reconciliation Proceeding. On September 27, 2019, the Company filed an application with the PUCT, which was assigned PUCT Docket No. 50058, to reconcile $363.0 million of Texas fuel and purchased power expenses incurred during the period of April 1, 2016, through March 31, 2019. The Company cannot predict the outcome of this filing at this time.

Transmission Cost Recovery Factor. On January 25, 2019, the Company filed an application with the PUCT to establish its Transmission Cost Recovery Factor ("TCRF"), which was assigned PUCT Docket No. 49148 (the "2019 TCRF rate filing"). The 2019 TCRF rate filing is designed to recover a requested $8.2 million of Texas jurisdictional transmission revenue requirement that is not currently being recovered in the Company's Texas base rates for transmission-related investments placed in service from October 1, 2016, through September 30, 2018, net of retirements. On September 12, 2019, the Company filed an unopposed settlement agreement and proposed order for a TCRF revenue requirement of $7.5 million with a provision for recovery of revenue relating to the period from July 30, 2019 to December 31, 2019. Such revenue through December 31, 2019, approximated $3.0 million. On December 16, 2019, the PUCT issued a final order approving the settlement agreement, and the Company's TCRF rates became effective in customer bills beginning January 1, 2020. On January 14, 2020, the Company filed with the PUCT a proposed surcharge in compliance with the final order issued in PUCT Docket No. 49148 for recovery of the $3.0 million related to 2019, over a period of 12 months beginning on April 1, 2020. The filing was assigned PUCT Docket No. 50256, and on February 7, 2020, the surcharge was approved through delegated authority by a Commission Administrative Law Judge.

Distribution Cost Recovery Factor. On March 28, 2019, the Company filed an application with the PUCT and each of its Texas municipalities to establish its Distribution Cost Recovery Factor ("DCRF"), which was assigned PUCT Docket No. 49395 (the "2019 DCRF rate filing"). The 2019 DCRF rate filing is designed to recover a requested $7.9 million of Texas jurisdictional distribution revenue requirement that is not currently being recovered in the Company's Texas base rates for distribution-related investments placed in service from October 1, 2016, through December 31, 2018, net of retirements. On August 13, 2019, the Company filed an unopposed settlement agreement and proposed order which resolved all issues in the proceeding and approved a DCRF revenue requirement of $7.8 million. On September 27, 2019, the PUCT issued a final order approving the settlement agreement, and the Company's DCRF rates became effective in customer bills beginning October 1, 2019.

Future New Mexico Rate Case Filing. The Company was required to file its next New Mexico base rate case no later than July 31, 2019. On July 10, 2019, the NMRPC issued an order approving a joint request by the Company, NMPRC Staff, and the New Mexico Attorney General to delay filing of the Company's next base rate case until after the conclusion of a proceeding addressing the Merger. The NMPRC order requires the Company to file its next rate case application within three months of the conclusion of the proceeding addressing the Merger in New Mexico. A final order adopting the Certification of the Stipulation and approving the Merger was issued by the NMPRC on March 11, 2020, which was assigned Case No. 19-00234-UT. See Note R of "Notes to Financial Statements" for further discussion.

Amendments to the New Mexico Renewable Energy Act ("REA"). The REA requires electric utilities to meet an RPS of twenty percent of its total retail sales to New Mexico customers by 2020. Effective June 14, 2019, the New Mexico Energy Transition Act amends the REA (the "Amended REA") to, among other things: (i) increase the RPS to forty percent by 2025, fifty percent by 2030, and eighty percent by 2040; (ii) impose a zero-carbon standard by 2045; (iii) eliminate the reduction to the RPS requirement for sales to qualifying large non-governmental customers whose costs are capped under the REA; (iv) set a statutory reasonable cost threshold; and (v) provide cost recovery for certain undepreciated investments and decommissioning costs, such as coal-fired generation, associated with generation required by the NMPRC to be discontinued and replaced with lower or zero-carbon generation. In administering the eighty percent RPS and zero-carbon standards, the Amended REA requires the NMPRC to consider certain factors, including safety, reliability and rate impact to customers. On October 10, 2019, the NMPRC initiated a rulemaking proceeding to implement the Amended REA in Case No. 19-00296-UT. The Company is currently evaluating the impact that the Amended REA may have on its operations. Further, the Company has not determined the costs associated with complying with the Amended REA including potential fines that could be associated with non-compliance.

FERC Audit. On February 6, 2019, the FERC notified the Company that it is commencing an audit that is intended to evaluate the Company's compliance with: (i) the approved terms, conditions, and rates of its Open Access Transmission Tariff ("OATT"); (ii) the accounting requirements of the Uniform System of Accounts; (iii) the reporting requirements of the FERC Form No. 1 Annual Report and Supplemental Form 3-Q Quarterly Financial Reports; and (iv) the regulations regarding Open Access Same-time Information Systems. The audit covers the period January 1, 2016 to the present and was assigned FERC Docket No. PA19-3-000. The Company cannot predict the outcome or findings, if any, of the FERC at this time.

Also, see response to items 1 to 11 and 13 to 14.

13. Changes in officers, directors, major security holders and voting powers of the respondent that may have occurred during the reporting period:

On January 21, 2019, Richard Turner was appointed Vice President, Business Development. Formerly, Mr. Turner served as Vice President, Renewables Development, from December 2015 to January 2019.

On February 1, 2019, William A. Stiller, Senior Vice President, retired from the Company.

On February 18, 2019, Victor Rueda, was appointed Vice President, Human Resources. Formerly, Mr. Rueda served as Vice President, Human Resources and Community Outreach, from March 2018 to February 2019.

On May 23, 2019, Catherine A. Allen retired from the Board of Directors of the Company in accordance with the director retirement policy in the Company's Corporate Governance Guidelines.

On June 28, 2019, the Company's Board of Directors appointed Adrian J. Rodriguez as the Company's Interim Chief Executive Officer, making his title Interim Chief Executive Officer, General Counsel and Assistant Secretary effective August 1, 2019. On July 25, 2019, Mr. Rodriguez was appointed to the Board of Directors effective August 1, 2019. Formerly, Mr. Rodriguez served as Senior Vice President, General Counsel and Assistant Secretary from September 2017 through July 2019.

On June 28, 2019, Elaina L. Ball was appointed Senior Vice President and Interim Chief Operating Officer effective August 1, 2019. Formerly, Ms. Ball served as Senior Vice President and Chief Administrative Officer, from April 2018 through July 2019.

Effective on August 1, 2019, Mary E. Kipp, President and Chief Executive Officer, resigned from her positions at the Company and as a member of the Board of Directors of the Company.

On February 13, 2020, BlackRock, Inc. reported to the SEC on Form 13F that it owned 16.1% of the outstanding shares of El Paso Electric Company common stock as of December 31, 2019.

On February 14, 2020, Vanguard Group, Inc. reported to the SEC on Form 13F that it owned 11.6% of the outstanding shares of El Paso Electric Company common stock as of December 31, 2019.

As discussed in Item 2 above, on June 1, 2019, the Company entered into the Merger Agreement.

14. Cash management programs and events causing the proprietary capital to be less than 30 percent:

None.

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
El Paso Electric Company	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2019/Q4

COMPARATIVE BALANCE SHEET (ASSETS AND OTHER DEBITS)

Line No.	Title of Account (a)	Ref. Page No. (b)	Current Year End of Quarter/Year Balance (c)	Prior Year End Balance 12/31 (d)
1	**UTILITY PLANT**			
2	Utility Plant (101-106, 114)	200-201	5,335,900,234	5,112,940,123
3	Construction Work in Progress (107)	200-201	157,850,999	169,327,229
4	TOTAL Utility Plant (Enter Total of lines 2 and 3)		5,493,751,233	5,282,267,352
5	(Less) Accum. Prov. for Depr. Amort. Depl. (108, 110, 111, 115)	200-201	2,381,984,861	2,312,681,378
6	Net Utility Plant (Enter Total of line 4 less 5)		3,111,766,372	2,969,585,974
7	Nuclear Fuel in Process of Ref., Conv.,Enrich., and Fab. (120.1)	202-203	0	0
8	Nuclear Fuel Materials and Assemblies-Stock Account (120.2)		0	0
9	Nuclear Fuel Assemblies in Reactor (120.3)		0	0
10	Spent Nuclear Fuel (120.4)		0	0
11	Nuclear Fuel Under Capital Leases (120.6)		199,671,152	199,843,869
12	(Less) Accum. Prov. for Amort. of Nucl. Fuel Assemblies (120.5)	202-203	72,778,365	73,742,663
13	Net Nuclear Fuel (Enter Total of lines 7-11 less 12)		126,892,787	126,101,206
14	Net Utility Plant (Enter Total of lines 6 and 13)		3,238,659,159	3,095,687,180
15	Utility Plant Adjustments (116)		0	0
16	Gas Stored Underground - Noncurrent (117)		0	0
17	**OTHER PROPERTY AND INVESTMENTS**			
18	Nonutility Property (121)		1,070,267	709,446
19	(Less) Accum. Prov. for Depr. and Amort. (122)		0	0
20	Investments in Associated Companies (123)		0	0
21	Investment in Subsidiary Companies (123.1)	224-225	0	0
22	(For Cost of Account 123.1, See Footnote Page 224, line 42)			
23	Noncurrent Portion of Allowances	228-229	0	0
24	Other Investments (124)		1,608,814	1,674,825
25	Sinking Funds (125)		0	0
26	Depreciation Fund (126)		0	0
27	Amortization Fund - Federal (127)		0	0
28	Other Special Funds (128)		329,603,541	282,609,818
29	Special Funds (Non Major Only) (129)		0	0
30	Long-Term Portion of Derivative Assets (175)		0	0
31	Long-Term Portion of Derivative Assets – Hedges (176)		0	0
32	TOTAL Other Property and Investments (Lines 18-21 and 23-31)		332,282,622	284,994,089
33	**CURRENT AND ACCRUED ASSETS**			
34	Cash and Working Funds (Non-major Only) (130)		0	0
35	Cash (131)		10,281,061	12,376,736
36	Special Deposits (132-134)		0	0
37	Working Fund (135)		174,154	235,646
38	Temporary Cash Investments (136)		362,922	287,686
39	Notes Receivable (141)		0	0
40	Customer Accounts Receivable (142)		44,177,635	52,718,629
41	Other Accounts Receivable (143)		11,889,190	5,548,422
42	(Less) Accum. Prov. for Uncollectible Acct.-Credit (144)		1,900,275	2,070,446
43	Notes Receivable from Associated Companies (145)		0	0
44	Accounts Receivable from Assoc. Companies (146)		0	0
45	Fuel Stock (151)	227	1,900,338	2,063,056
46	Fuel Stock Expenses Undistributed (152)	227	0	0
47	Residuals (Elec) and Extracted Products (153)	227	0	0
48	Plant Materials and Operating Supplies (154)	227	58,914,476	53,303,101
49	Merchandise (155)	227	0	0
50	Other Materials and Supplies (156)	227	0	0
51	Nuclear Materials Held for Sale (157)	202-203/227	0	0
52	Allowances (158.1 and 158.2)	228-229	56,084	56,642

COMPARATIVE BALANCE SHEET (ASSETS AND OTHER DEBITS)(Continued)

Line No.	Title of Account (a)	Ref. Page No. (b)	Current Year End of Quarter/Year Balance (c)	Prior Year End Balance 12/31 (d)
53	(Less) Noncurrent Portion of Allowances		0	0
54	Stores Expense Undistributed (163)	227	1,145	8,692
55	Gas Stored Underground - Current (164.1)		0	0
56	Liquefied Natural Gas Stored and Held for Processing (164.2-164.3)		0	0
57	Prepayments (165)		10,941,642	20,325,683
58	Advances for Gas (166-167)		0	0
59	Interest and Dividends Receivable (171)		5,219	10,442
60	Rents Receivable (172)		0	0
61	Accrued Utility Revenues (173)		25,643,000	21,648,000
62	Miscellaneous Current and Accrued Assets (174)		64,829	29,654
63	Derivative Instrument Assets (175)		0	0
64	(Less) Long-Term Portion of Derivative Instrument Assets (175)		0	0
65	Derivative Instrument Assets - Hedges (176)		0	0
66	(Less) Long-Term Portion of Derivative Instrument Assets - Hedges (176		0	0
67	Total Current and Accrued Assets (Lines 34 through 66)		162,511,420	166,541,943
68	**DEFERRED DEBITS**			
69	Unamortized Debt Expenses (181)		13,108,942	14,117,290
70	Extraordinary Property Losses (182.1)	230a	0	0
71	Unrecovered Plant and Regulatory Study Costs (182.2)	230b	0	0
72	Other Regulatory Assets (182.3)	232	80,234,601	82,334,508
73	Prelim. Survey and Investigation Charges (Electric) (183)		1,347,805	1,922,855
74	Preliminary Natural Gas Survey and Investigation Charges 183.1)		0	0
75	Other Preliminary Survey and Investigation Charges (183.2)		0	0
76	Clearing Accounts (184)		-48,574	6,771
77	Temporary Facilities (185)		0	0
78	Miscellaneous Deferred Debits (186)	233	6,138,919	6,345,712
79	Def. Losses from Disposition of Utility Plt. (187)		0	0
80	Research, Devel. and Demonstration Expend. (188)	352-353	0	0
81	Unamortized Loss on Reaquired Debt (189)		15,211,751	14,801,314
82	Accumulated Deferred Income Taxes (190)	234	177,952,554	196,918,075
83	Unrecovered Purchased Gas Costs (191)		0	0
84	Total Deferred Debits (lines 69 through 83)		293,945,998	316,446,525
85	TOTAL ASSETS (lines 14-16, 32, 67, and 84)		4,027,399,199	3,863,669,737

Name of Respondent	This Report is:	Date of Report (mo, da, yr)	Year/Period of Report
El Paso Electric Company	(1) [X] An Original (2) [ ] A Resubmission	/ /	end of 2019/Q4

COMPARATIVE BALANCE SHEET (LIABILITIES AND OTHER CREDITS)

Line No.	Title of Account (a)	Ref. Page No. (b)	Current Year End of Quarter/Year Balance (c)	Prior Year End Balance 12/31 (d)
1	PROPRIETARY CAPITAL			
2	Common Stock Issued (201)	250-251	64,428,688	65,828,688
3	Preferred Stock Issued (204)	250-251	0	0
4	Capital Stock Subscribed (202, 205)		0	0
5	Stock Liability for Conversion (203, 206)		0	0
6	Premium on Capital Stock (207)		309,669,870	309,669,870
7	Other Paid-In Capital (208-211)	253	3,668,075	8,780,977
8	Installments Received on Capital Stock (212)	252	0	0
9	(Less) Discount on Capital Stock (213)	254	0	0
10	(Less) Capital Stock Expense (214)	254b	340,939	340,939
11	Retained Earnings (215, 215.1, 216)	118-119	1,302,299,251	1,256,673,995
12	Unappropriated Undistributed Subsidiary Earnings (216.1)	118-119	0	0
13	(Less) Reaquired Capital Stock (217)	250-251	394,714,658	418,893,400
14	Noncorporate Proprietorship (Non-major only) (218)		0	0
15	Accumulated Other Comprehensive Income (219)	122(a)(b)	-48,547,164	-38,590,880
16	Total Proprietary Capital (lines 2 through 15)		1,236,463,123	1,183,128,311
17	LONG-TERM DEBT			
18	Bonds (221)	256-257	159,835,000	159,835,000
19	(Less) Reaquired Bonds (222)	256-257	0	0
20	Advances from Associated Companies (223)	256-257	0	0
21	Other Long-Term Debt (224)	256-257	1,125,000,000	1,125,000,000
22	Unamortized Premium on Long-Term Debt (225)		6,551,353	6,685,375
23	(Less) Unamortized Discount on Long-Term Debt-Debit (226)		3,367,474	3,498,999
24	Total Long-Term Debt (lines 18 through 23)		1,288,018,879	1,288,021,376
25	OTHER NONCURRENT LIABILITIES			
26	Obligations Under Capital Leases - Noncurrent (227)		70,093,764	110,000,000
27	Accumulated Provision for Property Insurance (228.1)		0	0
28	Accumulated Provision for Injuries and Damages (228.2)		0	0
29	Accumulated Provision for Pensions and Benefits (228.3)		119,826,558	111,834,117
30	Accumulated Miscellaneous Operating Provisions (228.4)		0	0
31	Accumulated Provision for Rate Refunds (229)		0	0
32	Long-Term Portion of Derivative Instrument Liabilities		0	0
33	Long-Term Portion of Derivative Instrument Liabilities - Hedges		0	0
34	Asset Retirement Obligations (230)		110,105,088	101,107,983
35	Total Other Noncurrent Liabilities (lines 26 through 34)		300,025,410	322,942,100
36	CURRENT AND ACCRUED LIABILITIES			
37	Notes Payable (231)		84,000,000	23,000,000
38	Accounts Payable (232)		65,744,562	58,149,845
39	Notes Payable to Associated Companies (233)		0	0
40	Accounts Payable to Associated Companies (234)		0	0
41	Customer Deposits (235)		9,252,260	11,749,096
42	Taxes Accrued (236)	262-263	36,170,976	33,791,152
43	Interest Accrued (237)		12,340,157	14,276,392
44	Dividends Declared (238)		0	0
45	Matured Long-Term Debt (239)		0	0

COMPARATIVE BALANCE SHEET (LIABILITIES AND OTHER CREDITS)(continued)

Line No.	Title of Account (a)	Ref. Page No. (b)	Current Year End of Quarter/Year Balance (c)	Prior Year End Balance 12/31 (d)
46	Matured Interest (240)		0	0
47	Tax Collections Payable (241)		1,450,467	1,645,278
48	Miscellaneous Current and Accrued Liabilities (242)		27,191,910	25,502,259
49	Obligations Under Capital Leases-Current (243)		77,170,332	28,408,157
50	Derivative Instrument Liabilities (244)		0	0
51	(Less) Long-Term Portion of Derivative Instrument Liabilities		0	0
52	Derivative Instrument Liabilities - Hedges (245)		0	0
53	(Less) Long-Term Portion of Derivative Instrument Liabilities-Hedges		0	0
54	Total Current and Accrued Liabilities (lines 37 through 53)		313,320,664	196,522,179
55	DEFERRED CREDITS			
56	Customer Advances for Construction (252)		27,874,477	24,045,722
57	Accumulated Deferred Investment Tax Credits (255)	266-267	20,959,358	22,578,998
58	Deferred Gains from Disposition of Utility Plant (256)		0	0
59	Other Deferred Credits (253)	269	9,513,597	4,472,978
60	Other Regulatory Liabilities (254)	278	309,063,694	303,645,252
61	Unamortized Gain on Reaquired Debt (257)		0	0
62	Accum. Deferred Income Taxes-Accel. Amort.(281)	272-277	0	0
63	Accum. Deferred Income Taxes-Other Property (282)		489,812,397	500,140,517
64	Accum. Deferred Income Taxes-Other (283)		32,347,600	18,172,304
65	Total Deferred Credits (lines 56 through 64)		889,571,123	873,055,771
66	TOTAL LIABILITIES AND STOCKHOLDER EQUITY (lines 16, 24, 35, 54 and 65)		4,027,399,199	3,863,669,737

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
El Paso Electric Company	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2019/Q4

STATEMENT OF INCOME

Quarterly
1. Report in column (c) the current year to date balance. Column (c) equals the total of adding the data in column (g) plus the data in column (i) plus the data in column (k). Report in column (d) similar data for the previous year. This information is reported in the annual filing only.
2. Enter in column (e) the balance for the reporting quarter and in column (f) the balance for the same three month period for the prior year.
3. Report in column (g) the quarter to date amounts for electric utility function; in column (i) the quarter to date amounts for gas utility, and in column (k) the quarter to date amounts for other utility function for the current year quarter.
4. Report in column (h) the quarter to date amounts for electric utility function; in column (j) the quarter to date amounts for gas utility, and in column (l) the quarter to date amounts for other utility function for the prior year quarter.
5. If additional columns are needed, place them in a footnote.

Annual or Quarterly if applicable
5. Do not report fourth quarter data in columns (e) and (f)
6. Report amounts for accounts 412 and 413, Revenues and Expenses from Utility Plant Leased to Others, in another utility columnin a similar manner to a utility department. Spread the amount(s) over lines 2 thru 26 as appropriate. Include these amounts in columns (c) and (d) totals.
7. Report amounts in account 414, Other Utility Operating Income, in the same manner as accounts 412 and 413 above.

Line No.	Title of Account (a)	(Ref.) Page No. (b)	Total Current Year to Date Balance for Quarter/Year (c)	Total Prior Year to Date Balance for Quarter/Year (d)	Current 3 Months Ended Quarterly Only No 4th Quarter (e)	Prior 3 Months Ended Quarterly Only No 4th Quarter (f)
1	UTILITY OPERATING INCOME					
2	Operating Revenues (400)	300-301	861,994,243	903,602,606		
3	Operating Expenses					
4	Operation Expenses (401)	320-323	418,556,779	469,467,984		
5	Maintenance Expenses (402)	320-323	68,933,493	74,706,241		
6	Depreciation Expense (403)	336-337	93,956,078	89,201,977		
7	Depreciation Expense for Asset Retirement Costs (403.1)	336-337	-1,327,584	-1,327,570		
8	Amort. & Depl. of Utility Plant (404-405)	336-337	8,167,451	7,297,250		
9	Amort. of Utility Plant Acq. Adj. (406)	336-337				
10	Amort. Property Losses, Unrecov Plant and Regulatory Study Costs (407)					
11	Amort. of Conversion Expenses (407)					
12	Regulatory Debits (407.3)		2,129,940	2,129,940		
13	(Less) Regulatory Credits (407.4)		130,623	261,240		
14	Taxes Other Than Income Taxes (408.1)	262-263	73,351,183	70,999,869		
15	Income Taxes - Federal (409.1)	262-263	2,398,087	-9,932,853		
16	- Other (409.1)	262-263	2,018,702	1,109,863		
17	Provision for Deferred Income Taxes (410.1)	234, 272-277	86,891,847	112,365,214		
18	(Less) Provision for Deferred Income Taxes-Cr. (411.1)	234, 272-277	66,446,826	81,351,799		
19	Investment Tax Credit Adj. - Net (411.4)	266	-1,619,640	2,186,626		
20	(Less) Gains from Disp. of Utility Plant (411.6)					
21	Losses from Disp. of Utility Plant (411.7)					
22	(Less) Gains from Disposition of Allowances (411.8)					
23	Losses from Disposition of Allowances (411.9)					
24	Accretion Expense (411.10)		9,114,821	8,343,046		
25	TOTAL Utility Operating Expenses (Enter Total of lines 4 thru 24)		695,993,708	744,934,548		
26	Net Util Oper Inc (Enter Tot line 2 less 25) Carry to Pg117,line 27		166,000,535	158,668,058		

STATEMENT OF INCOME FOR THE YEAR (Continued)

9. Use page 122 for important notes regarding the statement of income for any account thereof.
10. Give concise explanations concerning unsettled rate proceedings where a contingency exists such that refunds of a material amount may need to be made to the utility's customers or which may result in material refund to the utility with respect to power or gas purchases. State for each year effected the gross revenues or costs to which the contingency relates and the tax effects together with an explanation of the major factors which affect the rights of the utility to retain such revenues or recover amounts paid with respect to power or gas purchases.
11 Give concise explanations concerning significant amounts of any refunds made or received during the year resulting from settlement of any rate proceeding affecting revenues received or costs incurred for power or gas purches, and a summary of the adjustments made to balance sheet, income, and expense accounts.
12. If any notes appearing in the report to stokholders are applicable to the Statement of Income, such notes may be included at page 122.
13. Enter on page 122 a concise explanation of only those changes in accounting methods made during the year which had an effect on net income, including the basis of allocations and apportionments from those used in the preceding year. Also, give the appropriate dollar effect of such changes.
14. Explain in a footnote if the previous year's/quarter's figures are different from that reported in prior reports.
15. If the columns are insufficient for reporting additional utility departments, supply the appropriate account titles report the information in a footnote to this schedule.

ELECTRIC UTILITY		GAS UTILITY		OTHER UTILITY		
Current Year to Date (in dollars) (g)	Previous Year to Date (in dollars) (h)	Current Year to Date (in dollars) (i)	Previous Year to Date (in dollars) (j)	Current Year to Date (in dollars) (k)	Previous Year to Date (in dollars) (l)	Line No.
						1
861,994,243	903,602,606					2
						3
418,556,779	469,467,984					4
68,933,493	74,706,241					5
93,956,078	89,201,977					6
-1,327,584	-1,327,570					7
8,167,451	7,297,250					8
						9
						10
						11
2,129,940	2,129,940					12
130,623	261,240					13
73,351,183	70,999,869					14
2,398,087	-9,932,853					15
2,018,702	1,109,863					16
86,891,847	112,365,214					17
66,446,826	81,351,799					18
-1,619,640	2,186,626					19
						20
						21
						22
						23
9,114,821	8,343,046					24
695,993,708	744,934,548					25
166,000,535	158,668,058					26

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
El Paso Electric Company	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2019/Q4

STATEMENT OF INCOME FOR THE YEAR (continued)

Line No.	Title of Account (a)	(Ref.) Page No. (b)	TOTAL Current Year (c)	TOTAL Previous Year (d)	Current 3 Months Ended Quarterly Only No 4th Quarter (e)	Prior 3 Months Ended Quarterly Only No 4th Quarter (f)
27	Net Utility Operating Income (Carried forward from page 114)		166,000,535	158,668,058		
28	Other Income and Deductions					
29	Other Income					
30	Nonutilty Operating Income					
31	Revenues From Merchandising, Jobbing and Contract Work (415)		1,212,242	724,093		
32	(Less) Costs and Exp. of Merchandising, Job. & Contract Work (416)		1,277,709	882,341		
33	Revenues From Nonutility Operations (417)					
34	(Less) Expenses of Nonutility Operations (417.1)					
35	Nonoperating Rental Income (418)					
36	Equity in Earnings of Subsidiary Companies (418.1)	119				
37	Interest and Dividend Income (419)		7,568,418	7,913,182		
38	Allowance for Other Funds Used During Construction (419.1)		2,545,181	3,452,950		
39	Miscellaneous Nonoperating Income (421)		50,082,176	13,195,568		
40	Gain on Disposition of Property (421.1)					
41	TOTAL Other Income (Enter Total of lines 31 thru 40)		60,130,308	24,403,452		
42	Other Income Deductions					
43	Loss on Disposition of Property (421.2)		17,043			
44	Miscellaneous Amortization (425)					
45	Donations (426.1)		1,501,575	1,187,981		
46	Life Insurance (426.2)		478,248	535,748		
47	Penalties (426.3)		24,916	-2,037		
48	Exp. for Certain Civic, Political & Related Activities (426.4)		824,892	756,364		
49	Other Deductions (426.5)		15,099,069	20,171,369		
50	TOTAL Other Income Deductions (Total of lines 43 thru 49)		17,945,743	22,649,425		
51	Taxes Applic. to Other Income and Deductions					
52	Taxes Other Than Income Taxes (408.2)	262-263	13,372	11,252		
53	Income Taxes-Federal (409.2)	262-263	2,451,949	4,868,940		
54	Income Taxes-Other (409.2)	262-263	12,004	138,274		
55	Provision for Deferred Inc. Taxes (410.2)	234, 272-277	10,348,871	12,731,396		
56	(Less) Provision for Deferred Income Taxes-Cr. (411.2)	234, 272-277	3,794,646	17,509,180		
57	Investment Tax Credit Adj.-Net (411.5)					
58	(Less) Investment Tax Credits (420)					
59	TOTAL Taxes on Other Income and Deductions (Total of lines 52-58)		9,031,550	240,682		
60	Net Other Income and Deductions (Total of lines 41, 50, 59)		33,153,015	1,513,345		
61	Interest Charges					
62	Interest on Long-Term Debt (427)		72,948,640	73,709,754		
63	Amort. of Debt Disc. and Expense (428)		1,035,433	956,832		
64	Amortization of Loss on Reaquired Debt (428.1)		937,423	885,924		
65	(Less) Amort. of Premium on Debt-Credit (429)		134,022	127,842		
66	(Less) Amortization of Gain on Reaquired Debt-Credit (429.1)					
67	Interest on Debt to Assoc. Companies (430)					
68	Other Interest Expense (431)		4,665,806	3,318,484		
69	(Less) Allowance for Borrowed Funds Used During Construction-Cr. (432)		4,015,109	3,612,047		
70	Net Interest Charges (Total of lines 62 thru 69)		75,438,171	75,131,105		
71	Income Before Extraordinary Items (Total of lines 27, 60 and 70)		123,715,379	85,050,298		
72	Extraordinary Items					
73	Extraordinary Income (434)					
74	(Less) Extraordinary Deductions (435)					
75	Net Extraordinary Items (Total of line 73 less line 74)					
76	Income Taxes-Federal and Other (409.3)	262-263				
77	Extraordinary Items After Taxes (line 75 less line 76)					
78	Net Income (Total of line 71 and 77)		123,715,379	85,050,298		

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
El Paso Electric Company	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2019/Q4

STATEMENT OF RETAINED EARNINGS

1. Do not report Lines 49-53 on the quarterly version.
2. Report all changes in appropriated retained earnings, unappropriated retained earnings, year to date, and unappropriated undistributed subsidiary earnings for the year.
3. Each credit and debit during the year should be identified as to the retained earnings account in which recorded (Accounts 433, 436 - 439 inclusive). Show the contra primary account affected in column (b)
4. State the purpose and amount of each reservation or appropriation of retained earnings.
5. List first account 439, Adjustments to Retained Earnings, reflecting adjustments to the opening balance of retained earnings. Follow by credit, then debit items in that order.
6. Show dividends for each class and series of capital stock.
7. Show separately the State and Federal income tax effect of items shown in account 439, Adjustments to Retained Earnings.
8. Explain in a footnote the basis for determining the amount reserved or appropriated. If such reservation or appropriation is to be recurrent, state the number and annual amounts to be reserved or appropriated as well as the totals eventually to be accumulated.
9. If any notes appearing in the report to stockholders are applicable to this statement, include them on pages 122-123.

Line No.	Item (a)	Contra Primary Account Affected (b)	Current Quarter/Year Year to Date Balance (c)	Previous Quarter/Year Year to Date Balance (d)
	UNAPPROPRIATED RETAINED EARNINGS (Account 216)			
1	Balance-Beginning of Period		1,256,673,995	1,188,438,459
2	Changes			
3	Adjustments to Retained Earnings (Account 439)			
4	Cummulative Effect Retained Earnings Adjustments:			
5	(ASU) 2016-01 Financial Instruments-Overall (Subtopic 825-10):			
6	Recognition and Measurement of Financial Assets-Net of Income Taxes	219		40,724,356
7				
8				
9	TOTAL Credits to Retained Earnings (Acct. 439)			40,724,356
10	Retirement of Treasury Shares	217	-16,372,067	
11				
12				
13				
14				
15	TOTAL Debits to Retained Earnings (Acct. 439)		-16,372,067	
16	Balance Transferred from Income (Account 433 less Account 418.1)		123,715,379	85,050,298
17	Appropriations of Retained Earnings (Acct. 436)			
18				
19				
20				
21				
22	TOTAL Appropriations of Retained Earnings (Acct. 436)			
23	Dividends Declared-Preferred Stock (Account 437)			
24				
25				
26				
27				
28				
29	TOTAL Dividends Declared-Preferred Stock (Acct. 437)			
30	Dividends Declared-Common Stock (Account 438)			
31	Class Common Stock $1 Par Value		-61,718,056	(57,539,118)
32				
33				
34				
35				
36	TOTAL Dividends Declared-Common Stock (Acct. 438)		-61,718,056	(57,539,118)
37	Transfers from Acct 216.1, Unapprop. Undistrib. Subsidiary Earnings			
38	Balance - End of Period (Total 1,9,15,16,22,29,36,37)		1,302,299,251	1,256,673,995
	APPROPRIATED RETAINED EARNINGS (Account 215)			
39				
40				

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
El Paso Electric Company	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2019/Q4

STATEMENT OF RETAINED EARNINGS

1. Do not report Lines 49-53 on the quarterly version.
2. Report all changes in appropriated retained earnings, unappropriated retained earnings, year to date, and unappropriated undistributed subsidiary earnings for the year.
3. Each credit and debit during the year should be identified as to the retained earnings account in which recorded (Accounts 433, 436 - 439 inclusive). Show the contra primary account affected in column (b)
4. State the purpose and amount of each reservation or appropriation of retained earnings.
5. List first account 439, Adjustments to Retained Earnings, reflecting adjustments to the opening balance of retained earnings. Follow by credit, then debit items in that order.
6. Show dividends for each class and series of capital stock.
7. Show separately the State and Federal income tax effect of items shown in account 439, Adjustments to Retained Earnings.
8. Explain in a footnote the basis for determining the amount reserved or appropriated. If such reservation or appropriation is to be recurrent, state the number and annual amounts to be reserved or appropriated as well as the totals eventually to be accumulated.
9. If any notes appearing in the report to stockholders are applicable to this statement, include them on pages 122-123.

Line No.	Item (a)	Contra Primary Account Affected (b)	Current Quarter/Year Year to Date Balance (c)	Previous Quarter/Year Year to Date Balance (d)
41				
42				
43				
44				
45	TOTAL Appropriated Retained Earnings (Account 215)			
	APPROP. RETAINED EARNINGS - AMORT. Reserve, Federal (Account 215.1)			
46	TOTAL Approp. Retained Earnings-Amort. Reserve, Federal (Acct. 215.1)			
47	TOTAL Approp. Retained Earnings (Acct. 215, 215.1) (Total 45,46)			
48	TOTAL Retained Earnings (Acct. 215, 215.1, 216) (Total 38, 47) (216.1)		1,302,299,251	1,256,673,995
	UNAPPROPRIATED UNDISTRIBUTED SUBSIDIARY EARNINGS (Account			
	Report only on an Annual Basis, no Quarterly			
49	Balance-Beginning of Year (Debit or Credit)			
50	Equity in Earnings for Year (Credit) (Account 418.1)			
51	(Less) Dividends Received (Debit)			
52				
53	Balance-End of Year (Total lines 49 thru 52)			

Name of Respondent El Paso Electric Company	This Report Is: (1) [X] An Original (2) [ ] A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2019/Q4

STATEMENT OF CASH FLOWS

(1) Codes to be used:(a) Net Proceeds or Payments;(b)Bonds, debentures and other long-term debt; (c) Include commercial paper; and (d) Identify separately such items as investments, fixed assets, intangibles, etc.
(2) Information about noncash investing and financing activities must be provided in the Notes to the Financial statements. Also provide a reconciliation between "Cash and Cash Equivalents at End of Period" with related amounts on the Balance Sheet.
(3) Operating Activities - Other: Include gains and losses pertaining to operating activities only. Gains and losses pertaining to investing and financing activities should be reported in those activities. Show in the Notes to the Financials the amounts of interest paid (net of amount capitalized) and income taxes paid.
(4) Investing Activities: Include at Other (line 31) net cash outflow to acquire other companies. Provide a reconciliation of assets acquired with liabilities assumed in the Notes to the Financial Statements. Do not include on this statement the dollar amount of leases capitalized per the USofA General Instruction 20; instead provide a reconciliation of the dollar amount of leases capitalized with the plant cost.

Line No.	Description (See Instruction No. 1 for Explanation of Codes) (a)	Current Year to Date Quarter/Year (b)	Previous Year to Date Quarter/Year (c)
1	Net Cash Flow from Operating Activities:		
2	Net Income (Line 78(c) on page 117)	123,715,379	85,050,298
3	Noncash Charges (Credits) to Income:		
4	Depreciation and Depletion	93,956,078	89,201,977
5	Amortization of Other	24,643,798	23,198,985
6	Amortization of Nuclear Fuel	41,252,823	38,353,099
7			
8	Deferred Income Taxes (Net)	26,999,246	26,235,631
9	Investment Tax Credit Adjustment (Net)	-1,619,640	2,186,626
10	Net (Increase) Decrease in Receivables	-101,341	5,712,325
11	Net (Increase) Decrease in Inventory	-5,512,759	-4,101,092
12	Net (Increase) Decrease in Allowances Inventory	558	-16,082
13	Net Increase (Decrease) in Payables and Accrued Expenses	12,321,429	5,611,399
14	Net (Increase) Decrease in Other Regulatory Assets	-3,834,088	13,737,493
15	Net Increase (Decrease) in Other Regulatory Liabilities	7,695,694	4,821,740
16	(Less) Allowance for Other Funds Used During Construction	2,545,181	3,452,950
17	(Less) Undistributed Earnings from Subsidiary Companies		
18	Other (provide details in footnote):	-34,931,903	18,261,013
19			
20	Deferred Charges and Credits	-4,484,569	-14,751,948
21	Net (Increase) Decrease in Prepayments and Other	-757,201	-4,418,921
22	Net Cash Provided by (Used in) Operating Activities (Total 2 thru 21)	276,798,323	285,629,593
23			
24	Cash Flows from Investment Activities:		
25	Construction and Acquisition of Plant (including land):		
26	Gross Additions to Utility Plant (less nuclear fuel)	-230,157,939	-247,086,398
27	Gross Additions to Nuclear Fuel	-42,788,038	-44,068,319
28	Gross Additions to Common Utility Plant		
29	Gross Additions to Nonutility Plant		
30	(Less) Allowance for Other Funds Used During Construction	-2,545,181	-3,452,950
31	Other (provide details in footnote):		
32			
33			
34	Cash Outflows for Plant (Total of lines 26 thru 33)	-270,400,796	-287,701,767
35			
36	Acquisition of Other Noncurrent Assets (d)		
37	Proceeds from Disposal of Noncurrent Assets (d)	368,413	287,330
38			
39	Investments in and Advances to Assoc. and Subsidiary Companies		
40	Contributions and Advances from Assoc. and Subsidiary Companies		
41	Disposition of Investments in (and Advances to)		
42	Associated and Subsidiary Companies		
43			
44	Purchase of Investment Securities (a)		
45	Proceeds from Sales of Investment Securities (a)		

Name of Respondent El Paso Electric Company	This Report Is: (1) [X] An Original (2) [ ] A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2019/Q4

STATEMENT OF CASH FLOWS

(1) Codes to be used:(a) Net Proceeds or Payments;(b)Bonds, debentures and other long-term debt; (c) Include commercial paper; and (d) Identify separately such items as investments, fixed assets, intangibles, etc.
(2) Information about noncash investing and financing activities must be provided in the Notes to the Financial statements. Also provide a reconciliation between "Cash and Cash Equivalents at End of Period" with related amounts on the Balance Sheet.
(3) Operating Activities - Other: Include gains and losses pertaining to operating activities only. Gains and losses pertaining to investing and financing activities should be reported in those activities. Show in the Notes to the Financials the amounts of interest paid (net of amount capitalized) and income taxes paid.
(4) Investing Activities: Include at Other (line 31) net cash outflow to acquire other companies. Provide a reconciliation of assets acquired with liabilities assumed in the Notes to the Financial Statements. Do not include on this statement the dollar amount of leases capitalized per the USofA General Instruction 20; instead provide a reconciliation of the dollar amount of leases capitalized with the plant cost.

Line No.	Description (See Instruction No. 1 for Explanation of Codes) (a)	Current Year to Date Quarter/Year (b)	Previous Year to Date Quarter/Year (c)
46	Loans Made or Purchased		
47	Collections on Loans		
48	Insurance Proceeds Received for Equipment		5,350,789
49	Net (Increase) Decrease in Receivables		
50	Net (Increase) Decrease in Inventory		
51	Net (Increase) Decrease in Allowances Held for Speculation		
52	Net Increase (Decrease) in Payables and Accrued Expenses		
53	Investment in Decommissioning Trust Fund (Purchases)	-377,414,789	-86,366,105
54	Investment in Decomissioning Trust Fund (Sales and Maturities)	370,677,188	80,732,166
55	Other (provided details in footnote):	-2,410,533	4,185,567
56	Net Cash Provided by (Used in) Investing Activities		
57	Total of lines 34 thru 55)	-279,180,517	-283,512,020
58			
59	Cash Flows from Financing Activities:		
60	Proceeds from Issuance of:		
61	Long-Term Debt (b)	100,600,000	125,000,000
62	Preferred Stock		
63	Common Stock		
64	Other: Financing and Other Capital Lease Obligations - Proceeds	566,322,133	632,893,721
65			
66	Net Increase in Short-Term Debt (c)		
67	Other (provide details in footnote):		
68			
69			
70	Cash Provided by Outside Sources (Total 61 thru 69)	666,922,133	757,893,721
71			
72	Payments for Retirement of:		
73	Long-term Debt (b)	-100,600,000	
74	Preferred Stock		
75	Common Stock		
76	Other (provide details in footnote):	-2,576,490	-4,341,834
77	Financing and Capital Lease Obligations - Payments	-501,727,324	-692,220,119
78	Net Decrease in Short-Term Debt (c)		
79			
80	Dividends on Preferred Stock		
81	Dividends on Common Stock	-61,718,056	-57,539,118
82	Net Cash Provided by (Used in) Financing Activities		
83	(Total of lines 70 thru 81)	300,263	3,792,650
84			
85	Net Increase (Decrease) in Cash and Cash Equivalents		
86	(Total of lines 22,57 and 83)	-2,081,931	5,910,223
87			
88	Cash and Cash Equivalents at Beginning of Period	12,900,068	6,989,845
89			
90	Cash and Cash Equivalents at End of period	10,818,137	12,900,068

Schedule Page: 120 Line No.: 18 Column: a

Other:	2019	2018
Net (Gains) Losses on Decommissioning Trust Funds	$(38,248,661)	$ 12,829,637
Amortization of Unearned Compensation	2,472,938	5,468,993
Unrealized Losses on Investments in Debt Securities	68,374	79,676
Other Operating Activities	775,446	(117,293)
Total	$(34,931,903)	$ 18,261,013

Schedule Page: 120 Line No.: 55 Column: a

Other:	2019	2018
Net Customer Advances for Construction	$ 3,828,755	$ 3,486,118
Net Salvage Value and Cost of Removal	(6,904,345)	699,449
Customer Revenue Agreements	665,057	0
Total	$ (2,410,533)	$ 4,185,567

Schedule Page: 120 Line No.: 76 Column: a

Other:	2019	2018
Stock Awards Withheld for Taxes	$ (1,300,689)	$ (1,676,142)
Issuance Costs Related to Pollution Control Bonds	(1,225,820)	0
Issuance Costs Related to Senior Notes	(24,642)	(868,834)
Issuance Costs Related to RGRT Senior Notes	1,727	(449,978)
Costs Related to Revolving Credit Facilities Terms Modification	0	(1,321,880)
Other Financing Activities	(27,066)	(25,000)
Total	$ (2,576,490)	$ (4,341,834)

NOTES TO FINANCIAL STATEMENTS

1. Use the space below for important notes regarding the Balance Sheet, Statement of Income for the year, Statement of Retained Earnings for the year, and Statement of Cash Flows, or any account thereof. Classify the notes according to each basic statement, providing a subheading for each statement except where a note is applicable to more than one statement.
2. Furnish particulars (details) as to any significant contingent assets or liabilities existing at end of year, including a brief explanation of any action initiated by the Internal Revenue Service involving possible assessment of additional income taxes of material amount, or of a claim for refund of income taxes of a material amount initiated by the utility. Give also a brief explanation of any dividends in arrears on cumulative preferred stock.
3. For Account 116, Utility Plant Adjustments, explain the origin of such amount, debits and credits during the year, and plan of disposition contemplated, giving references to Cormmission orders or other authorizations respecting classification of amounts as plant adjustments and requirements as to disposition thereof.
4. Where Accounts 189, Unamortized Loss on Reacquired Debt, and 257, Unamortized Gain on Reacquired Debt, are not used, give an explanation, providing the rate treatment given these items. See General Instruction 17 of the Uniform System of Accounts.
5. Give a concise explanation of any retained earnings restrictions and state the amount of retained earnings affected by such restrictions.
6. If the notes to financial statements relating to the respondent company appearing in the annual report to the stockholders are applicable and furnish the data required by instructions above and on pages 114-121, such notes may be included herein.
7. For the 3Q disclosures, respondent must provide in the notes sufficient disclosures so as to make the interim information not misleading. Disclosures which would substantially duplicate the disclosures contained in the most recent FERC Annual Report may be omitted.
8. For the 3Q disclosures, the disclosures shall be provided where events subsequent to the end of the most recent year have occurred which have a material effect on the respondent. Respondent must include in the notes significant changes since the most recently completed year in such items as: accounting principles and practices; estimates inherent in the preparation of the financial statements; status of long-term contracts; capitalization including significant new borrowings or modifications of existing financing agreements; and changes resulting from business combinations or dispositions. However were material contingencies exist, the disclosure of such matters shall be provided even though a significant change since year end may not have occurred.
9. Finally, if the notes to the financial statements relating to the respondent appearing in the annual report to the stockholders are applicable and furnish the data required by the above instructions, such notes may be included herein.

PAGE 122 INTENTIONALLY LEFT BLANK
SEE PAGE 123 FOR REQUIRED INFORMATION.

Note 1. Regulatory-Basis Financial Statements

The accompanying regulatory-basis financial statements are presented in accordance with the accounting requirements of the Federal Energy Regulatory Commission (the "FERC") as set forth in its applicable Uniform System of Accounts and published accounting releases which is a comprehensive basis of accounting other than United States ("U.S.") Generally Accepted Accounting Principles ("GAAP") used in the Annual Report on Form 10-K for the fiscal year ended December 31, 2019 (“2019 Form 10-K”) filed by El Paso Electric Company (the "Company") with the U.S. Securities and Exchange Commission ("SEC"). Notes A through S of the regulatory-basis financial statements are from the 2019 Form 10-K and have been revised where the presentation of regulatory-basis financial statements, in accordance with requirements under the Uniform System of Accounts and published accounting releases of the FERC, result in different financial statement amounts or disclosures than under GAAP. Because many types of transactions are susceptible to varying interpretations, the amounts and classifications reported in the accompanying regulatory-basis financial statements may be subject to change at a later date upon final determination by the FERC. In the remainder of this Note 1, information contained in Notes A through S is supplemented for additional regulatory-basis disclosures.

Regulatory-Basis Financial Statements Compared to GAAP

The significant differences between the Company's regulatory-basis financial statements and those prepared in accordance with GAAP include the application of fresh-start reporting to the GAAP financial statements and the discontinuance and subsequent re-application of the provisions of Financial Accounting Standards Board ("FASB") accounting guidance for regulated operations. In 1996, the Company adopted fresh-start reporting for its GAAP financial statements in accordance with the FASB guidance related to financial reporting by entities in reorganization under the U.S. Bankruptcy Code. The adoption of fresh-start reporting resulted in the creation of a new reporting entity having no retained earnings or accumulated deficit and significantly altered, compromised, or modified the Company's historical capital structure.

In addition, certain items in the accompanying regulatory-basis financial statements are classified differently under FERC requirements than in the Company's GAAP financial statements. If GAAP were followed, items in the accompanying regulatory-basis financial statements would be increased (decreased) as follows (in thousands):

Line No.		2019	2018
	Assets and Other Debits (Pages 110-111)		
2	Utility plant	$ (931,750)	$ (931,531)
5	Accumulated provision for depreciation, amortization and depletion	(920,600)	(921,415)
11	Nuclear fuel under capital lease	(1,596)	(1,564)
12	Accumulated provision for amortization of nuclear fuel	(1,190)	(1,040)
18	Non utility property	(1,070)	(709)
24	Other investments	(1,609)	(1,675)
28	Other special funds	(329,604)	(282,610)
67	Total current and accrued assets	10,135	6,991
84	Total deferred debits	119,505	53,475
	Liabilities and Other Credits (Pages 112-113)		
6	Premium on capital stock	13,697	18,810
7	Other paid-in capital	(3,668)	(8,781)
10	Capital stock expense	(341)	(341)
11	Retained earnings	(29,881)	(29,203)
15	Accumulated other comprehensive income	(405)	(193)
24	Total long-term debt	52,962	(2,041)
35	Total other noncurrent liabilities	(300,026)	(322,942)
54	Total current and accrued liabilities	23,074	116,733
65	Total deferred credits	29,707	(7,892)
	Statement of Income (Pages 114-117)		
25	Total utility operating expenses	(12,093)	(13,561)
26	Net utility operating income	12,093	13,561
60	Net other income and deductions	32,232	21,160
70	Net interest charges	10,972	9,089
78	Net income	(678)	(735)
	Statement of Retained Earnings (Pages 118-119)		
1	Balance – beginning of period	$ (29,203)	$ (28,771)
48	Total retained earnings	(29,881)	(29,203)
	Statement of Cash Flows (Pages 120-121)		
22	Net cash provided by (used in) operating activities	$ (1,655)	$ (232)
57	Net cash provided by (used in) investing activities	1,655	232
	Statement of Accumulated Comprehensive Income, Comprehensive Income and Hedging Activities (Page 122a-122b)		
9	Other comprehensive income	$ (212)	$ 111

Statement of Cash Flows

Cash and cash equivalents and amortization of other presented on the statement of cash flows for the years ended December 31, 2019 and 2018 consist of the following (in thousands):

	2019	2018
Cash and Cash Equivalents:		
Cash (131)	$ 10,281	$ 12,377
Working funds (135)	174	235
Temporary cash investments (136)	363	288
Cash and cash equivalents at end of period	$ 10,818	$ 12,900
Amortization of Other:		
ARO depreciation (403.1)	$ (1,328)	$ (1,328)
Other utility plant (404)	8,167	7,297
Regulatory assets (407.3)	2,130	2,130
Regulatory liabilities (407.4)	(131)	(261)
ARO accretion expense (411.10)	9,115	8,343
Debt expense (428)	1,035	957
Loss on reacquired debt (428.1)	937	886
Debt premium (429)	(134)	(128)
Interest rate lock losses	605	568
Operating lease assets amortization	656	—
Nuclear fuel financing issuance costs	138	183
Dry cask storage amortization	1,077	1,946
Coal reclamation amortization	661	661
Texas rate case amortization	1,501	1,516
New Mexico rate case amortization	215	429
	$ 24,644	$ 23,199

Accounting and Reporting for New Electric Storage Operations

As of December 31, 2019, the Company did not have electric storage assets or power purchased for storage operations, therefore did not have any operation and maintenance expense or purchased power expense to report in accordance with the interim guidance in FERC Docket No. AI14-1-000 issued on February 20, 2014, for reporting energy storage assets, operation and maintenance expense and purchased power expense in the regulatory-basis Notes to Financial Statements.

A. Summary of Significant Accounting Policies

General. The Company is a public utility engaged in the generation, transmission and distribution of electricity in an area of approximately 10,000 square miles in west Texas and southern New Mexico. The Company also serves a full requirements wholesale customer in Texas.

Basis of Presentation. The Company maintains its accounts in accordance with the accounting requirements of the FERC set forth in its applicable Uniform System of Accounts and published accounting releases, and applies such principles in its regulatory books of account to the rate treatment as ordered by each of the Company's three regulators (the Public Utility Commission of Texas (the "PUCT"), the New Mexico Public Regulation Commission (the "NMPRC"), and the FERC), which is a comprehensive basis of accounting other than GAAP.

Use of Estimates. The preparation of financial statements in conformity with regulatory accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the regulatory-basis financial statements and the reported amounts of revenues and expenses during the reporting period. The Company evaluates its estimates on an on-going basis, including those related to depreciation, unbilled revenue (or "Accrued Utility Revenues"), income taxes, fuel costs, pension and other post-retirement obligations and asset retirement obligations ("ARO"). Actual results could differ from those estimates.

Comprehensive Income. Certain gains and losses that are not recognized currently in the regulatory-basis statement of income are reflected in the accompanying regulatory-basis balance sheet in Accumulated Other Comprehensive Income in accordance with the FERC guidance for reporting comprehensive income.

Utility Plant. Utility plant is reported at cost, less regulatory disallowances and impairments. Costs include labor, materials, construction overheads and allowance for funds used during construction ("AFUDC"). Depreciation is provided on a straight-line basis at annual rates which will generally amortize the undepreciated cost of depreciable property over the estimated remaining lives of the assets (ranging in average from 5 to 48 years). The average composite depreciation rate utilized in 2019 and 2018 was 2.21% and 2.19%, respectively. When property subject to composite depreciation is retired or otherwise disposed of in the normal course of business, its cost together with the cost of removal, less salvage is charged to accumulated depreciation. For other property dispositions, the applicable cost and accumulated depreciation is removed from the balance sheet accounts and a gain or loss is recognized, if applicable.

The cost of nuclear fuel is amortized to fuel expense on a units-of-production basis. The Company is also amortizing its share of costs associated with on-site spent fuel storage casks at Palo Verde Generating Station ("Palo Verde") over the burn period of the fuel that will necessitate the use of the storage casks. See Note F of Notes to Financial Statements for further discussion.

Impairment of Long-Lived Assets. Long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to estimated undiscounted future cash flows expected to be generated by the asset. If the carrying amount of an asset exceeds its estimated undiscounted future cash flows, an impairment charge is recognized for the amount by which the carrying amount of the asset exceeds the fair value of the asset.

Allowance for Funds Used During Construction and Capitalized Interest. AFUDC is determined by applying an accrual rate to the balance of certain Construction Work in Progress ("CWIP"). The FERC has promulgated procedures for the computation (a prescribed formula) of the accrual rate. The average AFUDC rates used in 2019 and 2018 were 5.27% and 5.95%, respectively. The Company capitalizes interest on nuclear fuel in accordance with the FERC Uniform System of Accounts as provided for in the FASB guidance for regulated operations.

Asset Retirement Obligations. The Company complies with FERC Order No. 631, "Accounting, Financial Reporting, and Rate Filing Requirements for Asset Retirement Obligations," which sets forth accounting requirements for the recognition and measurement of liabilities associated with the retirement of tangible long-lived assets. An ARO associated with long-lived assets included within the scope of FERC Order No. 631 is that for which a legal obligation exists under enacted laws, statutes, written or oral contracts, including obligations arising under the doctrine of promissory estoppel and legal obligations to perform an asset retirement activity even if the timing and/or settlement are conditioned on a future event that may or may not be within the control of an entity. See Note G of Notes to Financial Statements for further discussion. Under FERC Order No. 631, these liabilities are recognized as incurred if a reasonable estimate of fair value can be established and are capitalized as part of the cost of the related tangible long-lived assets. The Company records the increase in the ARO due to the passage of time as an operating expense (accretion expense).

Cash and Cash Equivalents. Temporary cash investments with an original maturity of three months or less are considered cash equivalents. The Company's cash and cash equivalents do not include amounts held in trust by the Company's Palo Verde nuclear decommissioning trust funds ("NDT") or the pension and other post-retirement benefit trust funds.

Investments. The Company's marketable securities, included in decommissioning trust funds that are reflected in Other Special Funds in the regulatory-basis balance sheet, are reported at fair value and consist of cash and equity securities held in the NDT. Investments in equity securities are measured at fair market value. Changes in fair value for equity securities are recognized in the regulatory-basis statement of income, with the exception of the FERC jurisdictional portion which is still accounted for in Regulatory-Basis Other Comprehensive Income. Debt securities are classified as "available-for-sale" securities and, as such, unrealized gains and losses are included in Accumulated Other Comprehensive Income. However, if declines in the fair value of debt securities below original cost basis are determined to be other than temporary, the declines are reported as losses in the regulatory-basis statement of income and a new cost basis is established for the affected securities at fair value. Gains and losses are determined using the cost of the security based on the specific identification basis. See Note P of Notes to Financial Statements for further discussion.

Derivative Accounting. Accounting for derivative instruments and hedging activities requires the recognition of derivatives as either assets or liabilities in the regulatory-basis balance sheet with measurement of those instruments at fair value. Any changes in the fair value of these instruments are recorded in earnings or other comprehensive income. See Note P of Notes to Financial Statements for further discussion.

Inventories. Inventories, primarily parts, materials, supplies, fuel oil and natural gas are stated at average cost, which is not to exceed recoverable cost.

Operating Revenues. The Company accrues revenues for services rendered, including unbilled electric service revenues which are reflected within Accrued Utility Revenues. The Company recognizes revenue associated with contracts with customers when performance obligations under the terms of the contract with the customer are satisfied. Revenue is measured as the amount of consideration the Company receives in exchange for transferring goods or providing services to the customer. Taxes collected concurrently with revenue producing activities are excluded from revenue. Accrued Utility Revenues are recorded for estimated amounts of energy delivered in the period following the customer's last billing cycle to the end of the reporting period. Accrued Utility Revenues are estimated based on monthly generation volumes and by applying an average revenue per kilowatt-hour ("kWh") to the number of estimated kWhs delivered but not billed. The Company recorded $25.6 million and $21.6 million of Accrued Utility Revenues as of December 31, 2019 and 2018, respectively. See Note C of Notes to Financial Statements for further discussion.

The Company's Texas retail customers are billed under base rates and a fixed fuel factor approved by the PUCT. The Company's New Mexico retail customers are billed under base rates and a fuel adjustment clause that is adjusted monthly, as approved by the NMPRC. The Company's FERC sales for resale customers are billed under formula base rates and fuel factors and a fuel adjustment clause that is adjusted monthly. The Company's recovery of fuel and purchased power expenses is subject to periodic reconciliations of actual fuel and purchased power expenses incurred to actual fuel revenues collected. The difference between fuel and purchased power expenses incurred and fuel revenues charged to customers is reflected in the accompanying regulatory-basis balance sheet in Other Regulatory Assets and Other Regulatory Liabilities, as appropriate. See Note D and Note E of Notes to Financial Statements for further discussion.

Allowance for Doubtful Accounts. The allowance for doubtful accounts represents the Company's estimate of existing accounts receivable that will ultimately be uncollectible. The allowance is calculated by applying estimated write-off factors to various classes of outstanding receivables. The write-off factors used to estimate uncollectible accounts are based upon consideration of both historical collections experience and management's best estimate of future collections success given the existing collections environment. Additions, deductions and balances for allowance for doubtful accounts for 2019 and 2018 are as follows (in thousands):

	2019	2018
Balance at beginning of year	$ 2,070	$ 2,337
Additions:		
Charged to costs and expense	2,292	2,818
Recovery of previous write-offs	1,197	1,215
Uncollectible receivables written off	3,659	4,300
Balance at end of year	$ 1,900	$ 2,070

Income Taxes. The Company accounts for federal and state income taxes under the asset and liability method of accounting for income taxes. Deferred income taxes are recognized for the estimated future tax consequences of "temporary differences" by applying enacted statutory tax rates for each taxable jurisdiction applicable to future years to differences between the financial statement carrying amounts and the tax basis of existing assets and liabilities. Certain temporary differences are accorded flow-through treatment by the Company's regulators and impact the Company's effective tax rate. The FASB guidance requires that rate-regulated companies record deferred income taxes for temporary differences accorded flow-through treatment at the direction of the regulatory commission. The resulting deferred tax assets and liabilities are recorded at the expected cash flow to be reflected in future rates. Because the Company's regulators have consistently permitted the recovery of tax effects previously flowed-through earnings, the Company has recorded regulatory liabilities and assets offsetting such deferred tax assets and liabilities. The effect on deferred tax assets and liabilities of a change in tax rate is recognized in income in the period that includes the enactment date, unless those deferred taxes will be collected from or returned to customers in which case they are recorded as a regulatory asset or liability. The Company recognizes tax assets and liabilities for uncertain tax positions in accordance with the recognition and measurement criteria of the FASB guidance for uncertainty in income taxes as modified by FERC Docket No. A107-2-000. See Note K of Notes to Financial Statements for further discussion.

On December 22, 2017, the federal legislation commonly referred to as the Tax Cuts and Jobs Act of 2017 ("TCJA") was enacted. Substantially all of the provisions of the TCJA are effective for taxable years beginning after December 31, 2017. The TCJA includes significant changes to the Internal Revenue Code of 1986, as amended, including amendments that significantly changed the taxation of business entities and includes specific provisions related to regulated public utilities. The more significant changes that impact the Company included in the TCJA are a reduction in the federal corporate income tax rate from 35% to 21%, elimination of the corporate alternative minimum tax provisions, additional limitations on deductions of executive compensation, and limiting the utilization of net operating losses ("NOL") arising after December 31, 2017 to 80% of taxable income with no carryback but with an indefinite carryforward. The specific provisions related to regulated public utilities in the TCJA generally provide for the continued deductibility of interest expense, the elimination of bonus depreciation for property acquired and placed into service after December 31, 2017 and the continuance of rate normalization requirements for accelerated depreciation benefits and changes to deferred tax balances as a result of the change in the federal corporate income tax rate.

The tax effects of changes in tax laws must be recognized in the period in which the law is enacted. In accordance with FERC Docket No. AI93-5-000, deferred tax assets and liabilities are required to be measured at the enacted tax rate expected to apply when temporary differences are to be realized or settled. Thus, at the date of enactment of the TCJA, the Company’s deferred taxes were re-measured based upon the new federal corporate income tax rate. The decrease in deferred taxes was recorded as a regulatory liability as it will be subject to refund to customers and is recorded at the expected cash flow to be reflected in future rates. See Notes E and K of Notes to Financial Statements for further discussion.

Stock-Based Compensation. The Company has a stock-based long-term incentive plan. The Company is required under the FASB guidance to measure the cost of employee services received in exchange for an award of equity instruments based on the grant-date fair value of the award. Such costs are recognized over the period during which an employee is required to provide service in exchange for the award (requisite service period), which typically is the vesting period. Compensation cost is not recognized for anticipated forfeitures prior to vesting of equity instruments. See Note H of Notes to Financial Statements for further discussion.

Pension and Post-retirement Benefit Accounting. See Note N of Notes to Financial Statements for a discussion of the Company's accounting policies for its employee benefits.

Leases. The Company determines if an arrangement contains a lease and the classification of that lease at inception. Operating lease right-of-use ("ROU") assets represent the Company's right to use an underlying asset for the lease term and operating lease liabilities represent the obligation to make payments under the lease. ROU assets and lease liabilities are recognized at the lease commencement date based on the estimated present value of the minimum lease payments over the lease term. In determining lease terms, the Company considers any options to extend or terminate the lease that are reasonably certain of being exercised. As the Company's leases do not include an implicit rate, the Company uses an estimated incremental borrowing rate, at lease commencement, to determine the present value of the future lease payments. In calculating the incremental borrowing rate, the Company takes into consideration recent debt issuances and other data for instruments with similar characteristics. The Company's lease agreements do not contain residual value guarantees or restrictive covenants. For leases with lease and non-lease components, the Company has elected to account for the consideration as a single lease component. The Company has also elected not to record leases with a term of

12 months or less on the regulatory-basis balance sheet. The operating lease ROU assets are included as part of electric plant in service and lease liabilities are included as part of current and non-current Obligation Under Capital Lease in the Company's regulatory-basis balance sheet in accordance with FERC Docket No. AI19-1-000. See Note J of Notes to Financial Statements for further discussion.

B. New Accounting Standards

The new accounting standards discussed below are issued by the FASB and are to be applied to financial statements prepared in accordance with GAAP. Differences may occur between financial statements prepared in accordance with GAAP and financial statements prepared in accordance with the Uniform System of Accounts when these standards are adopted.

New Accounting Standards Adopted in 2019

In February 2016, the FASB issued Accounting Standards Update ("ASU") 2016-02, Leases (Topic 842), to increase transparency and comparability among organizations by recognizing lease assets and lease liabilities on the balance sheet and requiring qualitative and quantitative disclosures on leasing agreements. ASU 2016-02 maintains a distinction between finance leases and operating leases similar to the distinction under previous lease guidance for capital leases and operating leases. Effective January 1, 2019, the Company adopted ASU 2016-02 using the modified retrospective method, applying the transition provisions to the beginning of the period of adoption rather than to the earliest comparative period presented, which continues to be reported in accordance with previous lease guidance, Accounting Standards Codification Topic 840. The Company adopted the package of practical expedients, which does not require the Company to reassess: (i) whether an arrangement contained a lease, (ii) lease classification for any expired or existing leases, and (iii) initial direct costs for any expired or existing leases. The Company also adopted the practical expedient related to land easements, which allowed carry forward accounting treatment for existing land easements. The most significant impact of adopting ASU 2016-02, as of January 1, 2019, was the recording of approximately $6.3 million of operating lease liabilities and related ROU assets with no cumulative effect adjustment to retained earnings. The Company anticipates the ongoing impact of this standard to be immaterial to net income and cash flows. See Note J of Notes to Financial Statements for further discussion.

In February 2018, the FASB issued ASU 2018-02, Income Statement - Reporting Comprehensive Income (Topic 220), as a result of concerns raised due to the enactment of the TCJA. More specifically, because the remeasurement of deferred taxes due to the change in the federal corporate income tax rate is required to be included in income from continuing operations, the tax effects of items within accumulated other comprehensive income ("AOCI") (referred to as stranded tax effects) do not reflect the appropriate tax rate. ASU 2018-02 allows companies an election to reclassify stranded taxes from AOCI to retained earnings. The amount of the reclassification would be the difference between the historical federal corporate income tax rate of 35% and the newly enacted 21% federal corporate income tax rate, which approximates $7.2 million. The provisions of ASU 2018-02 are effective for fiscal years and interim periods within that reporting period beginning after December 15, 2018. The Company adopted ASU 2018-02 on January 1, 2019, and has elected to not reclassify stranded taxes from AOCI to retained earnings.

New Accounting Standards to be Adopted in the Future

In June 2016, the FASB issued ASU 2016-13, Financial Instruments - Credit Losses (Topic 326). ASU 2016-13 changes how companies measure and recognize credit impairment for many financial assets. The new expected credit loss model will require companies to immediately recognize an estimate of credit losses expected to occur over the remaining life of the financial assets that are in the scope of the standard. ASU 2016-13 will be required for reporting periods beginning after December 15, 2019. ASU 2016-13 will be applied in a modified retrospective approach through a cumulative-effect adjustment to retained earnings as of the beginning of the first reporting period in which the guidance is implemented. The Company adopted ASU 2016-13 on January 1, 2020. As part of its implementation process, the Company evaluated the impact of the new standard, which included evaluating the impact of (i) ASU 2019-04, Codification Improvements to Topic 326, Financial Instruments - Credit Losses; Topic 815, Derivatives and Hedging; and Topic 825, Financial Instruments and (ii) ASU 2019-05, Financial Instruments - Credit Losses (Topic 326): Targeted Transition Relief. The adoption of this standard did not have a material impact or require a cumulative effect adjustment to retained earnings. The Company anticipates the ongoing impact of this standard to be immaterial to the Company's financial position, results of operations, and cash flows.

In December 2019, the FASB issued ASU 2019-12, Income Taxes (Topic 740), as part of its initiative to reduce complexity in accounting standards. ASU 2019-12 amends the accounting for income taxes by removing certain exceptions to the general principles in Topic 740. The amendments also improve consistent application of and simplify GAAP for other areas of Topic 740 by clarifying and amending existing guidance. ASU 2019-12 will be effective for fiscal years and interim periods within those fiscal years beginning after December 15, 2020. Early adoption is permitted, including adoption in any interim periods for reporting periods for which financial statements have not been issued. The Company is currently evaluating the future impact of ASU 2019-12.

C. Revenues

The Company adopted ASU 2014-09, Revenue from Contracts with Customers (Topic 606), on January 1, 2018, for all of its contracts using the modified retrospective method. There was no cumulative effect adjustment at the initial application of the new standard.

The following table disaggregates revenue from contracts with customers, for the twelve months ended December 31, 2019 and 2018 (in thousands):

	Years Ended December 31, 2019	Years Ended December 31, 2018
Retail	$ 742,510	$ 789,676
Wholesale	92,396	90,673
Wheeling (transmission)	22,621	19,026
Total revenues from contracts with customers	857,527	899,375
Other	4,467	4,228
Total operating revenues	$ 861,994	$ 903,603

The Company recognizes revenue when performance obligations under the terms of the contract with the customer are satisfied. Revenue is measured as the amount of consideration the Company receives in exchange for transferring goods or providing services to the customer. Taxes collected concurrently with revenue producing activities are excluded from revenue.

Retail. Retail contracts represent the Company's primary revenue source. The Company has determined that retail electric service to residential, commercial and industrial, and public authority customers represents an implied daily contract with the customer. The contract is comprised of an obligation to supply and distribute electricity and related capacity. Revenue is recognized, over time, equal to the product of the applicable tariff rates, as approved by the PUCT and the NMPRC, and the volume of the electricity delivered to the customer, or through the passage of time based upon providing the service of standing ready. Accrued Utility Revenues are recognized at month end based on estimated monthly generation volumes and by applying an average revenue per kWh to the number of estimated kWhs delivered but not billed to customers, and recorded as a receivable for the period following the last billing cycle to the end of the reporting period. Retail customers receive a bill monthly, with payment due sixteen days after issuance.

Wholesale. Wholesale contracts primarily include forward power sales into markets outside the Company's service territory when the Company has competitive generation capacity available, after meeting its regulated service obligations. Pricing is either fixed or based on an index rate with consideration potentially including variable components. Uncertainties regarding the variable consideration will be resolved when the transaction price is known at the point of delivering the energy. The obligation to deliver the electricity is satisfied over time as the customer receives and consumes the electricity. Wholesale customers are invoiced monthly on the 10th day of each month, with payment due by the 20th day of the month. In the case of the sale of renewable energy certificates, the transaction price is allocated to the performance obligation to deliver the confirmed quantity of the certificates based on the stand alone selling price of each certificate. Revenue is recognized as control of the certificates is transferred to the customer. The customer is invoiced upon the completed transfer of the certificates, with payment due within ten business days. Wholesale also includes an annual agreement between the Company and one of its wholesale customers, Rio Grande Electric Cooperative ("RGEC"), which involves the provision of full requirements electric service from the Company to RGEC. The rates for this service are recalculated annually and require FERC approval.

Wheeling (transmission). Wheeling involves the Company providing point-to-point transmission service, which includes the receipt of capacity and energy at designated point(s) and the transfer of such capacity and energy to designated point(s) of delivery on either a firm or non-firm basis for periods of one year or less. The performance obligation to provide capacity and transmit energy is satisfied over time as the Company performs. Transmission customers are invoiced on a monthly basis, with payment due within twenty days of receipt of the invoice.

Other. Other includes alternative revenue program revenue relating to the Company's potential bonus awards from the PUCT and the NMPRC mandated energy efficiency programs. Both the PUCT and the NMPRC allow for the potential to earn an incentive bonus if the Company achieves its approved energy efficiency goals under the applicable programs. The Company recognizes revenue related to the energy efficiency program incentives at the point in time that the amount is objectively determinable generally based upon an approved order from the regulator, is probable of recovery, and if it is expected to be collected within 24 months. Other revenue also includes (i) late payment fees, (ii) leasing income, and (iii) the Company's allocated share, based on ownership, of sales of surplus effluent water from Palo Verde.

Accounts receivable. Accounts receivable is principally comprised of revenue from contracts with customers. The Company recognizes expense for accounts that are deemed uncollectible in operating expense. The Company recognized $2.3 million and $2.9 million of uncollectible expense for the twelve months ended December 31, 2019 and 2018, respectively.

D. Regulation

General

The rates and services of the Company are regulated by incorporated municipalities in Texas, the PUCT, the NMPRC and the FERC. Municipal orders, ordinances and other agreements regarding rates and services adopted by Texas municipalities are subject to review and approval by the PUCT. The FERC has jurisdiction over the Company's wholesale (sales for resale - full requirement customer) transactions, transmission service and compliance with federally-mandated reliability standards. The decisions of the PUCT, the NMPRC and the FERC are subject to judicial review.

On June 1, 2019, the Company entered into an Agreement and Plan of Merger (the "Merger Agreement"), by and among the Company, Sun Jupiter Holdings LLC, a Delaware limited liability company ("Parent") and Sun Merger Sub Inc., a Texas corporation and wholly owned subsidiary of Parent ("Merger Sub"). Pursuant to the Merger Agreement, on and subject to the terms and conditions set forth therein, Merger Sub will merge with and into the Company (the "Merger"), with the Company continuing as the surviving corporation in the Merger and becoming a wholly owned subsidiary of Parent. Parent and Merger Sub are affiliates of the Infrastructure Investments Fund, an investment vehicle advised by J.P. Morgan Investment Management Inc. ("IIF"). Among other things, the Company, Parent and Merger Sub are required to obtain certain regulatory approvals of the Merger as discussed further in Note R of the Notes to the Financial Statements.

On August 13, 2019, the Company, Parent and IIF US Holding 2 LP, an affiliate of IIF, as applicable, filed (i) the joint report and application for regulatory approvals with the PUCT requesting approval of the Merger pursuant to the Texas Public Utility Regulatory Act ("PURA"), which was assigned PUCT Docket No. 49849, (ii) the joint application for regulatory approvals with the NMPRC requesting approval of the Merger pursuant to the New Mexico Public Utility Act ("NMPUA") and NMPRC Rule 450, which was assigned NMPRC Case No. 19-00234-UT, (iii) the joint application requesting approval of the Merger with the FERC under Section 203 of the Federal Power Act, which was assigned FERC Docket No. EC19-120-000, and (iv) the joint application for regulatory approval for the indirect transfer of the Company's Nuclear Regulatory Commission ("NRC") licenses to Parent from the NRC under the Atomic Energy Act of 1954, which was assigned Docket ID NRC-2019-0214. In addition, on August 13, 2019, the Company and Parent sought the authorization of the Federal Communications Commission ("FCC") to assign or transfer control of the Company's FCC licenses under FCC File No. 008737430. On December 4, 2019, the Company and Parent received the consent to transfer the FCC licenses.

On August 16, 2019, the Company and Parent filed the notification and report form with the Antitrust Division of the U.S. Department of Justice and the Federal Trade Commission ("FTC") under the Hart-Scott-Rodino Antitrust Improvements Act of 1976 (the "HSR Act"), as amended, and the rules and regulations promulgated thereunder, which was assigned Transaction Identification No. 2019 1858. On September 3, 2019, the Company and Parent received notice from the FTC granting early termination of the waiting period under the HSR Act.

On November 21, 2019, the Company and IIF reached an agreement in principle with the PUCT staff and most intervenors regarding the Merger. The PUCT issued an order delaying the hearing on the merits in order to assist in reaching a unanimous settlement. The parties continued discussions and provided an update on the status of settlement at the PUCT meeting on December 13, 2019. A non-unanimous settlement was filed with the PUCT on December 18, 2019, resolving substantially all issues in the application. The hearing at the PUCT on the non-unanimous issues was held on January 7, 2020, at the conclusion of which the PUCT requested the Company and IIF attend the PUCT's January 16, 2020 open meeting to answer any follow-up questions. On January 16, 2020, the PUCT approved the Merger and issued its final order on January 28, 2020.

On January 3, 2020, the Company and IIF filed an unopposed stipulation with the NMPRC regarding the Merger. A hearing at the NMPRC for the unopposed stipulation was held on January 16, 2020. On January 16, 2020, the Hearing Examiner agreed with the consent of parties to waive briefing. On February 12, 2020, the Hearing Examiner issued an Amended Certification of the Stipulation in which it is recommended that the NMPRC approve the unopposed stipulation subject to the parties agreeing to the Hearing Examiner's modifications. A final order adopting the Certification of the Stipulation and approving the Merger was issued by the NMPRC on March 11, 2020, which was assigned Case No. 19-00234-UT.

On December 5, 2019, the FERC requested additional information regarding the parties to the Merger. On January 6, 2020, the Company and IIF filed a joint response to FERC's inquiry. On January 17, 2020, the Company and IIF filed a second supplement to the application. The FERC established a January 27, 2020 deadline date for comments on the filings. Several motions to intervene were filed, along with a protest of the January 6, 2020 response. On February 6, 2020, the Company and IIF filed a reply to the January 27, 2020 protest. On March 30, 2020, FERC issued an order authorizing IIF’s proposed acquisition of the Company, subject to the FERC’s approval of mitigation to address certain discrete competitive effects of the transaction that could arise. FERC concluded that the acquisition, as conditioned, satisfies governing federal standards and authorized the acquisition as consistent with the public interest. The proposed mitigation must be filed within 45 days of the issuance of the FERC Order.

The FERC’s approval is the last regulatory approval needed to close the proposed acquisition. The Company anticipates that the closing of the Merger will occur in the first half of 2020, upon FERC’s approval of the required mitigation and satisfaction or waiver of the other closing conditions.

Texas Regulatory Matters

2017 Texas Retail Rate Case Filing. On February 13, 2017, the Company filed with the City of El Paso, other municipalities incorporated in the Company's Texas service territory, and the PUCT in Docket No. 46831, a request for an increase in non-fuel base revenues (the "2017 Texas Retail Rate Case"). On November 2, 2017, the Company filed the Joint Motion to Implement Uncontested Stipulation and Agreement with the Administrative Law Judges ("ALJ") for the 2017 Texas Retail Rate Case.

On December 18, 2017, the PUCT issued a final order in Docket No. 46831 ("2017 PUCT Final Order"), which provides, among other things, for the following: (i) an annual non-fuel base rate increase of $14.5 million; (ii) a return on equity of 9.65%; (iii) all new plant in service as filed in the Company's rate filing package was prudent and used and useful and therefore is included in rate base; (iv) recovery of the costs of decommissioning Four Corners Generating Station ("Four Corners") in the amount of $5.5 million over a seven year period beginning August 1, 2017; (v) the Company to recover reasonable rate case expenses of approximately $3.4 million through a separate surcharge over a three year period; and (vi) a requirement that the Company file a refund tariff if the federal statutory income tax rate, as it relates to the Company, is decreased before the Company files its next rate case. The 2017 PUCT Final Order also established baseline revenue requirements for recovery of future transmission and distribution investment costs (for which the Company could seek recovery after January 1, 2019) and includes a minimum monthly bill of $30.00 for new residential customers with distributed generation, such as private rooftop solar. Additionally, the 2017 PUCT Final Order allowed for the annual recovery of $2.1 million of nuclear decommissioning funding and establishes annual depreciation expense that is approximately $1.9 million lower than the annual amount requested by the Company in its initial filing. Finally, the 2017 PUCT Final Order allowed for the Company to recover revenues associated with the relate back of rates to consumption on and after July 18, 2017, through a separate surcharge.

New base rates, including additional surcharges associated with rate case expenses and the relate back of rates to consumption on and after July 18, 2017, through December 31, 2017, were implemented in January 2018. The surcharge for the relate back of rates expired on January 9, 2019, with a net over-recovery balance of $0.5 million that was addressed in the fuel reconciliation proceeding filed on September 27, 2019, which was assigned PUCT Docket No. 50058.

The 2017 PUCT Final Order required the Company to file a refund tariff if the federal statutory income tax rate, as it relates to the Company, was decreased before the Company files its next general rate case. Following the enactment of the TCJA on December 22, 2017, and in compliance with the 2017 PUCT Final Order, on March 1, 2018, the Company filed with the PUCT and each of its Texas municipalities a proposed refund tariff designed to reduce base charges for Texas customers equivalent to the expected annual decrease of $22.7 million in federal income tax expense resulting from the TCJA changes, and an additional refund of $4.3 million for the amortization of a regulatory liability related to the reduced tax expense for the months of January through March of 2018. This filing was assigned PUCT Docket No. 48124. On March 27, 2018, the PUCT approved the Company's proposed refund tariff on an interim basis, subject to refund or surcharge, for customer billing effective April 1, 2018. Each of the Company's municipalities also implemented the Company's proposed tax credits on an interim basis effective April 1, 2018. The refund is reflected in rates over a period of one year beginning April 1, 2018, and will be updated annually until new base rates are implemented pursuant to the Company's next Texas rate case filing. The PUCT issued an order on December 10, 2018, approving the proposed refund tariff. On February 22, 2019, the Company filed with the PUCT and each of its Texas municipalities an application to modify the tax refund tariff to remove the portion of the base rate credit associated with the $4.3 million of regulatory liability amortization, which expired March 31, 2019. The filing was assigned PUCT Docket No. 49251 and approved by final order on June 27, 2019. On February 20, 2020, the Company filed its required annual update of the refund factor with the PUCT and each of its Texas municipalities. In its application, the Company proposed that the existing refund factors remain in effect. The filing is currently pending as PUCT Docket No. 50575.

Texas Energy Efficiency Cost Recovery Factor ("EECRF"). On May 1, 2017, the Company filed its annual application with the PUCT, which was assigned PUCT Docket No. 47125, to establish its EECRF for 2018. In addition to projected energy efficiency costs for 2018 and a reconciliation of collections to prior year actual costs, the Company requested approval of an incentive bonus for the 2016 energy efficiency program results in accordance with PUCT rules. Interim rates were approved effective January 1, 2018. The Company, the PUCT Staff and the City of El Paso reached an agreement that includes an incentive bonus of $0.8 million. The agreement was filed on January 25, 2018, and was approved by the PUCT on February 15, 2018.

On May 1, 2018, the Company filed its annual application with the PUCT, which was assigned PUCT Docket No. 48332, to establish its EECRF for 2019. In addition to projected energy efficiency costs for 2019 and a reconciliation of collections to actual costs for the prior year, the Company requested approval of a $1.0 million incentive bonus for the 2017 energy efficiency program results in accordance with PUCT rules. Instead of convening a live hearing on the merits of this case, the parties agreed to enter into the record the pre-filed testimony of the parties and certain other exhibits and then file briefs on the contested issues. The ALJ issued a proposal for final decision on November 15, 2018, including the Company's fully requested incentive bonus. On January 17, 2019, the PUCT issued a final order approving a modified bonus amount of $0.9 million.

On May 1, 2019, the Company filed its annual application with the PUCT, which was assigned PUCT Docket No. 49496, to establish its EECRF for 2020. In addition to projected energy efficiency costs for 2020 and a reconciliation of collections to actual costs for the prior year, the Company requested approval of a $0.8 million incentive bonus for the 2018 energy efficiency program results in accordance with PUCT rules. On July 1, 2019, the Company requested, and received approval for, a suspension of the procedural schedule in order to pursue settlement of the case. On July 12, 2019, the Company informed the ALJ in the case that all parties had agreed in principle on terms for settlement. On August 14, 2019, the Company filed an unopposed settlement agreement and proposed order which resolved all issues in the proceeding, including the requested incentive bonus. The case was remanded on August 16, 2019, to the PUCT for a final order approving the settlement agreement and the Company's EECRF rates. On November 14, 2019, the PUCT issued an order approving the filed settlement.

Fuel and Purchased Power Costs. The Company's actual fuel costs, including purchased power energy costs, net of the cost of off-system sales and related shared margins, are recovered from customers through a fixed fuel factor. The PUCT has adopted a fuel cost recovery rule ("Texas Fuel Rule") that allows the Company to seek periodic adjustments to its fixed fuel factor. The Company can seek to revise its fixed fuel factor based upon the approved formula at least four months after its last revision except in the month of December. The Texas Fuel Rule requires the Company to request to refund fuel costs in any month when the over-recovery balance exceeds a threshold material amount and it expects fuel costs to continue to be materially over-recovered. The Texas Fuel Rule also permits the Company to seek to surcharge fuel under-recoveries in any month the balance exceeds a threshold material amount and it expects fuel cost recovery to continue to be materially under-recovered. Fuel over- and under-recoveries are considered material when they exceed 4% of the previous twelve months' fuel costs. All such fuel revenue and expense activities are subject to periodic final review by the PUCT in periodic fuel reconciliation proceedings.

On October 13, 2017, the Company filed a request with the PUCT, which was assigned PUCT Docket No. 47692, to decrease the Texas fixed fuel factor by approximately 19% to reflect decreased fuel expenses primarily related to a decrease in the price of natural gas used to generate power. The decrease in the Texas fixed fuel factor became effective beginning with the November 2017 billing month.

On April 13, 2018, the Company filed a request with the PUCT, which was assigned PUCT Docket No. 48264, to decrease the Texas fixed fuel factor by approximately 29% to reflect decreased fuel expenses primarily related to a decrease in the price of natural gas used to generate power. On April 25, 2018, the Company's proposed fuel factors were approved on an interim basis effective for the first billing cycle of the May 2018 billing month. The revised factor was approved by the PUCT and the docket closed on May 22, 2018.

On October 15, 2018, the Company filed a request with the PUCT, which was assigned PUCT Docket No. 48781, to decrease the Texas fixed fuel factor by approximately 6.99% to reflect decreased fuel expenses primarily related to a decrease in the price of natural gas used to generate power. On October 25, 2018, the Company's fixed fuel factor was approved on an interim basis effective for the first billing cycle of the November 2018 billing month. The revised factor was approved by the PUCT and the docket closed on November 19, 2018.

On April 29, 2019, the Company filed a petition with the PUCT, which was assigned PUCT Docket No. 49482, requesting authority to implement, beginning on June 1, 2019, a four-month, interim fuel refund of $19.4 million in fuel cost over-recoveries, including interest, for the period from April 2016 through March 2019. On May 30, 2019, the Company's fuel refund credit was approved on an interim basis. The Company implemented the fuel refund in customer bills beginning June 1, 2019. On September 27, 2019, the PUCT issued a final order approving the fuel refund credits. The fuel refund was completed on September 30, 2019, with a total fuel refund of $20.1 million, including interest, returned to Texas customers.

On September 13, 2019, the Company filed a request with the PUCT, which was assigned PUCT Docket No. 49960, to decrease the Texas fixed fuel factor by approximately 12.2% to reflect decreased fuel expenses primarily related to a decrease in the price of natural gas used to generate power. On September 25, 2019, the Company's fixed fuel factor was approved by the PUCT on an interim basis effective for the first billing cycle of the October 2019 billing month. The Texas fixed fuel factor was determined to be final on October 15, 2019, and will continue until changed by the PUCT.

On November 26, 2019, the Company filed a petition with the PUCT, which was assigned PUCT Docket No. 50292, requesting authority to implement, beginning on January 1, 2020, a three-month, interim fuel refund of $15.0 million in fuel cost over-recoveries for the period from April 2019 through October 2019, including interest for the period from April 2019 through March 2020. On December 12, 2019, the Company's fuel refund credit was approved on an interim basis. The Company implemented the fuel refund in customer bills beginning January 1, 2020. On March 26, 2020, the PUCT issued a final order. As of December 31, 2019, the Company had a net fuel over-recovery balance of approximately $16.4 million in Texas.

Fuel Reconciliation Proceeding. On September 27, 2019, the Company filed an application with the PUCT, which was assigned PUCT Docket No. 50058, to reconcile $363.0 million of Texas fuel and purchased power expenses incurred during the period of April 1, 2016, through March 31, 2019. The Company cannot predict the outcome of this filing at this time. The April 1, 2019, through December 31, 2019, Texas jurisdictional fuel and purchased power costs subject to a future prudence review total approximately $51.5 million.

Community Solar. On June 8, 2015, the Company filed a petition with the PUCT to initiate a community solar program that includes the construction and ownership of a three-megawatt ("MW") solar photovoltaic system located at Montana Power Station. Participation is on a voluntary basis, and customers contract for a set capacity (kW) amount and receive all energy produced. This case was assigned PUCT Docket No. 44800. The Company filed a settlement agreement among all parties on July 1, 2016, approving the program, and the PUCT approved the settlement agreement and program on September 1, 2016. On April 19, 2017, the Company announced that the entire three-MW program was fully subscribed by approximately 1,500 Texas customers. The Community Solar facility began commercial operation on May 31, 2017.

On March 20, 2018, the Company filed a petition with the PUCT and each of its Texas municipalities to expand its community solar program in Texas to include two-MW of solar powered generation from the ten-MW solar photovoltaic facility located at Newman Power Station ("Newman") and to reduce rates under the community solar tariff. The case before the PUCT was assigned

PUCT Docket No. 48181 and a hearing was held on December 4, 2018. The ALJ issued a proposal for decision on March 19, 2019, that approved the project as proposed by the Company. On May 9, 2019, the PUCT approved the Company's request to expand the program utilizing the two-MW of solar powered generation available from Newman. New subscriptions for the expanded program were accepted beginning in June 2019, and new rates for all existing and new customers were implemented in customer bills beginning July 1, 2019. As of June 30, 2019, the expanded program was fully subscribed.

Transmission Cost Recovery Factor ("TCRF"). On January 25, 2019, the Company filed an application with the PUCT to establish its TCRF, which was assigned PUCT Docket No. 49148 (the "2019 TCRF rate filing"). The 2019 TCRF rate filing is designed to recover a requested $8.2 million of Texas jurisdictional transmission revenue requirement that is not currently being recovered in the Company's Texas base rates for transmission-related investments placed in service from October 1, 2016, through September 30, 2018, net of retirements. On September 12, 2019, the Company filed an unopposed settlement agreement and proposed order for a TCRF revenue requirement of $7.5 million with a provision for recovery of revenue relating to the period from July 30, 2019 to December 31, 2019. Such revenue through December 31, 2019, approximated $3.0 million. On December 16, 2019, the PUCT issued a final order approving the settlement agreement, and the Company's TCRF rates became effective in customer bills beginning January 1, 2020. On January 14, 2020, the Company filed with the PUCT a proposed surcharge in compliance with the final order issued in PUCT Docket No. 49148 for recovery of the $3.0 million related to 2019, over a period of 12 months beginning on April 1, 2020. The filing was assigned PUCT Docket No. 50256, and on February 7, 2020, the surcharge was approved through delegated authority by a Commission Administrative Law Judge.

Distribution Cost Recovery Factor ("DCRF"). On March 28, 2019, the Company filed an application with the PUCT and each of its Texas municipalities to establish its DCRF, which was assigned PUCT Docket No. 49395 (the "2019 DCRF rate filing"). The 2019 DCRF rate filing is designed to recover a requested $7.9 million of Texas jurisdictional distribution revenue requirement that is not currently being recovered in the Company's Texas base rates for distribution-related investments placed in service from October 1, 2016, through December 31, 2018, net of retirements. On August 13, 2019, the Company filed an unopposed settlement agreement and proposed order which resolved all issues in the proceeding and approved a DCRF revenue requirement of $7.8 million. On September 27, 2019, the PUCT issued a final order approving the settlement agreement, and the Company's DCRF rates became effective in customer bills beginning October 1, 2019.

Newman Unit 6 Certificate of Convenience and Necessity ("CCN"). On November 22, 2019, the Company filed an application with the PUCT for a CCN to own and operate a new, approximately 228 MW, natural gas-fired unit to be constructed at the Company's existing Newman Power Station. The case was assigned PUCT Docket No. 50277. The proposed unit is called Newman Unit 6. An air permit application for Newman Unit 6 was concurrently submitted to the Texas Commission on Environmental Quality ("TCEQ"). The new unit was selected through a competitive bidding process and is needed to serve growth in customer demand, to replace older and less efficient generators that the Company plans to retire in the next several years, and to help the Company meet its planning reserve margin. The Company cannot predict the outcome of these filings at this time.

Other Required Approvals. The Company has obtained other required approvals for tariffs and other approvals required by the PURA and the PUCT.

New Mexico Regulatory Matters

Future New Mexico Rate Case Filing. The Company was required to file its next New Mexico base rate case no later than July 31, 2019. On July 10, 2019, the NMPRC issued an order approving a joint request by the Company, NMPRC Staff, and the New Mexico Attorney General to delay filing of the Company's next base rate case until after the conclusion of a proceeding addressing the Merger. The NMPRC order requires the Company to file its next rate case application within three months of the conclusion of the proceeding addressing the Merger in New Mexico. A final order adopting the Certification of the Stipulation and approving the Merger was issued by the NMPRC on March 11, 2020, which was assigned Case No. 19-00234-UT. See Note R of Notes to Financial Statements for further discussion.

New Mexico Order Commencing Review of the Effects of the TCJA on Regulated New Mexico Utilities. On January 24, 2018, the NMPRC initiated a proceeding in Case No. 18-00016-UT on the impact of the TCJA on New Mexico regulated utilities. On April 4, 2018, the NMPRC issued an order requiring the Company to file a proposed interim rate rider to adjust the Company's New Mexico base revenues in amounts equivalent to the Company's reduced income tax expense for New Mexico customers resulting from the TCJA, to be implemented on or before May 1, 2018. The NMPRC order further requires that the Company record and track a regulatory liability for the excess accumulated deferred income taxes created by the change in the federal corporate income tax rate, consistent with the effective date of the TCJA, and subject to amortization determined by the NMPRC in the Company's next general rate case. The Company recorded such a regulatory liability in 2017. On April 16, 2018, after consultation with the New Mexico Attorney General pursuant to the NMPRC order, the Company filed an interim rate rider with the NMPRC with a proposed effective date of May 1, 2018. The annualized credits expected to be refunded to New Mexico customers approximate $4.9 million. The Company implemented the interim rate rider in customer bills beginning May 1, 2018 pursuant to the NMPRC order.

On September 5, 2018, the NMPRC issued an order in Case No. 17-00255-UT involving Southwestern Public Service Company's ("SPS's") request to change rates in which the NMPRC directed SPS to refund the difference in corporate tax rate from January 1, 2018, through the effective date of new rates. SPS appealed the NMPRC order to the New Mexico Supreme Court in *Southwestern Public Service Co. v. NMPRC, No. S-1-SC-37248* ("*SPS Appeal No. 1*"), challenging the refund as prohibited retroactive ratemaking among other reasons. The New Mexico Supreme Court issued a partial and interim stay of the rates on September 26, 2018. On September 12, 2018, the NMPRC in Case No. 18-00016-UT issued an Order Regarding the Disposition of Tax Savings Under the Federal Tax Cuts and Jobs Act of 2017, which put public utilities on notice that all revenue collected through general rates for the purpose of payment of federal income taxes is and will continue to be subject to possible refund upon a subsequent determination to be made in the appropriate pending or future NMPRC adjudicatory hearing. On October 11, 2018, SPS filed a Notice of Appeal of that NMPRC order to the New Mexico Supreme Court in *Southwestern Public Service Co. v. NMPRC, No. S-1-SC-37308 ("SPS Appeal No. 2")*. On February 15, 2019, the NMPRC and SPS filed a joint motion for remand and stipulated dismissal of SPS appeals of NMPRC orders with the New Mexico Supreme Court, which among other things, reflected agreements between the NMPRC and SPS, which in part provide that the NMPRC will replace the order in Case No. 17-00255-UT with a new order that eliminates the retroactive TCJA refund and that SPS will request dismissal of SPS Appeals No. 1 and No. 2. On February 28, 2019, the New Mexico Supreme Court remanded *SPS Appeal No. 1* back to the NMPRC and dismissed the appeal. On March 6, 2019, the NMPRC issued a revised final order on remand in Case No. 17-00255-UT that, in part, eliminated the retroactive TCJA refund.

Fuel and Purchased Power Costs. Pursuant to NMPRC Rule 550, fuel and purchased power costs, net of the cost of off-system sales and related shared margins, are reconciled to actual costs on a monthly basis and recovered or refunded to customers the second succeeding month through the New Mexico Fuel and Purchased Power Cost Adjustment Clause ("FPPCAC"). The Company must file an application for continued use of its FPPCAC no more than four years from the date its last FPPCAC was continued. As required, the Company filed a request to continue use of its FPPCAC with the NMPRC on January 5, 2018, which was assigned Case No. 18-00006-UT. The NMPRC issued a final order in the case on February 13, 2019, which authorized the Company to continue use of its FPPCAC without change and approved the Company's reconciliation of its fuel and purchased power costs for the period January 1, 2015, through December 31, 2016. New Mexico jurisdictional fuel and purchased power costs subject to a future prudence review are fuel and purchased power costs from January 1, 2017, through December 31, 2019, that total approximately $112.4 million. At December 31, 2019, the Company had a net fuel under-recovery balance of approximately $0.3 million related to the FPPCAC in New Mexico.

Amendments to the New Mexico Renewable Energy Act (the "REA"). The REA requires electric utilities to meet a Renewable Portfolio Standard ("RPS") of twenty percent of its total retail sales to New Mexico customers by 2020. Effective June 14, 2019, the New Mexico Energy Transition Act amends the REA (the "Amended REA") to, among other things: (i) increase the RPS to forty percent by 2025, fifty percent by 2030, and eighty percent by 2040; (ii) impose a zero-carbon standard by 2045; (iii) eliminate the reduction to the RPS requirement for sales to qualifying large non-governmental customers whose costs are capped under the REA; (iv) set a statutory reasonable cost threshold; and (v) provide cost recovery for certain undepreciated investments and decommissioning costs, such as coal-fired generation, associated with generation required by the NMPRC to be discontinued and replaced with lower or zero-carbon generation. In administering the eighty percent RPS and zero-carbon standards, the Amended REA requires the NMPRC to consider certain factors, including safety, reliability and rate impact to customers. On October 10, 2019, the NMPRC initiated a rulemaking proceeding to implement the Amended REA in Case No. 19-00296-UT. The Company is currently evaluating the impact that the Amended REA may have on its operations. Further, the Company has not determined the costs associated with complying with the Amended REA including potential fines that could be associated with non-compliance.

New Mexico RPS. Effective January 1, 2018, pursuant to the final order in NMPRC Case No. 17-00090-UT, the RPS costs for New Mexico are recovered through a separate RPS Cost Rider and not through the FPPCAC. At December 31, 2019, the Company had a net fuel over-recovery balance related to the RPS Cost Rider of approximately $2.2 million. The RPS Cost Rider is updated in an annual NMPRC filing, including a reconciliation of the prior year's RPS costs and RPS Cost Rider revenue. On October 1, 2019, the Company filed its required application with the NMPRC for its 2019 Annual Renewable Plan in Case No. 19-0099-UT and for adjustment of its RPS Cost Rider for reconciliation of 2018 costs and revenues and to recover RPS costs for 2020. The application requests approvals of the Company's plan to meet requirements of the Amended REA. On November 18, 2019, following a second prehearing conference, the Hearing Examiner issued an order suspending the procedural schedule in order to allow the Company to amend its filed plan after the completion of an ongoing Request for Proposals to solicit possible new resources, by no later than March 31, 2020. The Company cannot predict the outcome of this filing at this time. The order suspending the procedural schedule also required the Company to file a revised RPS Cost Rider to reconcile the net fuel over-recovery balance as of December 31, 2018, which the Company filed on December 2, 2019 and which became effective on January 1, 2020.

5-MW Holloman Air Force Base ("HAFB") Facility CCN. On October 7, 2015, in Case No. 15-00185-UT, the NMPRC issued a final order approving a CCN for a five-MW solar power generation facility located on HAFB in the Company's service territory in New Mexico. The Company and HAFB negotiated a retail contract, which includes a power sales agreement for the facility, to replace the existing load retention agreement that was approved by NMPRC final order issued October 5, 2016, in Case No. 16-00224-UT. The solar generation facility began commercial operation on October 18, 2018.

Expedited Approval for CCN (Solar/Storage Project at New Mexico State University ("NMSU")). On November 20, 2019, the Company filed an application with the NMPRC requesting a certificate of public convenience and necessity to construct, own and operate a three-MW solar powered generation facility coupled with a one-MW battery storage system to be located on NMSU property in Arrowhead Park in the Company's service territory in New Mexico. The Company's application also seeks approval of a special retail rate contract between the Company and NMSU to recover the costs of the new facility and its operations from NMSU. The new facility will be a dedicated Company-owned resource serving NMSU. The Company has requested approval such that the project can begin construction in 2020 to maximize potential tax benefits. This case was assigned NMPRC Case No. 19-00350-UT. Hearings in this case currently are scheduled to begin June 4, 2020. The Company cannot predict the outcome of this filing at this time.

New Mexico Efficient Use of Energy Recovery Factor ("EUERF"). On July 1, 2016, the Company filed its annual application with the NMPRC requesting approval of its 2017 Energy Efficiency and Load Management Plan and to establish the EUERF for 2017. In addition to projected energy efficiency costs for 2017, the Company requested approval of a $0.4 million incentive for 2017 energy efficiency programs in accordance with NMPRC rules. This application was assigned Case No. 16-00185-UT. On February 22, 2017, the NMPRC issued a final order approving the Company's 2017 Energy Efficiency and Load Management Plan. The Company's EUERF was approved and effective in customer bills beginning on March 1, 2017. NMPRC rules authorize continuation of the energy efficiency programs and incentive approved in Case No. 16-00185-UT through 2018. The Company recorded approved incentives in operating revenues of $0.3 million and $0.7 million in 2018 and 2017, respectively, related to its 2015 through 2017 Energy Efficiency and Load Management Plans. During 2019, the Company recorded an incentive in operating revenues of $0.4 million related to its 2018 Energy Efficiency Programs.

On July 2, 2018, the Company filed its required application with the NMPRC for approval of its 2019-2021 Energy Efficiency and Load Management Plan and EUERF. The application was assigned Case No. 18-00116-UT. On March 6, 2019, the NMPRC issued a final order approving: (i) the Company's 2019-2021 Energy Efficiency and Load Management Plan, with minor program modifications; (ii) the base incentive of 7.1% of program expenditures, or approximately $0.4 million annually for 2019-2021; and (iii) the continuation of the Company's EUERF. During 2019, the Company recorded incentives in operating revenues of $0.4 million related to its 2019 Energy Efficiency and Load Management Plan.

Integrated Resource Plan ("IRP"). On September 17, 2018, the Company filed its IRP with the NMPRC for the period 2018-2037 ("2018 IRP") in Case No. 18-00293-UT as required by regulation and the Joint Stipulation in NMPRC Case No. 15-00241-UT, which was the Company's prior IRP filing. The triennial filing requires a public advisory process as part of the development of the plan to identify a cost-effective portfolio of resources. The filed plan is subject to written public comments filed with the NMPRC to which the Company responded on October 29, 2018. NMPRC Staff filed a written report on November 16, 2018, recommending that the NMPRC return the 2018 IRP to the Company with instructions for re-filing to correct 12 deficiencies identified by the NMPRC Staff report. On December 5, 2018, the NMPRC issued an Order Partially Accepting Integrated Resource Plan; Order Requiring Refiling for Deficiencies. Pursuant to that order, on January 3, 2019, the Company filed an amended 2018 IRP. On January 10, 2019, in light of a pending motion for reconsideration, the NMPRC ordered its Staff to provide additional information and respond to issues raised regarding the filed 2018 IRP. On March 15, 2019, NMPRC Staff filed the additional response and recommended that the Company correct one deficiency that was identified. On September 18, 2019, the NMPRC issued a variance from the IRP rule on commission review, acceptance and action, and closed the docket.

Issuance of Long-Term Debt, Securities Financing, and Guarantee of Debt. On October 7, 2015, the Company received approval in NMPRC Case No. 15-00280-UT to guarantee the issuance of up to $65.0 million of long-term debt by the Rio Grande Resources Trust II ("RGRT") to finance future purchases of nuclear fuel and to refinance existing nuclear fuel debt obligations, which remains effective. Under this authorization, on June 28, 2018, the RGRT issued $65.0 million in aggregate principal amount of 4.07% Senior Guaranteed Notes due August 15, 2025. On October 4, 2017, the Company received additional approval in NMPRC Case No. 17-00217-UT to amend and extend the Company's Revolving Credit Facility ("RCF"), increase the commitments under the RCF by up to $450.0 million, issue up to $350.0 million in long-term debt and to redeem and refinance the $63.5 million 2009 Series A 7.25% Pollution Control Bonds ("PCBs") and the $37.1 million 2009 Series B 7.25% PCBs. The NMPRC approval to issue $350.0 million in long-term debt supersedes its prior approval. Under this authorization, on June 28, 2018, the Company issued $125.0 million in aggregate principal amount of the Company's 4.22% Senior Notes due August 15, 2028. Additionally, on September 13, 2018, the Company and the Bank of New York Mellon Trust Company, N.A., as trustee of the RGRT, entered into a $350.0 million third amended and restated credit agreement. On February 1, 2019 and April 1, 2019, the Company purchased in lieu of redemption all $63.5 million aggregate principal amount of 2009 Series A 7.25% PCBs and $37.1 million aggregate principal amount of 2009 Series B 7.25% PCBs, respectively. The bonds were purchased utilizing funds borrowed under the RCF. On May 22, 2019, the Company reoffered and sold $63.5 million aggregate principal amount of 2009 Series A 7.25% PCBs and $37.1 million aggregate principal amount of 2009 Series B 7.25% PCBs with a fixed interest rate of 3.60% per annum until such PCBs mature on February 1, 2040 and April 1, 2040, respectively. The bonds are subject to optional redemption at a redemption price of par on or after June 1, 2029. See Note I of Notes to Financial Statements for further discussion.

On January 30, 2019, the Company submitted an application with the NMPRC seeking approval to issue shares of common stock, including the reissuance of treasury shares, in an amount up to $200.0 million in one or more transactions. The application was assigned Case No. 19-00033-UT, and the NMPRC issued a final order approving the Company's request on March 27, 2019.

Newman Unit 6 CCN. On November 18, 2019, the Company filed an application with the NMPRC for a CCN to own and operate a new, approximately 228 MW, natural gas-fired unit to be constructed at the Company's existing Newman Power Station. The case was assigned NMPRC Case No. 19-00349-UT. The proposed unit is called Newman Unit 6. The new unit was selected through a competitive bidding process and is needed to serve growth in customer demand, to replace older and less efficient generators that the Company plans to retire in the next several years, and to help the Company meet its planning reserve margin. Hearings in the case are currently scheduled to begin on May 11, 2020. The Company cannot predict the outcome of this case at this time.

Long-Term Purchased Power Agreement ("LTPPA") Approval. On November 18, 2019, the Company filed an application with the NMPRC to request prior approval for three LTPPAs pursuant to NMPRC Rule 17.9.551 of the New Mexico Administrative Code ("Rule 551"). The case was assigned NMPRC Case No. 19-00348-UT. The three LTPPAs provide for the purchase of energy and capacity from: (i) a 100 MW solar plant to be constructed in Santa Teresa, New Mexico; (ii) a 100 MW solar plant combined with a 50 MW of battery energy storage to be constructed in Otero County, New Mexico; and (iii) a 50 MW battery energy storage facility to be constructed in Canutillo, Texas. Rule 551 requires that no utility become irrevocably obligated under a LTPPA without first obtaining the NMPRC's written approval of the agreement. Hearings in the case were held March 3 to March 5, 2020, initial briefs in the case were filed on March 20, 2020, and response briefs filed March 27, 2020. The Company cannot predict the outcome of this case at this time.

Other Required Approvals. The Company has obtained other required approvals for tariffs and other approvals as required by the NMPUA and the NMPRC.

Federal Regulatory Matters

Inquiry Regarding the Effect of the TCJA on Commission-Jurisdictional Rates and Order to Show Cause. On March 15, 2018, the FERC issued two show cause orders under Section 206 of the Federal Power Act and Rule 209(a) of the FERC's Rules of Practice and Procedure, directing 48 individual public utilities with stated transmission rates or transmission formula rates with a fixed line item of 35% for the federal income tax component to, within 60 days of the date of the orders, either (i) propose revisions to their transmission rates under their open access transmission tariffs or transmission owner tariffs on file with the FERC, or (ii) show cause why they should not be required to do so ("Show Cause Proceeding"). The Company was included in the list of public utilities impacted by the FERC orders. On May 14, 2018, the Company submitted its response, as required by the FERC order, which demonstrated that the reduced annual income tax does not cause the Company's total transmission revenues to become excessive and therefore no rate reduction was justified. Instead, the Company stated in its response that it will prepare for a future filing in which it will seek approval for revised Open Access Transmission Tariff ("OATT") rates that would include the recovery of an increased total transmission revenue requirement from OATT customers based on current circumstances and appropriate forward-looking adjustments. On November 15, 2018, FERC issued an order finding that the Company had demonstrated that no rate reduction was justified and terminating the Show Cause Proceeding. The Company expects to file its request for approval to revise OATT rates in 2020.

Notice of Proposed Rulemaking ("NOPR") on Public Utility Transmission Changes to Address Accumulated Deferred Income Taxes. On November 15, 2018, the FERC issued a NOPR that proposes to direct public utilities with transmission OATT rates, a transmission owner tariff or a rate schedule to determine the amount of excess or deficient accumulated deferred income taxes caused by the TCJA's reduction to the federal corporate income tax rate and return or recover this amount to or from customers. The NOPR has been assigned FERC Docket No. RM19-5-000. On November 21, 2019, the FERC issued a final rule, Order No. 864, which declined to adopt the proposals to require public utilities such as the Company with transmission stated rates to determine the amount of excess or deficient accumulated deferred income tax caused by the TCJA's reduction to the federal corporate income tax and return or recover this amount to or from customers.

Issuance of Long-Term Debt, Securities Financing, and Guarantee of Debt. On October 31, 2017, the FERC issued an order in Docket No. ES17-54-000 approving the Company's filing to (i) amend and extend the RCF; (ii) issue up to $350.0 million in long-term debt; (iii) guarantee the issuance of up to $65.0 million of long-term debt by the RGRT; and (iv) redeem, refinance, and/or replace the $63.5 million 2009 Series A 7.25% PCBs and the $37.1 million 2009 Series B 7.25% PCBs. The order also approved the Company's request to continue to utilize the Company's existing RCF with the ability to amend and extend at a future date. The authorization was effective from November 15, 2017, through November 14, 2019, and superseded prior FERC approvals. Under this authorization, on June 28, 2018, the Company issued $125.0 million in aggregate principal amount of the Company's 4.22% Senior Notes due August 15, 2028, and the RGRT issued $65.0 million in aggregate principal amount of its 4.07% Senior Guaranteed Notes due August 15, 2025. Also, on September 13, 2018, the Company and the Bank of New York Mellon Trust Company, N.A., as trustee of the RGRT, entered into a $350.0 million third amended and restated credit agreement. On February 1, 2019 and April 1, 2019, the Company purchased in lieu of redemption all $63.5 million aggregate principal amount of 2009 Series A 7.25% PCBs and $37.1 million aggregate principal amount of 2009 Series B 7.25% PCBs, respectively. The bonds were purchased utilizing funds borrowed under the RCF.

On January 30, 2019, the Company submitted an application with the FERC seeking approval to issue shares of common stock, including the reissuance of treasury shares, in an amount up to $200.0 million in one or more transactions. Included in the FERC application, which was assigned Docket No. ES19-15-000, the Company also requested various debt-related authorizations: approval to utilize the existing RCF for short-term borrowings not to exceed $400.0 million at any one time; to issue up to $225.0 million in new long-term debt; and to remarket the $63.5 million 2009 Series A 7.25% PCBs and the $37.1 million 2009 Series B 7.25% PCBs in the form of replacement bonds or senior notes of equivalent value, not to exceed $100.6 million. On April 18, 2019, the FERC issued an order authorizing the issuances through April 18, 2021. On May 22, 2019, the Company reoffered and sold $63.5 million aggregate principal amount of 2009 Series A 7.25% PCBs and $37.1 million aggregate principal amount of 2009 Series B 7.25% PCBs with a fixed interest rate of 3.60% per annum until the PCBs mature on February 1, 2040 and April 1, 2040, respectively. The bonds are subject to optional redemption at a redemption price of par on or after June 1, 2029. See Note I of Notes to Financial Statements for further discussion.

FERC Audit. On February 6, 2019, the FERC notified the Company that it is commencing an audit that is intended to evaluate the Company's compliance with: (i) the approved terms, conditions, and rates of its OATT; (ii) the accounting requirements of the Uniform System of Accounts; (iii) the reporting requirements of the FERC Form No. 1 Annual Report and Supplemental Form 3-Q Quarterly Financial Reports; and (iv) the regulations regarding Open Access Same-time Information Systems. The audit covers the period January 1, 2016 to the present and was assigned FERC Docket No. PA19-3-000. The Company cannot predict the outcome or findings, if any, of the FERC audit at this time.

Other Required Approvals. The Company has obtained required approvals for rates, tariffs and other approvals as required by the Federal Power Act and the FERC.

U.S. Department of Energy ("DOE"). The DOE regulates the Company's exports of power to Mexico pursuant to a DOE grant of export authorization. In addition, the Company is the holder of two presidential permits issued by the DOE under which the Company constructed and operates border crossing facilities at the U.S./Mexico border.

Pursuant to the Nuclear Waste Policy Act of 1982, as amended in 1987, the DOE is legally obligated to accept and dispose of all spent nuclear fuel and other high-level radioactive waste generated by all domestic power reactors by 1998. See Note F of Notes to Financial Statements for further discussion of spent fuel storage and disposal costs.

Sales for Resale and Network Transmission Service to RGEC

The Company provides firm capacity and associated energy to the RGEC pursuant to an ongoing contract with a two-year notice to terminate provision. The Company also provides network integrated transmission service to the RGEC pursuant to the Company's OATT. The contract includes a formula-based rate that is updated annually to recover non-fuel generation costs and a fuel adjustment clause designed to recover all eligible fuel and purchased power costs allocable to the RGEC. The Company's service to RGEC is regulated by FERC.

E. Regulatory Assets and Liabilities

The Company's operations are regulated by the PUCT, the NMPRC and the FERC. Regulatory assets represent probable future recovery of previously incurred costs, which will be collected from customers through the ratemaking process. Regulatory liabilities represent probable future reductions in revenues associated with amounts that are to be credited to customers through the ratemaking process. Regulatory assets and liabilities reflected in the Company's regulatory-basis balance sheet are presented below (in thousands):

	Amortization Period Ends	December 31, 2019	December 31, 2018
Regulatory assets			
Regulatory tax assets	(a)	$ 52,120	$ 54,521
Final coal reclamation	(b)	3,405	4,065
Four Corners decommissioning	(c)	5,023	5,813
Nuclear fuel postload daily financing charge	(d)	4,551	4,032
Texas 2015 rate case costs (e)	January 2021	378	747
Texas 2017 rate case costs	January 2021	1,504	2,634
Texas TCRF surcharge (f)	March 2021	2,965	—
New Mexico renewable energy credits and related costs (g)	June 2022	3,588	4,709
New Mexico Palo Verde deferred depreciation	(h)	3,959	4,111
Fuel revenue under-recovery	(i)	327	—
Other regulatory assets	various	2,415	1,703
Total regulatory assets		$ 80,235	$ 82,335
Regulatory liabilities			
Regulatory tax liabilities	(j)	$ 289,378	$ 290,359
New Mexico energy efficiency	(k)	183	1,694
New Mexico gain on sale of assets	June 2019	175	306
Fuel revenue over-recovery	(i)	18,743	11,047
Other regulatory liabilities	various	585	239
Total regulatory liabilities		$ 309,064	$ 303,645

(a) This item relates to (i) the regulatory treatment of the equity portion of AFUDC which is recovered in rate base by an offset with the related accumulated deferred income tax liability, and (ii) excess deferred state income taxes which are recovered through amortization to tax expense in cost of service. The amortization period for the excess deferred state income taxes is 15 years as established in the PUCT Final Order in Docket No. 44941 and the NMPRC Final Order in Case No. 15-00127-UT ("NMPRC Final Order").

(b) This item relates to coal reclamation costs associated with Four Corners. The Texas portion was approved for recovery in PUCT Docket No. 46308 and is being recovered over seven years through June 2023. The New Mexico portion was approved in NMPRC Case No. 15-00109-UT and the amortization period will be established in the next general rate case.

(c) This item relates to the decommissioning of Four Corners. The Texas portion was approved for recovery in PUCT Docket No. 46308 and is being recovered over seven years through July 2024. The New Mexico portion was approved in NMPRC Case No. 15-00109-UT and the amortization period will be established in the next general rate case.

(d) This item is recovered through fuel recovery mechanisms established by tariffs.

(e) The 2017 PUCT Final Order approved a new recovery period for these costs, beginning January 10, 2018.

(f) This item represents revenue associated with the Company's 2019 TCRF rate filing related to the period from July 30, 2019, through December 31, 2019. The recovery period is over a period of 12 months beginning on April 1, 2020. See Note D of Notes to Financial Statements for further discussion.
(g) This item relates to renewable energy credits and procurement plan costs, of which a component has been approved for recovery in the NMPRC Final Order. The remaining balance will be requested for recovery in the next general rate case.
(h) The amortization period for this item is based upon the NRC license life for each unit at Palo Verde.
(i) This item represents the net under or over-recovery of fuel and purchased power expense which is recovered or refunded through fuel rates.
(j) This item primarily relates to the reduction in the federal corporate income tax rate from 35% to 21% as enacted by the TCJA. The amortization period for the recovery on this item will be addressed in the next base rate filings in all jurisdictions. See Note K of Notes to Financial Statements for further discussion.
(k) This item is recovered or credited through the Company's EUERF. See Note D of Notes to Financial Statements for further discussion.

F. Utility Plant, Palo Verde and Other Jointly-Owned Utility Plant

The table below presents the balance of each major class of depreciable assets at December 31, 2019 (in thousands):

	Gross Plant	Accumulated Depreciation	Net Plant
Nuclear production	$ 1,972,747	$ (1,275,339)	$ 697,408
Steam and other	1,111,622	(319,247)	792,375
Total production	3,084,369	(1,594,586)	1,489,783
Transmission	534,903	(238,445)	296,458
Distribution	1,355,701	(394,920)	960,781
General	246,638	(84,612)	162,026
Intangible	114,289	(69,422)	44,867
Total	$ 5,335,900	$ (2,381,985)	$ 2,953,915

The Company owns a 15.8% interest in each of the three nuclear generating units and common facilities ("Common Facilities") at Palo Verde, in Wintersburg, Arizona. The utilities that share in power and energy entitlements, and bear certain allocated costs, with respect to Palo Verde pursuant to the ANPP Participation Agreement (the "Palo Verde Participants") include the Company and six other utilities: Arizona Public Service Company ("APS"), Southern California Edison Company, Public Service Company of New Mexico, Southern California Public Power Authority, Salt River Project Agricultural Improvement and Power District and the Los Angeles Department of Water and Power.

A summary of the Company's investment in jointly-owned utility plant, excluding fuel inventories, at December 31, 2019 and 2018 is as follows (in thousands):

	December 31, 2019		December 31, 2018	
	Palo Verde	Other (a)	Palo Verde	Other (a)
Electric plant in service	$ 1,972,747	$ 92,248	$ 1,939,405	$ 87,809
Accumulated depreciation	(1,275,339)	(70,175)	(1,257,956)	(67,881)
Construction work in progress	42,429	532	44,719	1,511
Total	$ 739,837	$ 22,605	$ 726,168	$ 21,439

(a) Includes three jointly-owned transmission lines.

Amortization of intangible plant (software) is provided on a straight-line basis over the estimated useful life of the asset (ranging from 3 to 15 years). The table below presents the actual and estimated amortization expense for intangible plant for 2019 and 2018 and for the next five years (in thousands):

2018	$	7,297
2019		8,167
2020 (estimated)		8,577
2021 (estimated)		7,840
2022 (estimated)		7,237
2023 (estimated)		6,419
2024 (estimated)		4,326

Palo Verde

The operation of Palo Verde and the relationship among the Palo Verde Participants is governed by the Arizona Nuclear Power Project Participation Agreement dated August 23, 1973, as amended ("ANPP Participation Agreement"). APS serves as operating agent for Palo Verde, and under the ANPP Participation Agreement, the Company has limited ability to influence operations and costs at Palo Verde. Pursuant to the ANPP Participation Agreement, the Palo Verde Participants share costs and generating entitlements in the same proportion as their percentage interests in the generating units, and each participant is required to fund its share of fuel, operations and maintenance ("O&M") expense, and capital costs. The Company's share of direct expenses in Palo Verde and other jointly-owned utility plants is reflected in fuel expense, O&M expense, miscellaneous other deductions, and taxes other than income taxes in the Company's regulatory-basis statement of income. The ANPP Participation Agreement provides that if a participant fails to meet its payment obligations, each non-defaulting participant shall pay its proportionate share of the payments owed by the defaulting participant. Because it is impracticable to predict defaulting participants, the Company cannot estimate the maximum potential amount of future payment, if any, which could be required under this provision.

Nuclear Regulatory Commission. The NRC regulates the operation of all commercial nuclear power reactors in the U.S., including Palo Verde. The NRC periodically conducts inspections of nuclear facilities and monitors performance indicators to enable the agency to arrive at objective conclusions about a licensee's safety performance.

Palo Verde Operating Licenses. Operation of each of the three Palo Verde units requires an operating license from the NRC. The NRC issued full power operating licenses for Unit 1 in June 1985, Unit 2 in April 1986 and Unit 3 in November 1987 and issued renewed operating licenses for each of the three units in April 2011, which extended the licenses for Units 1, 2 and 3 to June 2045, April 2046 and November 2047, respectively.

Decommissioning. Pursuant to the ANPP Participation Agreement and federal law, the Company funds its share of the estimated costs to decommission Palo Verde Units 1, 2 and 3, including the Common Facilities, through the term of their respective operating licenses and is required to maintain a minimum accumulation and funding level in its decommissioning account at the end of each annual reporting period during the life of the plant. The Company has established the NDT with an independent trustee, which enables the Company to record a current deduction for federal income tax purposes for most of the amounts funded. At December 31, 2019, the NDT had a balance of $326.0 million, which is above its minimum funding level. The Company monitors the status of the NDT and adjusts contributions accordingly.

Decommissioning costs are estimated every three years based upon engineering cost studies performed by outside engineers retained by APS. In April 2017, the Palo Verde Participants approved the 2016 Palo Verde decommissioning study ("2016 Study"). The 2016 Study estimated that the Company must fund approximately $432.8 million (stated in 2016 dollars) to cover its share of decommissioning costs which was an increase in decommissioning costs of $52.1 million (stated in 2016 dollars) from the 2013 Palo Verde decommissioning study ("2013 Study"). The effect of this change increased the ARO by $3.5 million, which was recorded during the second quarter of 2017, and increased annual expenses starting in April 2017. Although the 2016 Study was based on the latest available information, there can be no assurance that decommissioning cost estimates will not increase in the future or that regulatory requirements will not change. In addition, until a new low-level radioactive waste repository opens and operates for several years, estimates of the cost to dispose of low-level radioactive waste are subject to uncertainty. As provided in the ANPP Participation Agreement, the participants are required to conduct a new decommissioning study every three years. A 2019 Palo Verde decommissioning study (the "2019 Study") is underway and is expected to be finalized before June 30, 2020, at which time the Company will record the effects of the results of the study. If the expected cash flows as identified in the 2019 Study exceed the expected cash flows identified in the 2016 Study (stated in 2019 dollars), the ARO will increase with a corresponding increase in the ARO asset. Under such circumstances, increases in Palo Verde accretion expense and depreciation expense will occur. While the Company attempts to seek amounts in rates to meet its decommissioning obligations, it is not able to conclude, given the evidence available to it now, that it is probable these costs will continue to be collected over the period until decommissioning begins in 2044. The Company is ultimately responsible for these costs and its future actions combined with future decisions from regulators will determine how successful the Company is in this effort.

Spent Fuel and Waste Disposal. Pursuant to the Nuclear Waste Policy Act of 1982, as amended in 1987, the DOE is legally obligated to accept and dispose of all spent nuclear fuel and other high-level radioactive waste generated by all domestic power reactors by 1998. The DOE's obligations are reflected in a contract for Disposal of Spent Nuclear Fuel and/or High-Level Radioactive Waste with each nuclear power plant. The DOE failed to begin accepting spent nuclear fuel by 1998. On December 19, 2012, APS, acting on behalf of itself and the Palo Verde Participants, filed a second breach of contract lawsuit against the DOE. This lawsuit sought to recover damages incurred due to the DOE's failure to accept Palo Verde's spent nuclear fuel for the period beginning January 1, 2007 through June 30, 2011. Pursuant to the terms of the August 18, 2014 settlement agreement, and as amended with the DOE, APS files annual claims for the period July 1 of the then-previous year to June 30 of the then-current year on behalf of itself and those utilities that share in power and energy entitlements, and bear certain allocated costs, with respect to Palo Verde based upon the ANPP Participation Agreement dated August 23, 1973. The settlement agreement, as amended, provides APS with a method for submitting claims and receiving recovery for costs incurred through December 31, 2016, which has been extended to December 31, 2019. The Company's share of costs recovered in 2019 and 2018, respectively are presented below (in thousands):

Costs Recovery Period	Amount Refunded	Amount Credited to Customers through Fuel Adjustment Clauses	Period Credited to Customers
July 2017 – June 2018	$ 1,604	$ 1,005	June 2019
July 2016 – June 2017	1,413	1,121	March 2018

On October 31, 2019, APS filed a $16.0 million claim for the period July 1, 2018 through June 30, 2019. The Company's share of this claim is approximately $2.4 million. In February 2020, the DOE approved this claim. The majority of the reimbursement received by the Company is expected to be credited to customers through the applicable fuel adjustment clauses. The reimbursement is anticipated to be received in the second quarter of 2020.

DOE's Construction Authorization Application for Yucca Mountain. The DOE had planned to meet its disposal obligations by designing, licensing, constructing and operating a permanent geologic repository in Yucca Mountain, Nevada. In March 2010, the DOE filed a motion to dismiss with prejudice its Yucca Mountain construction authorization application that was pending before the NRC. Several interested parties have intervened in the NRC proceeding. The Company cannot predict when spent fuel shipments to the DOE will commence.

Palo Verde has sufficient capacity at its on-site independent spent fuel storage installation ("ISFSI") to store all of the nuclear fuel that will be irradiated during the initial operating license period, which ends in December 2027. Additionally, Palo Verde has sufficient capacity at its on-site ISFSI to store a portion of the fuel that will be irradiated during the period of extended operation, which ends in November 2047. If uncertainties regarding the U.S. government's obligation to accept and store spent fuel are not favorably resolved, APS will evaluate alternative storage solutions that may obviate the need to expand the ISFSI to accommodate all of the fuel that will be irradiated during the period of extended operation.

Liability and Insurance Matters. The Palo Verde Participants have insurance for public liability resulting from nuclear energy hazards to the full limit of liability under federal law, which is currently at $13.9 billion. This potential liability is covered by primary liability insurance provided by commercial insurance carriers in the amount of $450.0 million, and the balance is covered by an industry-wide retrospective assessment program. If a loss at a nuclear power plant covered by the programs exceeds the accumulated funds in the primary level of protection, the Company could be assessed retrospective premium adjustments on a per incident basis. Under federal law, the maximum assessment per reactor under the program for each nuclear incident is approximately $137.6 million, subject to an annual limit of $20.5 million. Based upon the Company's 15.8% interest in the three Palo Verde units, the Company's maximum potential assessment per incident for all three units is approximately $65.2 million, with an annual payment limitation of approximately $9.7 million.

The Palo Verde Participants maintain $2.8 billion of "all risk" nuclear property insurance. The insurance provides coverage for property damage and decontamination at Palo Verde. For covered incidents involving property damage not accompanied by a release of radioactive material, the policy's coverage limit is $2.3 billion. The Company has also secured insurance against portions of any increased cost of generation or purchased power and business interruption resulting from a sudden and unforeseen outage of any of the three units. The insurance coverage discussed in this and the previous paragraph is subject to certain policy conditions and exclusions. A mutual insurance company whose members are utilities with nuclear facilities issues these policies. If losses at any nuclear facility covered by this mutual insurance company were to exceed the accumulated funds for these insurance programs, the Company could be assessed retrospective premium adjustments of up to $13.8 million for the current policy period.

Palo Verde O&M Expense. Included in other O&M expenses are expenses associated with Palo Verde as follows (in thousands):

Years Ended December 31,	
2019	**2018**
$ 95,525	$ 96,454

G. Accounting for Asset Retirement Obligations

The Company complies with FERC Order No. 631 guidance for ARO. FERC Order No. 631 affects the accounting for the decommissioning of Palo Verde and the method used to report the decommissioning obligation. The Company also complies with the FASB guidance for conditional ARO, which primarily affects the accounting for the disposal obligations of the Company's fuel oil storage tanks, water wells, evaporative ponds and asbestos found at the Company's gas-fired generating plants. The Company's ARO are subject to various assumptions and determinations such as: (i) whether a legal obligation exists to remove assets; (ii) estimation of the fair value of the costs of removal; (iii) when final removal will occur; (iv) future changes in decommissioning cost escalation rates; and (v) the credit-adjusted interest rates to be utilized in discounting future liabilities. Changes that may arise over time with regard to these assumptions and determinations will change amounts recorded in the future as an expense for ARO. The Company records the increase in the ARO due to the passage of time as an operating expense (accretion expense). If the Company incurs or assumes any liability in retiring any asset at the end of its useful life without a legal obligation to do so, it will record such retirement costs as incurred.

The ARO liability for Palo Verde is based upon the estimated cost of decommissioning the plant from the 2016 Study. See Note F of Notes to Financial Statements. The ARO liability is calculated by adjusting the estimated decommissioning costs for spent fuel storage and a profit margin and market-risk premium factor. The resulting costs are escalated over the remaining life of the plant and finally discounted using a credit-risk adjusted discount rate. As Palo Verde approaches the end of its estimated useful life, the difference between the ARO liability and future current cost estimates will narrow over time due to the accretion of the ARO liability. Because the DOE is obligated to assume responsibility for the permanent disposal of spent fuel, such costs have not been included in the ARO calculation. The Company maintains six external trust funds with an independent trustee that are legally restricted to settling its ARO at Palo Verde. The fair value of the funds at December 31, 2019 is $326.0 million.

FERC Order No. 631 requires the Company to revise its previously recorded ARO for any changes in estimated cash flows including changes in estimated probabilities related to timing of settlements. Any changes that result in an upward revision to estimated cash flows shall be treated as a new liability. Any downward revisions to the estimated cash flows result in a reduction to the previously recorded ARO. In the second quarter of 2017, the Company implemented the results of the 2016 Study and revised its ARO related to Palo Verde to increase its estimated cash flows from the 2013 Study to the 2016 Study. See Note F of Notes to Financial Statements. The assumptions used to calculate the increases to the Palo Verde ARO liability are as follows:

	Escalation Rates	Credit Risk Adjusted Discount Rate
Original ARO liability	3.60%	9.50%
Incremental ARO liability (2010)	3.60%	6.20%
Incremental ARO liability (2016)	3.25%	4.34%

An analysis of the activity of the Company's total ARO liability from January 1, 2018 through December 31, 2019, including the effects of each year's estimate revisions, is presented below (in thousands).

	2019	2018
ARO liability at beginning of year	$ 101,108	$ 93,029
Liabilities settled	(118)	(264)
Accretion expense	9,115	8,343
ARO liability at end of year	$ 110,105	$ 101,108

The Company has transmission and distribution lines which are operated under various land rights agreements. Upon the expiration of any non-perpetual land rights agreement, the Company may have a legal obligation to remove the lines; however, the Company has assessed the likelihood of this occurring as remote. The majority of these agreements are perpetual or include renewal options that the Company routinely exercises. The amount of cost of removal collected in rates for non-legal liabilities has not been material.

H. Common Stock

Overview

The Company's common stock has a stated value of $1 per share, with no cumulative voting rights or preemptive rights. Holders of the common stock have the right to elect the Company's directors and to vote on other matters.

Long-Term Incentive Plan

On May 29, 2014, the Company's shareholders approved an amended and restated stock-based long-term incentive plan ("Amended and Restated 2007 LTIP") and authorized the issuance of up to 1.7 million shares of the Company's common stock for the benefit of directors and employees. Under the Amended and Restated 2007 LTIP, shares of the Company's common stock may be issued through the award or grant of non-statutory stock options, incentive stock options, stock appreciation rights, restricted stock, bonus stock, performance stock, cash-based awards and other stock-based awards. The Company may purchase shares on the open market, or issue shares from shares of the Company's common stock the Company has repurchased to meet the share requirements of the Amended and Restated 2007 LTIP. Beginning in 2015, shares of the Company's common stock issued for employee benefit and stock incentive plans have been issued from the shares repurchased and held in treasury stock. However, under the Merger Agreement, the Company is subject to certain limitations in which it may issue common stock pursuant to the Amended and Restated 2007 LTIP. As discussed in Note A of Notes to Financial Statements, the Company accounts for its stock-based long-term incentive plan under the FASB guidance for stock-based compensation.

Restricted Stock with Service Condition and Other Stock-Based Awards. The Company has awarded restricted stock and other stock-based awards under its long-term incentive plan. Restrictions from resale on restricted stock awards generally lapse and awards vest over periods of one to three years, subject to continuous service requirements. The market value of the unvested restricted stock at the date of grant is amortized to expense over the restriction period net of anticipated forfeitures. Other stock-based awards, granted to directors in lieu of cash for retainers and meeting fees, are fully vested and are expensed at fair value on the date of grant and are not included in the tables below. Under the Merger Agreement, stock-based awards that are unvested would be cancelled and converted into a vested right to receive cash upon the closing of the Merger. See Note R of Notes to Financial Statements.

The expense, deferred tax benefit, and current tax benefit recognized related to restricted stock and other stock-based awards in 2019 and 2018 is presented below (in thousands):

	2019	2018
Expense (a)	$ 2,320	$ 3,198
Deferred tax benefit	487	671
Current tax benefit recognized	112	117

(a) Any capitalized costs related to these expenses is less than $0.3 million for all years.

The aggregate intrinsic value and fair value at grant date of restricted stock and other stock-based awards which vested in 2019 and 2018 is presented below (in thousands):

	2019	2018
Aggregated intrinsic value	$ 3,202	$ 3,771
Fair value at grant date	2,667	3,212

The unvested restricted stock transactions for 2019 are presented below:

	Total Shares	Weighted Average Grant Date Fair Value	Unrecognized Compensation Expense (b) (In thousands)	Aggregate Intrinsic Value (In thousands)
Restricted shares outstanding at December 31, 2018	93,908	$ 51.60		
Stock awards (a)	83,585	58.71		
Vested	(50,504)	52.82		
Forfeitures	(31,185)	49.38		
Restricted shares outstanding at December 31, 2019	95,804	57.89	$ 2,853	$ 6,504

(a) On July 31, 2019, the Company issued a special grant to the Company's former President and Chief Executive Officer ("CEO") of 27,624 shares in accordance with the Amended and Restated 2007 LTIP that is eligible for vesting immediately prior to the closing of the Merger. In the event the Merger Agreement is terminated without the closing of the Merger, these shares will be forfeited.

(b) The unrecognized compensation expense is expected to be recognized over the weighted average remaining contractual term of the outstanding restricted stock of approximately one year, subject to acceleration under the provisions of the Merger Agreement.

The weighted average fair value per share at grant date for restricted stock and other stock-based awards granted during 2019 and 2018 were:

	2019	2018
Weighted average fair value per share	$ 58.71	$ 54.49

The holder of a restricted stock award has rights as a shareholder of the Company, including the right to vote and receive cash dividends on restricted stock.

Restricted Stock with a Market Condition (Performance Shares). The Company has granted performance share awards to certain officers under the Company's Amended and Restated 2007 LTIP, which provides for issuance of Company stock based on the achievement of certain performance criteria over a three-year period. The payout varies between 0% to 200% of performance share awards.

Detail of performance shares vested follows:

Date Vested	Payout Ratio	Performance Shares Awarded	Compensation Costs Expensed (In thousands)	Period Compensation Costs Expensed	Aggregated Intrinsic Value (In thousands)
January 29, 2020	150%	39,027(a)	$ 1,109	2017-2019	2,660
January 30, 2019	71%	39,923	2,143	2016-2018	2,046
January 31, 2018	175%	68,379	1,499	2015-2017	3,569

(a) 6,908 shares vested on December 20, 2019.

In 2020, 2021 and 2022, subject to meeting certain performance criteria and continuous service requirements, additional performance shares could vest. Under the Merger Agreement, shares would vest upon the closing of the Merger. Under the Merger Agreement, performance shares that are unvested would be cancelled and converted into a vested right to receive cash upon the closing for the Merger. In accordance with the FASB guidance related to stock-based compensation, the Company recognizes the related compensation expense by ratably amortizing the grant date fair value of awards over the requisite service period and the compensation expense is only adjusted for forfeitures. As of December 31, 2019, the maximum number of shares that can be issued under the Company's Amended and Restated 2007 LTIP are 145,585 shares.

The fair value at the date of each separate grant of performance shares was based upon a Monte Carlo simulation. The Monte Carlo simulation reflected the structure of the performance plan which calculates the share payout on performance of the Company relative to a defined peer group over a three-year performance period based upon total return to shareholders. The fair value was determined as the average payout of one million simulation paths discounted to the grant date using a risk-free interest rate based upon the constant maturity treasury rate yield curve at the grant date. The expected volatility of total return to shareholders is calculated in accordance with the performance shares' term structure and includes the volatilities of all members of the defined peer group.

The outstanding performance share awards at the 100% performance level is summarized below:

	Number Outstanding	Weighted Average Grant Date Fair Value	Unrecognized Compensation Expense (b) (In thousands)	Aggregate Intrinsic Value (In thousands)
Performance shares outstanding at December 31, 2018	175,845	$ 40.90		
Performance share awards	49,826	48.85		
Performance shares vested	(46,831)	38.78		
Performance shares expired	(16,317)	38.11		
Performance shares forfeited (a)	(86,677)	41.52		
Performance shares outstanding at December 31, 2019	75,846	47.33	$ 302	$ 5,149

(a) On August 1, 2019, the Company's former President and CEO forfeited the retention grant of 27,624 shares issued on December 15, 2015.
(b) The unrecognized compensation expense is expected to be recognized over the weighted average remaining contractual term of the awards of approximately one year. Under the Merger Agreement, performance shares that are unvested would be cancelled and converted into a vested right to receive cash upon the closing for the Merger.

A summary of information related to performance shares for 2019 and 2018 is presented below:

	2019	2018
Weighted average per share grant date fair value per share of performance shares awarded	$ 48.85	$ 48.99
Fair value of performance shares vested (in thousands)	1,816	1,499
Intrinsic value of performance shares vested (in thousands) (a)	2,514	2,040
Compensation expense (in thousands) (b) (c)	153	2,271
Deferred tax benefit related to compensation expense (in thousands) (b)	32	477

(a) Based on a 71% and 100% performance level, respectively.
(b) Includes adjustments for estimated forfeitures.
(c) 2019 includes forfeiture of the Company's former President and CEO's retention grant included in 2018.

Repurchase Program

No shares of the Company's common stock were repurchased during the twelve months ended December 31, 2019. Detail regarding the Company's stock repurchase program are presented below:

	Since 1999 (a)	Authorized Shares
Shares repurchased (b) (c)	25,406,184	
Cost, including commission (in thousands)	$ 423,647	
Total remaining shares available for repurchase at December 31, 2019 (d)		393,816

(a) Represents repurchased shares and cost since inception of the stock repurchase program in 1999.
(b) Shares repurchased does not include 86,735 treasury shares related to employee compensation arrangements that were not part of the Company's repurchase program.
(c) Beginning in 2015, shares of the Company's common stock issued for employee benefit and stock incentive plans have been issued from the shares repurchased and held in treasury stock. The Company has issued 396,657 treasury shares since 2015 including 51,305 shares during 2019.
(d) The Company may make purchases of shares of its common stock pursuant to its authorized program in open market transactions at prevailing prices and may engage in private transactions where appropriate. The repurchased shares will be available for issuance under employee benefit and stock incentive plans or the repurchased shares may be retired.

Authorization to Issue and Retire Shares

On January 30, 2019, the Company submitted an application with both the NMPRC and the FERC seeking approval to issue shares of common stock, including the reissuance of treasury shares, in an amount up to $200.0 million in one or more transactions. The Company received final approvals for such issuances from the NMPRC and the FERC on March 27, 2019 and April 18, 2019 respectively. Under the Merger Agreement, the Company cannot issue shares of common stock, subject to limited exceptions, without the prior written consent of Parent. In order to align the number of shares of common stock held as treasury stock by the Company with various regulatory applications, filings and orders, on May 23, 2019, the Board of Directors of the Company (the "Board of Directors") approved the cancellation of 1.4 million shares of common stock held as treasury shares by the Company effective May 31, 2019.

Dividend Policy

On December 27, 2019, the Company paid $15.7 million in quarterly cash dividends to shareholders. The Company paid a total of $61.7 million and $57.5 million in cash dividends during the twelve months ended December 31, 2019 and 2018, respectively. On February 28, 2020, the Board of Directors declared a quarterly cash dividend of $0.385 per share payable on March 31, 2020 to shareholders of record as of the close of business on March 17, 2020.

Under the Merger Agreement, the Company is not allowed to declare or pay dividends or distributions on shares of common stock in an amount in excess of $0.385 per share for quarterly dividends declared before June 1, 2020 and $0.41 per share for quarterly dividends declared on or after June 1, 2020. See Note R of Notes to Financial Statements for further discussion.

I. Long-Term Debt, Financing Obligations and Capital Lease Obligations

Outstanding long-term debt, financing obligations and capital lease obligations, are as follows:

	December 31, 2019	December 31, 2018
	(In thousands)	
Bonds (Account 221):		
Pollution Control Bonds (1):		
3.60% 2009 Series A refunding bonds, due 2040 (3.82% effective interest rate)	$ 63,500	$ —
3.60% 2009 Series B refunding bonds, due 2040 (3.84% effective interest rate)	37,100	—
7.25% 2009 Series A refunding bonds, (7.46% effective interest rate)	—	63,500
7.25% 2009 Series B refunding bonds, (7.49% effective interest rate)	—	37,100
4.50% 2012 Series A refunding bonds, due 2042 (4.63% effective interest rate)	59,235	59,235
Total Bonds Account 221	159,835	159,835
Other Long-Term Debt (Accounts 224, 225, and 226):		
Senior Notes (2):		
3.30% Senior Notes, net of discount, due 2022 (3.43% effective interest rate)	150,000	150,000
6.00% Senior Notes, net of discount, due 2035 (6.58% effective interest rate)	400,000	400,000
7.50% Senior Notes, net of discount, due 2038 (7.67% effective interest rate)	150,000	150,000
5.00% Senior Notes, net of premium, due 2044 (4.93% effective interest rate)	300,000	300,000
Senior Notes Private Placement:		
4.22% Senior Notes, net of discount, due 2028 (4.31% effective interest rate)	125,000	125,000
Total Other Long Term Debt Account 224	1,125,000	1,125,000
Unamortized premium on long-term debt Account 225	6,551	6,685
Unamortized discount on long-term debt Account 226	(3,367)	(3,499)
Total Long-Term Debt	$ 1,288,019	$ 1,288,021
Obligations Under Capital Lease – Noncurrent (Account 227):		
5.04% Senior Notes, Series C, due 2020 (5.16% effective interest rate) (3)	$ —	$ 45,000
4.07% Senior Guaranteed Notes, due 2025 (4.18% effective interest rate) (3)	65,000	65,000
Capitalized Operating Leases (4)	5,094	—
Total Capital Lease Obligations Noncurrent	$ 70,094	$ 110,000
Obligations Under Capital Lease – Current (Account 243):		
Revolving Credit Facility (5)	$ 31,657	$ 28,408
5.04% Senior Notes, Series C, due 2020 (5.16% effective interest rate) (3)	45,000	—
Capitalized Operating Leases (4)	513	—
Total Capital Lease Obligations Current	$ 77,170	$ 28,408

(1) Pollution Control Bonds

The Company has three series of tax exempt unsecured PCBs in aggregate principal amount of $159.8 million as of December 31, 2019. The 2009 Series A 7.25% PCBs and the 2009 Series B 7.25% PCBs (together, the "2009 PCBs") with an aggregate principal amount, together, of $100.6 million had optional redemptions beginning in February 2019 and April 2019, respectively.

The Company purchased in lieu of redemption all of the 2009 Series A 7.25% PCBs with an aggregate principal amount of $63.5 million, and all of the 2009 Series B 7.25% PCBs with an aggregate principal amount of $37.1 million, on February 1, 2019 and April 1, 2019, respectively, utilizing funds borrowed under the RCF.

On May 22, 2019, the Company reoffered and sold $63.5 million aggregate principal amount of 2009 Series A 7.25% PCBs and $37.1 million aggregate principal amount of 2009 Series B 7.25% PCBs with a fixed interest rate of 3.60% per annum until the

2009 PCBs mature on February 1, 2040 and April 1, 2040, respectively. The 2009 PCBs are subject to optional redemption at a redemption price of par on or after June 1, 2029. Proceeds from the remarketing of the 2009 PCBs were primarily used to repay outstanding short-term borrowings under the RCF.

(2) Senior Notes

The Senior Notes are unsecured obligations of the Company. They were issued pursuant to bond covenants that provide limitations on the Company's ability to enter into certain transactions. The 6.00% Senior Notes have an aggregate principal amount of $400.0 million and were issued in May 2005. The proceeds, net of a $2.3 million discount, were used to fund the retirement of the Company's first mortgage bonds. The Company amortizes the loss associated with a cash flow hedge recorded in AOCI to earnings as interest expense over the life of the 6.00% Senior Notes. See Note P of Notes to Financial Statements. This amortization is included in the effective interest rate of the 6.00% Senior Notes.

The 7.50% Senior Notes have an aggregate principal amount of $150.0 million and were issued in June 2008. The proceeds, net of a $1.3 million discount, were used to repay outstanding short-term borrowings of $44.0 million, fund capital expenditures and for other general corporate purposes.

The 3.30% Senior Notes have an aggregate principal amount of $150.0 million and were issued in December 2012. The proceeds, net of a $0.3 million discount, were used to repay outstanding short-term borrowings, fund construction expenditures and for working capital and general corporate purposes.

In December 2014, the Company issued 5.00% Senior Notes with an aggregate principal amount of $150.0 million. The proceeds, net of a $0.5 million discount, were used to fund construction expenditures and for working capital and general corporate purposes. In March 2016, the Company issued additional 5.00% Senior Notes with an aggregate principal amount of $150.0 million. The proceeds from this issuance, after deducting the underwriters' commission, were $158.1 million. These proceeds included accrued interest of $2.4 million and a $7.1 million premium before expenses. The net proceeds from the sale of these senior notes were used to repay outstanding short-term borrowings under the RCF. After the March 2016 issuance, the Company's 5.00% Senior Notes due 2044 had a total principal amount outstanding of $300.0 million.
On June 28, 2018, the Company entered into a note purchase agreement with several institutional purchasers under which the Company issued and sold $125.0 million aggregate principal amount of 4.22% Senior Notes due August 15, 2028. The net proceeds from the issuance of these senior notes were used to repay outstanding short-term borrowings under the RCF for working capital and general corporate purposes. The Company pays interest on the notes semi-annually on February 15 and August 15 of each year until maturity, beginning on February 15, 2019. The Company may redeem the notes, in whole or in part, at any time at a redemption price equal to 100% of the principal amount to be redeemed together with the interest on such principal amount accrued to the date of redemption, plus a make-whole amount based on the prevailing market interest rates. The issuance and sale of these senior notes was made in reliance on a private placement exemption from the registration provisions of the Securities Act of 1933, as amended (the "Securities Act").

(3) RGRT Senior Notes

In 2010, the Company and RGRT, a Texas grantor trust through which the Company finances its portion of fuel for Palo Verde, entered into a note purchase agreement with various institutional purchasers. Under the terms of the agreement, RGRT issued and sold to the purchasers $110.0 million aggregate principal amount of Senior Notes ("RGRT Notes"). In August 2015 and 2017, $15.0 million and $50.0 million of the RGRT Notes, respectively, matured and were paid with borrowings from the RCF. The Company guarantees the payment of principal and interest on the RGRT Notes. In the Company's regulatory-basis financial statements, the obligations to the RGRT are reported as obligations under capital leases of nuclear fuel. In August 2020, the remaining $45.0 million of these RGRT Notes mature.

The sale of the RGRT Notes was made by RGRT in reliance on a private placement exemption from registration under the Securities Act. The proceeds of $109.4 million, net of issuance costs, from the sale of the RGRT Notes was used by RGRT to repay amounts borrowed under the RCF and enabled future nuclear fuel financing requirements of RGRT to be met with a combination of the RGRT Notes and amounts borrowed from the RCF.

On June 28, 2018, the RGRT and the Company entered into a note purchase agreement with several institutional purchasers under which the RGRT issued and sold $65.0 million aggregate principal amount of 4.07% Senior Guaranteed Notes due August 15, 2025 ("RGRT Senior Notes"). The net proceeds from the RGRT Senior Notes were used to repay outstanding short-term borrowings under the RCF to finance nuclear fuel purchases. The Company guaranteed the payment of principal and interest on the RGRT Senior Notes. RGRT's assets, liabilities and operations are consolidated in the Company's regulatory-basis financial statements and the RGRT Senior Notes are included as long-term debt on the regulatory-basis balance sheet. The issuance and sale of the RGRT Senior Notes was made in reliance on a private placement exemption from the registration provisions of the Securities Act.

RGRT pays interest on the senior notes above on February 15 and August 15 of each year until maturity, beginning on February 15, 2019. RGRT may redeem the senior notes, in whole or in part, at any time at a redemption price equal to 100% of the principal amount to be redeemed together with the interest on such principal amount accrued to the date of redemption, plus a make-whole amount based on the prevailing market interest rates.

(4) Capitalized Operating Leases

See Note J of Notes to Financial Statements for further discussion.

(5) Revolving Credit Facility

On January 14, 2014, the Company and RGRT entered into a second amended and restated credit agreement related to the RCF with JP Morgan Chase Bank, N.A., as administrative agent and issuing bank, and Union Bank, N.A., as syndication agent, and various lending banks party thereto. As of December 31, 2016, the Company had available $300.0 million and the ability to increase the RCF by up to $100.0 million with a term ending January 2019. On January 9, 2017, the Company exercised its option to extend the maturity of the RCF by one year to January 14, 2020 and to increase the size of the facility by $50.0 million to $350.0 million.

On September 13, 2018, the Company and The Bank of New York Mellon Trust Company, N.A., as trustee of the RGRT, entered into a third amended and restated credit agreement ("RCF Agreement") with MUFG Union Bank, N.A., as administrative agent and as syndication agent, various issuing banks and lending banks party thereto. Under the terms of the RCF Agreement, the Company has available a $350.0 million RCF with a $50.0 million subfacility for the issuance of letters of credit, and the Company extended the term of the Company's existing $350.0 million revolving credit agreement from January 14, 2020 to September 13, 2023. On March 20, 2020, the Company exercised its option to extend the maturity date of the RCF by one year to September 13, 2024 and to increase the borrowing commitments under the RCF Agreement by $50.0 million to $400.0 million, and the lenders under the RCF Agreement agreed to the increase and extension. The Company still has the option to extend the maturity date of the RCF by one additional year to September 13, 2025 upon the satisfaction of certain conditions more fully set forth in the RCF Agreement, including requisite lender approval.

The RCF Agreement provides that amounts borrowed by the Company may be used for, among other things, working capital and general corporate purposes. Any amounts borrowed by the RGRT may be used, among other things, to finance the acquisition and cost to process nuclear fuel. Amounts borrowed by the RGRT are guaranteed by the Company and the balance borrowed under the RCF Agreement is recorded as a capital lease of nuclear fuel on the regulatory-basis balance sheet. Quarterly lease payments are made based upon units of heat production used by the plant. The RCF Agreement is unsecured. In August 2017, $50.0 million aggregate principal amount of Series B 4.47% Senior Notes of the RGRT matured and was paid with borrowings from the RCF. On February 1, 2019 and April 1, 2019, respectively, the Company purchased in lieu of redemption all of the 2009 Series A 7.25% PCBs with a principal amount of $63.5 million and 2009 Series B 7.25% PCBs with a principal amount of $37.1 million, utilizing funds borrowed under the RCF. On May 22, 2019, the Company reoffered and sold $63.5 million aggregate principal amount of 2009 Series A 7.25% PCBs and $37.1 million aggregate principal amount of 2009 Series B 7.25% PCBs. The proceeds from the remarketing of the PCBs were principally used to repay outstanding short-term borrowings under the RCF. As of December 31, 2019, the total amount borrowed by the RGRT was $31.7 million for nuclear fuel under the RCF. As of December 31, 2019, $84.0 million of borrowings were outstanding under this facility for working capital and general corporate purposes. The weighted average interest rate on the RCF was 3.0% as of December 31, 2019, with an additional $236.0 million available to borrow.

The Merger would constitute a "Change in Control" under the RCF and the consummation of the Merger would result in an event of default under the RCF. On and subject to the terms and conditions of the Merger Agreement, the Company requested that the lenders under the RCF consent to the Merger and waive any default or event of default that would occur as a result of the Merger. On August 9, 2019, the lenders agreed to such consent and waiver.

Under the Merger Agreement, subject to certain exceptions, the Company cannot incur additional indebtedness over $200.0 million (excluding borrowings up to the existing borrowing capacity of the RCF), without the prior written consent of Parent.

As of December 31, 2019, the principal amount of scheduled maturities for the next five years of long-term debt are as follows (in thousands):

2020	$ 45,000
2021	—
2022	150,000
2023	—
2024	—

Pursuant to the Company's debt agreements, the Company is required to comply with various covenants and restrictions, including a total debt to capitalization ratio as required by each one of the Company's and RGRT's private placement debt securities and the RCF. The Company is in compliance with all of its debt covenants and restrictions.

J. Leases

The Company's lease population is composed of operating leases. The Company leases land in El Paso, Texas, adjacent to Newman under a lease that expires in June 2033 with a renewal option of 25 years. The Company also has several other leases for offices, parking facilities and equipment that expire within the next 5 years, including an office in Austin, Texas. The Company has transmission and distribution lines that are operated under various land rights agreements, including easements, leases, permits and franchises. The components of lease expense are as follows:

	Year Ended December 31, 2019
Lease cost (in thousands):	
Operating lease cost	$ 1,012
Short-term lease cost	798
Variable lease cost	65
Total lease cost	$ 1,875

Supplemental balance sheet information related to leases was as follows (in thousands, except lease term and discount rate):

	December 31, 2019
Operating leases:	
Operating lease ROU assets (included in Utility Plant)	$ 5,550
Operating lease liabilities (current included in Obligation Under Capital Leases-Current)	513
Operating lease liabilities (net of current included in Obligation Under Capital Leases-Noncurrent)	5,094
Total lease liabilities	$ 5,607
Weighted average remaining lease terms (in years)	11.91
Weighted average discount rate	4.66%

Supplemental cash flow information related to leases was as follows (in thousands):

	Year Ended December 31, 2019
Cash paid for amounts included in the measurement of lease liabilities:	
Operating cash flows used for operating leases	$ 897

ROU assets obtained in exchange for lease obligations (in thousands):

	Year Ended December 31, 2019
Operating leases	$ 5,550

Maturities of operating lease liabilities at December 31, 2019 were as follows (in thousands):

Year ending December 31,	
2020	$ 751
2021	676
2022	619
2023	571
2024	559
Thereafter	4,126
Total lease payments	7,302
Less imputed interest	(1,695)
Total	$ 5,607

Disclosures related to periods prior to adoption of the new lease standard

The Company's total rental expense related to operating leases was $1.7 million for the twelve months ended December 31, 2018. As of December 31, 2018, the Company's minimum future rental payments for the next five years were as follows (in thousands):

Year ending December 31,	
2019	$ 923
2020	820
2021	700
2022	544
2023	526

K. Income Taxes

On December 22, 2017, the TCJA was enacted. The TCJA includes significant changes to the Internal Revenue Code of 1986, including amendments that significantly changed the taxation of business entities and includes specific provisions related to regulated public utilities. The more significant changes that impact the Company included in the TCJA are reductions in the federal corporate income tax rate from 35% to 21%, elimination of the corporate alternative minimum tax provision, additional limitations on deductions of executive compensation, and limitations on the utilization of NOLs arising after December 31, 2017, to 80% of taxable income with no carryback but with an indefinite carryforward. The specific provisions related to regulated public utilities in the TCJA generally provide for the continued deductibility of interest expense, the elimination of bonus depreciation for property acquired and placed into service after December 31, 2017, and the continuance of rate normalization requirements for accelerated depreciation benefits and changes to deferred tax balances as a result of the change in the federal corporate income tax rate. Although the Company recorded provisional estimates of the impact of the TCJA, as of the date of enactment, no significant subsequent adjustments to the provisional estimates were recorded during the one-year measurement period as permitted by the SEC in Staff Accounting Bulletin No. 118.

Reductions in accumulated deferred federal income taxes due to the reduction in the corporate income tax rate to 21% under the provisions of the TCJA will result in amounts previously collected from utility customers for these deferred taxes to be refundable to such customers, generally through reductions in future rates. The TCJA includes provisions that stipulate how these excess deferred taxes are to be returned to customers for certain accelerated tax depreciation benefits. Potential refunds of other excess deferred taxes will be determined by the Company's regulators.

In February 2018, the FASB issued ASU 2018-02, which addresses concerns that the tax reduction due to the change in the corporate tax rate from 35% to 21% would be "stranded" in AOCI. ASU 2018-02 allows companies an election to reclassify stranded taxes from AOCI to retained earnings. The Company adopted ASU 2018-02 on January 1, 2019, and elected to not reclassify stranded taxes from AOCI to retain earnings. See Note B of Notes to Financial Statements for further discussion on new accounting standards.

The tax effects of temporary differences that give rise to significant portions of the deferred tax assets and liabilities at December 31, 2019 and 2018 are presented below (in thousands):

	December 31, 2019	December 31, 2018
Deferred tax assets:		
Plant, principally due to capitalized costs	$ 38,310	$ 36,690
Benefit of tax loss carryforwards	—	12,574
Pensions and benefits	33,456	31,801
Alternative minimum tax credit carryforward	—	8,855
Regulatory liabilities related to income taxes	66,824	67,167
Asset retirement obligations	23,239	21,305
Other	16,124	18,526
Total gross deferred tax assets	177,953	196,918
Deferred tax liabilities:		
Plant, principally related to depreciation and basis differences	(435,525)	(438,719)
Regulatory assets related to income taxes	(37,509)	(42,758)
Decommissioning	(41,164)	(32,674)
Other	(7,962)	(4,162)
Total gross deferred tax liabilities	(522,160)	(518,313)
Net accumulated deferred income taxes	$ (344,207)	$ (321,395)

As of December 31, 2019, the Company had fully utilized all alternative minimum tax credit carryforwards and all other tax loss and credit carryforwards. Based on the average annual earnings before taxes for the prior two years, and excluding the effects of unusual or infrequent items, the Company believes that the deferred tax assets will be fully realized.

The Company recognized income tax expense for 2019 and 2018 as follows (in thousands):

	Years Ended December 31, 2019	Years Ended December 31, 2018
Income tax expense (benefit):		
Federal:		
Current	$ 4,850	$ (5,064)
Deferred	28,070	24,394
Investment tax credit	(1,620)	2,187
Total federal income tax	31,300	21,517
State:		
Current	2,031	1,248
Deferred	(1,071)	1,841
Total state income tax	960	3,089
Total income tax expense	$ 32,260	$ 24,606
Effective income tax rate	20.7%	22.4%

Federal income tax provisions differ from amounts computed by applying the statutory federal income tax rate of 21% in 2019 and 2018 to book income before federal income tax as follows (in thousands):

	Years Ended December 31, 2019	2018
Federal income tax expense computed on income at statutory rate	$ 32,755	23,028
Difference due to:		
State income taxes (federal effect)	(202)	(615)
Investment Tax Credit, net of deferred taxes	(1,280)	(1,240)
Allowance for equity funds used during construction	455	222
Amortization for excess deferred taxes	953	953
Amortization of regulatory assets and liabilities	(340)	(330)
Permanent tax differences	(1,041)	(501)
Total federal income tax expense	$ 31,300	$ 21,517

The Company files income tax returns in the U.S. federal jurisdiction and in the states of Texas, New Mexico and Arizona. The Company is no longer subject to tax examination by the taxing authorities in the federal, Arizona and New Mexico jurisdictions for years prior to 2015.

The FASB guidance prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. There were no changes to the recognized tax positions for the years ended December 31, 2019 and 2018.

The Company recognizes in interest and penalties expense accounts, interest and penalties related to tax benefits that are uncertain. For the years ended December 31, 2019 and 2018, the Company recognized tax expense interest of $0.2 million and $0.6 million, respectively. The Company had approximately $1.4 million and $1.2 million accrued for the payment of interest and penalties at December 31, 2019 and 2018, respectively.

L. Commitments, Contingencies and Uncertainties

Power Purchase and Sale Contracts

To supplement its own generation and operating reserve requirements and to meet its RPS requirements, the Company engages in power purchase arrangements that may vary in duration and amount based on an evaluation of the Company's resource needs, the economics of the transactions and specific RPS requirements. On November 18, 2019, the Company filed for regulatory approval with the NMPRC for three power purchase agreements relating to both solar and battery storage resources as a result of the Company's 2017 All Source Request for Proposal for Electric Power Supply and Load Management Resources. The three power purchase agreements filed for approval with the NMPRC included: (i) a 100 MW solar plant to be constructed in Santa Teresa, New Mexico; (ii) a 100 MW solar plant combined with a 50 MW battery energy storage to be constructed in Otero County, New Mexico; and (iii) a 50 MW battery energy storage facility to be constructed in Canutillo, Texas. These projects are contingent upon written approval from the NMPRC. See Note D of Notes to Financial Statements for further discussion. The Company has entered into the following significant agreements with various counterparties for the purchase and sale of electricity:

Type of Contract	Counterparty	Quantity	Term	Commercial Operation Date
Power Purchase and Sale Agreement	Freeport	25 MW	December 2008 through December 2021	N/A
Power Purchase and Sale Agreement	Freeport	100 MW	June 2006 through December 2021	N/A
Power Purchase Agreement	Hatch Solar Energy Center I, LLC	5 MW	July 2011 through July 2036	July 2011
Power Purchase Agreement	Solar Roadrunner LLC	20 MW	August 2011 through August 2031	August 2011
Power Purchase Agreement	SunE EPE1, LLC	10 MW	June 2012 through June 2037	June 2012
Power Purchase Agreement	SunE EPE2, LLC	12 MW	May 2012 through May 2037	May 2012
Power Purchase Agreement	Macho Springs Solar, LLC	50 MW	May 2014 through May 2034	May 2014
Power Purchase Agreement	Newman Solar LLC	10 MW	December 2014 through December 2044	December 2014

The Company has a firm 100 MW Power Purchase and Sale Agreement ("Power Purchase and Sale Agreement") with Freeport-McMoRan Copper & Gold Energy Services LLC ("Freeport") that provides for Freeport to deliver energy to the Company from the Luna Energy Facility (a natural gas-fired combined cycle generation facility located in Luna County, New Mexico) and for the Company to deliver a like amount of energy at Greenlee, Arizona. The Company may purchase the quantities noted in the table above at a specified price at times when energy is not exchanged under the Power Purchase and Sale Agreement. The agreement was approved by the FERC and will continue through an initial term ending December 31, 2021, with subsequent rollovers until terminated. Upon mutual agreement, the Power Purchase and Sale Agreement allows the parties to increase the amount of energy that is purchased and sold under the agreement. The parties have agreed to increase the amount up to 125 MW through December 2021.

The Company has entered into several power purchase agreements to help meet its RPS requirements. Namely, the Company has a 25-year purchase power agreement with Hatch Solar Energy Center I, LLC to purchase all of the output from a solar photovoltaic plant located in southern New Mexico, which began commercial operation in July 2011. In June 2015, the Company entered into a consent agreement with Hatch Solar Energy Center 1, LLC to provide for additional or replacement photovoltaic modules. The Company also entered into a 20-year contract with Solar Roadrunner, LLC, a subsidiary of Global Infrastructure Partners, (formerly known as NRG Solar Roadrunner LLC) to purchase all of the output of a solar photovoltaic plant built in southern New Mexico, which began commercial operation in August 2011. In addition, the Company has 25-year purchase power agreements to purchase all of the output of two additional solar photovoltaic plants located in southern New Mexico, SunE EPE1, LLC and SunE EPE2, LLC, which began commercial operation in June 2012 and May 2012, respectively. In September 2017, Longroad Solar Portfolio Holdings, LLC purchased SunE EPE1, LLC, and in October 2017, Silicon Ranch Corporation purchased SunE EPE2, LLC with the Company's consent per the terms of both power purchase agreements.

Furthermore, the Company has a 20-year power purchase agreement with Macho Springs Solar, LLC to purchase the entire generation output delivered from the 50 MW Macho Springs solar photovoltaic plant located in Luna County, New Mexico, which began commercial operation in May 2014. Finally, the Company has a 30-year power purchase agreement with Newman Solar LLC to purchase the total output of approximately 10 MW from a solar photovoltaic plant on land subleased from the Company in proximity to Newman. This solar photovoltaic plant began commercial operation in December 2014.

Environmental Matters

General. The Company is subject to extensive laws, regulations and permit requirements with respect to air and greenhouse gas ("GHG") emissions, water discharges, soil and water quality, waste management and disposal, natural resources and other environmental matters by federal, state, regional, tribal and local authorities. Failure to comply with such laws, regulations and requirements can result in actions by authorities or other third parties that might seek to impose on the Company administrative, civil and/or criminal penalties or other sanctions. In addition, releases of pollutants or contaminants into the environment can result in costly cleanup liabilities. These laws, regulations and requirements are subject to change through modification or reinterpretation, or the introduction of new laws and regulations and, as a result, the Company may face additional capital and operating costs to comply.

National Ambient Air Quality Standards ("*NAAQS*"). Under the U.S. Clean Air Act ("CAA"), the U.S Environmental Protection Agency ("EPA") sets NAAQS for six criteria pollutants considered harmful to public health and the environment, including particulate matter, nitrogen oxide, carbon monoxide, ozone and sulfur dioxide. On October 1, 2015, the EPA released a final rule (the "Final Rule") tightening the primary and secondary NAAQS for ground-level ozone from its 2008 standard levels of 75 parts per billion ("ppb") to 70 ppb. The EPA published the Final Rule on June 4, 2018, designating El Paso County, Texas, as "attainment/unclassifiable" under the 2015 ozone NAAQS and designating a section of southern Doña Ana County, New Mexico, as "nonattainment." In August 2018, several petitions for review of the Final Rule were filed in the U.S. Court of Appeals for the District of Columbia Circuit ("D.C. Circuit"). One of these petitions, filed by the City of Sunland Park, New Mexico, specifically challenges the "attainment/unclassifiable" designation of El Paso County, Texas. The Company and other intervenors filed and were granted motions to intervene in the challenges to EPA's 2015 ozone NAAQS designations. The case was heard by the D.C. Circuit in November 2019 and a decision regarding the El Paso designation is expected in 2020.

States, including New Mexico, that contain any areas designated as nonattainment are required to complete development of implementation plans in the 2020-2021 timeframe. Most nonattainment areas are expected to have until 2020 or 2023 to meet the primary (health) standard, with the exact attainment date varying based on the ozone level in the area. The Company continues to evaluate what impact these final and proposed NAAQS could have on its operations. If the Company is required to install additional equipment to control emissions at its facilities, the NAAQS, individually or in the aggregate, could have a material impact on its operations and financial results.

Climate Change. The federal government has considered, proposed and/or finalized legislation or regulations limiting GHG emissions, including carbon dioxide. In particular, the U.S. Congress has considered legislation to restrict or regulate GHG emissions. In October 2015, the EPA published a rule establishing guidelines for states to regulate carbon dioxide emissions from existing power plants, known as the Clean Power Plan ("CPP"). On August 31, 2018, the EPA published a proposal to replace the CPP called the Affordable Clean Energy ("ACE") rule. The ACE rule was finalized in July 2019. Remaining legal challenges to the CPP were mooted in September 2019, but legal challenges to the ACE rule are ongoing. As adopted, the ACE rule is focused on coal-fired generation and would not impose requirements on our operations. However, at this time the Company cannot determine the impact that the ACE rule and related proposals and legal challenges may have on the Company's financial position, results of operations or cash flows.

Environmental Litigation and Investigations. Since July 2011, the U.S. Department of Justice, on behalf of the EPA, and APS have been engaged in substantive settlement negotiations in an effort to resolve certain pending matters. The allegations being addressed through settlement negotiations are that APS failed to obtain the necessary permits and install the controls necessary under the CAA to reduce sulfur dioxide, nitrogen oxides, and particulate matter, and that APS failed to obtain an operating permit under Title V of the CAA that reflects applicable requirements imposed by law. On June 24, 2015, the parties filed with the U.S. District Court for the District of New Mexico a settlement agreement ("CAA Settlement Agreement") resolving this matter. On August 17, 2015, the U.S. District Court entered the CAA Settlement Agreement. The agreement imposes a total civil penalty payable by the co-owners of Four Corners collectively in the amount of $1.5 million, and it requires the co-owners to pay $6.7 million for environmental mitigation projects. At December 31, 2019, the Company has accrued its remaining unpaid share of approximately $0.2 million related to this matter.

Union Matters

The Company employs approximately 1,100 individuals, about 37% of which are covered by a collective bargaining agreement. The International Brotherhood of Electrical Workers Local 960 ("Local 960") represents the Company's employees working primarily in power generation, transmission and distribution, communications, material services, fleet services, facilities services, customer services and meter reading, and field services. On October 15, 2019, the Company reached agreement on the terms of a new collective bargaining agreement with Local 960, to be effective September 3, 2019, for a four-year term ending September 3, 2023. The agreement provides for pay increases for bargaining unit employees of 3.25% on September 3, 2019; 3.00% on September 3, 2020; 3.00% on September 3, 2021; and 3.20% on September 3, 2022.

M. Litigation

The Company is involved in various legal, environmental, tax and regulatory proceedings before various courts, regulatory commissions and governmental agencies regarding matters arising in the ordinary course of business. In many of these matters, the Company has excess casualty liability insurance that covers the various claims, actions and complaints. The Company regularly analyzes current information and, as necessary, makes provisions in its regulatory-basis financial statements for probable liabilities for the eventual disposition of these matters. While the outcome of these matters cannot be predicted with certainty, based upon a review of the matters and applicable insurance coverage, the Company believes that none of these matters will have a material adverse effect on the financial position, results of operations or cash flows of the Company. The Company expenses legal costs, including expenses related to loss contingencies, as they are incurred.

See Note D and Note L of Notes to Financial Statements for further discussion of the effects of government legislation and regulation on the Company as well as certain pending legal proceedings.

Litigation Related to the Merger. Three purported Company shareholders filed lawsuits under the federal securities laws, two in the U.S. District Court for the Southern District of New York and one in the U.S. District Court for the District of Delaware, challenging the adequacy of the disclosures made in the Company's preliminary proxy statement in connection with the Merger. These cases are captioned *Stein v. El Paso Electric Company., et al.,* Case No. 1:19-cv-06703 in the U.S. District Court for the Southern District of New York (the "Stein Action"), *Rosenblatt v. El Paso Electric Company., et al.*, Case No. 1:19-cv-01367-UNA in the U.S.

District Court for the District of Delaware (the "Rosenblatt Action"), and *Gorski v. El Paso Electric Company., et al.,* Case No. 1:19-cv-07211 in the U.S. District Court for the Southern District of New York (the "Gorski Action"), respectively. The Stein Action, filed on July 18, 2019, the Rosenblatt Action, filed on July 23, 2019, and the Gorski Action, filed on August 1, 2019, are asserted on behalf of putative classes of Company shareholders. The Rosenblatt Action was voluntarily dismissed on January 29, 2020; the Stein Action was dismissed for want of prosecution on March 6, 2020; and the plaintiff in the Gorski Action has informed the court of his intention to dismiss the case and seek a mooting fee.

All three actions allege violations of Sections 14(a) and 20(a) of the Securities and Exchange Act of 1934, as amended (the "Exchange Act") and Rule 14a-9 promulgated thereunder based on various alleged omissions of material information from the preliminary proxy statement. The Stein Action names as defendants the Company and each of our directors, individually, and seeks to enjoin the Merger (or, in the alternative, rescission or an award of rescissory damages in the event the Merger is completed), damages, and an award of costs and attorneys' and expert fees. The Rosenblatt Action names as defendants the Company and each of our directors, individually, and seeks to enjoin the Merger (or, in the alternative, rescission or an award of rescissory damages in the event the Merger is completed), to compel our directors to issue a revised proxy statement, a declaration that the defendants violated Sections 14(a) and 20(a) of the Exchange Act and Rule 14a-9 promulgated thereunder, and an award of costs and attorneys' and expert fees. The Gorski Action also names as defendants the Company and each of our directors, individually, and seeks to enjoin the Merger (or, in the alternative, rescission or an award of rescissory damages in the event the Merger is completed), to compel our directors to issue a revised proxy statement, a declaration that the defendants violated Sections 14(a) and 20(a) of the Exchange Act and Rule 14a-9 promulgated thereunder, and an award of costs and attorneys' and expert fees.

The Company believes that these complaints are without merit, and while the Company believes that the disclosures set forth in the proxy statement complied fully with applicable law, to moot plaintiffs' disclosure claims, to avoid nuisance, potential expense and delay, and to provide additional information to the Company's shareholders, the Company voluntarily supplemented the proxy statement with additional disclosure in a Current Report on Form 8-K filed by the Company with the SEC on September 9, 2019. While the outcome of these matters cannot be predicted with certainty, based upon a review of the matters and applicable insurance coverage, the Company believes that none of these matters will have a material adverse effect on the financial position, results of operations or cash flows of the Company. The Company expenses legal costs, including expenses related to loss contingencies, as they are incurred.

N. Employee Benefits

The Company adopted ASU 2017-07, Compensation-Retirement Benefits, effective January 1, 2018 for GAAP purposes. The Company records all components of net periodic pension cost as an operating expense in its regulatory-basis financial statements and has elected to conform to the GAAP capitalization policy, which is that only the service cost component is eligible for capitalization.

The cumulative impact of the change in capitalization policy, effective January 1, 2018, resulted in additional capitalized benefits cost of $5.5 million as of December 31, 2019. This will increase rate base in the future, while lowering cost of service by an offsetting amount. As the assets impacted by the change in rate base are depreciated over their useful life, rate base will decrease, offset by an increase in cost of service due to higher depreciation expense. While the Company believes that its Texas and New Mexico regulators are likely to accept the change in policy allowed by the FERC, the outcome of future rate proceedings in the Company’s Texas and New Mexico jurisdictions relative to this change cannot be predicted at this time. In the event that one or both of the Company’s regulatory jurisdictions reject the new capitalization policy in the next rate case proceeding, the Company would likely be required to record a regulatory liability and reconcile the capitalized differences between GAAP and regulatory-basis financial statements.

Retirement Plans

The Company's Retirement Income Plan ("Retirement Plan") is a qualified noncontributory defined benefit plan. Upon retirement or death of a vested plan participant, assets of the Retirement Plan are used to pay benefit obligations under the Retirement Plan. Contributions from the Company are based on various factors, such as the minimum funding amounts required by the U.S. Internal Revenue Service, state and federal regulatory requirements, amounts requested from customers in the Company's Texas and New Mexico jurisdictions, and the annual net periodic benefit cost of the Retirement Plan, as actuarially calculated. The assets of the Retirement Plan are primarily invested in common collective trusts which hold equity securities, debt securities and cash equivalents and are managed by a professional investment manager appointed by the Company.

The Company has two non-qualified retirement plans that are non-funded defined benefit plans. The Company's Supplemental Retirement Plan covers certain former employees and directors of the Company. The Excess Benefit Plan was adopted in 2004 and covers certain active and former employees of the Company. The net periodic benefit cost for the non-qualified retirement plans are based on substantially the same actuarial methods and economic assumptions as those used for the Retirement Plan.

The Retirement Plan was amended effective April 1, 2014 to offer a cash balance pension benefit as an alternative to its existing final average pay pension benefit for employees hired prior to January 1, 2014. Employees hired after January 1, 2014 are automatically enrolled in the cash balance pension benefit.

Prior to December 31, 2013, employees who completed one year of service with the Company and worked at least a minimum number of hours each year were covered by the final average pay formula of the plan. For participants that continue to be covered by the final average pay formula, retirement benefits are based on the employee's final average pay and years of service. The cash balance pension benefit covers employees beginning on their employment commencement date or re-employment commencement date. Retirement benefits under the cash balance pension benefit are based on the employee's cash balance account, consisting of pay credits and interest credits.

The obligations and funded status of the plans are presented below (in thousands):

	December 31,			
	2019		2018	
	Retirement Income Plan	Non-Qualified Retirement Plans	Retirement Income Plan	Non-Qualified Retirement Plans
Change in projected benefit obligation:				
Benefit obligation at end of prior year	$ 335,496	$ 26,719	$ 361,989	$ 28,392
Service cost	8,127	415	9,086	480
Interest cost	13,451	1,003	12,013	865
Actuarial (gain) loss	56,988	1,624	(29,911)	(1,087)
Benefits paid	(15,955)	(1,940)	(17,681)	(1,931)
Benefit obligation at end of year	398,107	27,821	335,496	26,719
Change in plan assets:				
Fair value of plan assets at end of prior year	272,803	—	304,389	—
Actual return (loss) on plan assets	64,368	—	(19,683)	—
Employer contribution	7,300	1,940	7,300	1,931
Benefits paid	(15,955)	(1,940)	(17,681)	(1,931)
Administrative and investment expenses	(1,364)	—	(1,522)	—
Fair value of plan assets at end of year	327,152	—	272,803	—
Funded status at end of year	$ (70,955)	$ (27,821)	$ (62,693)	$ (26,719)

Amounts recognized in the Company's regulatory-basis balance sheet consist of the following (in thousands):

	December 31,			
	2019		2018	
	Retirement Income Plan	Non-Qualified Retirement Plans	Retirement Income Plan	Non-Qualified Retirement Plans
Current liabilities	$ —	$ (2,031)	$ —	$ (2,153)
Noncurrent liabilities	(70,955)	(25,790)	(62,693)	(24,566)
Total	$ (70,955)	$ (27,821)	$ (62,693)	$ (26,719)

The accumulated benefit obligation in excess of plan assets is as follows (in thousands):

	December 31,			
	2019		2018	
	Retirement Income Plan	Non-Qualified Retirement Plans	Retirement Income Plan	Non-Qualified Retirement Plans
Projected benefit obligation	$ (398,107)	$ (27,821)	$ (335,496)	$ (26,719)
Accumulated benefit obligation	(364,941)	(26,413)	(308,582)	(24,251)
Fair value of plan assets	327,152	—	272,803	—

Pre-tax amounts recognized in AOCI consist of the following (in thousands):

	Years Ended December 31,			
	2019		2018	
	Retirement Income Plan	Non-Qualified Retirement Plans	Retirement Income Plan	Non-Qualified Retirement Plans
Net loss	$ 121,622	$ 10,153	$ 112,532	$ 9,300
Prior service benefit	(13,475)	(68)	(16,942)	(107)
Total	$ 108,147	$ 10,085	$ 95,590	$ 9,193

The following are the weighted-average actuarial assumptions used to determine the benefit obligations:

	December 31,					
	2019			2018		
		Non-Qualified			Non-Qualified	
	Retirement Income Plan	Supplemental Retirement Plan	Excess Benefit Plan	Retirement Income Plan	Supplemental Retirement Plan	Excess Benefit Plan
Discount rate	3.32%	2.87%	3.31%	4.42%	4.11%	4.45%
Rate of compensation increase	4.5%	N/A	4.5%	4.5%	N/A	4.5%

The Company reassesses various actuarial assumptions at least on an annual basis. The discount rate is reviewed and updated at each measurement date. The discount rate used to measure the fiscal year end obligation is based on a segmented spot rate yield curve that matches projected future payments with the appropriate interest rate applicable to the timing of the projected future benefit payments. A 1% increase in the discount rate would decrease the December 31, 2019 retirement plans' projected benefit obligation by 12.2%. A 1% decrease in the discount rate would increase the December 31, 2019 retirement plans' projected benefit obligation by 15.2%.

The components of net periodic benefit cost are presented below (in thousands):

	Years Ended December 31,			
	2019		2018	
	Retirement Income Plan	Non-Qualified Retirement Plans	Retirement Income Plan	Non-Qualified Retirement Plans
Service cost (a)	$ 9,491	$ 415	$ 10,608	$ 480
Interest cost	13,451	1,003	12,013	865
Expected return on plan assets	(21,492)	—	(21,076)	—
Amortization of:				
Net loss	5,022	770	7,531	1,022
Prior service benefit	(3,467)	(39)	(3,467)	(39)
Net periodic benefit cost	$ 3,005	$ 2,149	$ 5,609	$ 2,328

(a) Service cost for the Retirement Plan for 2019 and 2018 includes expenses of $1.4 million and $1.5 million, respectively, for administrative and investment expenses paid from plan assets during the year.

The changes in benefit obligations and plan assets recognized in other comprehensive income are presented below (in thousands):

	Years Ended December 31,			
	2019		2018	
	Retirement Income Plan	Non-Qualified Retirement Plans	Retirement Income Plan	Non-Qualified Retirement Plans
Net (gain) loss	$ 14,112	$ 1,624	$ 10,848	$ (1,087)
Amortization of:				
Net loss	(5,022)	(770)	(7,531)	(1,022)
Prior service benefit	3,467	39	3,467	39
Total recognized in other comprehensive income	$ 12,557	$ 893	$ 6,784	$ (2,070)

The total amount recognized in net periodic benefit costs and other comprehensive income are presented below (in thousands):

	Years Ended December 31,			
	2019		2018	
	Retirement Income Plan	Non-Qualified Retirement Plans	Retirement Income Plan	Non-Qualified Retirement Plans
Total recognized in net periodic benefit cost and other comprehensive income	$ 15,562	$ 3,042	$ 12,393	$ 258

The following are amounts in AOCI that are expected to be recognized as components of net periodic benefit cost during 2020 (in thousands):

	Retirement Income Plan	Non-Qualified Retirement Plans
Net loss	$ 8,127	828
Prior service benefit	(3,467)	(39)

The following are the weighted-average actuarial assumptions used to determine the net periodic benefit cost for the twelve months ended December 31:

	2019			2018		
		Non-Qualified			Non-Qualified	
	Retirement Income Plan	Supplemental Retirement Plan	Excess Benefit Plan	Retirement Income Plan	Supplemental Retirement Plan	Excess Benefit Plan
Discount rate						
Benefit obligation	4.42%	4.11%	4.45%	3.77%	3.40%	3.81%
Service cost	4.50%	N/A	4.53%	3.86%	N/A	3.89%
Interest cost	4.12%	3.68%	4.18%	3.40%	2.84%	3.48%
Expected long-term return on plan assets	7.5%	N/A	N/A	7.5%	N/A	N/A
Rate of compensation increase	4.5%	N/A	4.5%	4.5%	N/A	4.5%

The Company's overall expected long-term rate of return on assets is 7.5% as of January 1, 2020, which is both a pre-tax and after-tax rate as pension funds are generally not subject to income tax. The expected long-term rate of return is based on the weighted average of the expected returns on investments based upon the target asset allocation of the pension fund. The Company's target allocations for the plan's assets are presented below:

	December 31, 2019
Equity securities	45.3%
Fixed income	46.3%
Alternative investments	8.4%
Total	100%

The Retirement Plan invests the majority of its plan assets in common collective trusts which includes a diversified portfolio of domestic and international equity securities and fixed income securities. Alternative investments of the Retirement Plan are comprised of a real estate limited partnership, equity securities of real estate companies, primarily in real estate investment trusts and equity securities of listed companies involved in infrastructure activities. The expected rate of returns for the funds are assessed annually and are based on long-term relationships among major asset classes and the level of incremental returns that can be earned by the successful implementation of different active investment management strategies. Equity, real estate equity and infrastructure equity returns are based on estimates of long-term inflation rate, real rate of return, 10-year Treasury bond premium over cash, an expected equity risk premium, as well as other economic factors. Fixed income returns are based on maturity, long-term inflation, real rate of return and credit spreads. These assumptions also capture the expected correlation of returns between these asset classes over the long term.

The FASB guidance on disclosure for pension plans requires disclosure of fair value measurements of plan assets. To increase consistency and comparability in fair value measurements, the FASB guidance on fair value measurements established a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value into three levels as follows:

- Level 1 – Observable inputs that reflect quoted market prices for identical assets and liabilities in active markets. Prices of securities held in the mutual funds and underlying portfolios of the Retirement Plan are primarily obtained from independent pricing services. These prices are based on observable market data. The Common Collective Trusts are valued using the Net Asset Value ("NAV") provided by the administrator of the fund. The NAV price is quoted on a restrictive market although the underlying investments are traded on active markets. The NAV used for determining the fair value of the investments in the Common Collective Trusts have readily determinable fair values. Accordingly, such fund values are categorized as Level 1.
- Level 2 – Inputs other than quoted market prices included in Level 1 that are observable for the asset or liability either directly or indirectly. The fair value of these investments is based on evaluated prices that reflect observable market information, such as actual trade information of similar securities, adjusted for observable differences.
- Level 3 – Unobservable inputs using data that is not corroborated by market data.

The fair value of the Company's Retirement Plan assets at December 31, 2019 and 2018, and the level within the three levels of the fair value hierarchy defined by the FASB guidance on fair value measurements are presented in the table below (in thousands):

Description of Securities	Fair Value as of December 31, 2019	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Cash and Cash Equivalents	$ 2,622	$ 2,622	$ —	$ —
Common Collective Trusts (a)				
Equity funds	148,163	148,163	—	—
Fixed income funds	150,439	150,439	—	—
Real asset funds	24,119	24,119	—	—
Total Common Collective Trusts	322,721	322,721	—	—
Limited Partnership Interest in Real Estate (b)	1,809			
Total Plan Investments	$ 327,152	$ 325,343	$ —	$ —

Description of Securities	Fair Value as of December 31, 2018	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Cash and Cash Equivalents	$ 1,911	$ 1,911	$ —	$ —
Common Collective Trusts (a)				
Equity funds	140,214	140,214	—	—
Fixed income funds	110,333	110,333	—	—
Real asset funds	16,990	16,990	—	—
Total Common Collective Trusts	267,537	267,537	—	—
Limited Partnership Interest in Real Estate (b)	3,355			
Total Plan Investments	$ 272,803	$ 269,448	$ —	$ —

(a) The Common Collective Trusts are invested in equity and fixed income securities, or a combination thereof. The investment objective of each fund is to produce returns in excess of, or commensurate with, its predefined index.

(b) This investment is a commercial real estate partnership that purchases land, develops limited infrastructure and sells it for commercial development. The Company was restricted from selling its partnership interest during the life of the partnership, which spanned 7 years. Return on investment is realized as land is sold. The fair value of the limited partnership interest in real estate is based on the NAV of the partnership which reflects the appraised value of the land. The partnership term expired on June 30, 2016. Upon expiration, dissolution of the partnership commenced and, as a result, the general partner of the partnership is attempting to sell the remaining inventory as soon as possible at the highest pricing possible.

The table below reflects the changes in the fair value of investments in the real estate limited partnership during the period (in thousands):

	Fair Value of Investments in Real Estate
Balances at December 31, 2017	$ 3,853
Sale of land	(48)
Unrealized loss in fair value	(450)
Balances at December 31, 2018	3,355
Sale of land	(1,584)
Unrealized gain in fair value	38
Balances at December 31, 2019	$ 1,809

There were no transfers in or out of Level 1 and Level 2 fair value measurements categories due to changes in observable inputs during the twelve-month periods ending December 31, 2019 and 2018. There were no purchases, issuances, and settlements related to the assets in the Level 3 fair value measurement category during the twelve-month periods ending December 31, 2019 and 2018.

The Company and the fiduciaries responsible for the Retirement Plan adhere to the traditional capital market pricing theory which maintains that over the long term, the risk of owning equities should be rewarded with a greater return than available from fixed income investments. The Company and the fiduciaries responsible for the Retirement Plan seek to minimize the risk of owning equity securities by investing in funds that pursue risk minimization strategies and by diversifying its investments to limit its risks during falling markets. The investment manager has full discretionary authority to direct the investment of plan assets held in trust within the guidelines prescribed by the Company and the fiduciaries responsible for the Retirement Plan through the plan's investment policy statement including the ability to hold cash equivalents. The investment guidelines of the investment policy statement are in accordance with the Employee Retirement Income Security Act of 1974 ("ERISA") and U.S. Department of Labor ("DOL") regulations.

The following benefit payments, which reflect expected future service, as appropriate, are expected to be paid (in thousands):

	Retirement Income Plan	Non-Qualified Retirement Plans
2020	$ 19,163	$ 2,031
2021	19,517	1,995
2022	19,870	1,958
2023	21,462	2,022
2024	21,209	1,949
2025-2029	113,539	8,363

401(k) Defined Contribution Plans

The Company sponsors 401(k) defined contribution plans covering substantially all employees. The Company provides a 50 percent matching contribution up to 6 percent of the employee's compensation for employees who are enrolled in the final average pay pension benefit of the Retirement Plan and a 100 percent matching contribution up to 6 percent of the employee's compensation for employees who are enrolled in the cash balance pension benefit of the Retirement Plan, subject to certain other limits and exclusions. Annual matching contributions made to the savings plans for the years 2019 and 2018 were $4.7 million and $4.6 million, respectively.

Other Post-retirement Benefits

The Company provides certain other post-retirement benefits, including health care benefits for retired employees and their eligible dependents and life insurance benefits for retired employees only ("OPEB Plan"). Substantially all of the Company's employees may become eligible for those benefits if they retire while working for the Company. Contributions from the Company are based on various factors such as the OPEB Plan's funded status, tax deductibility of contributions to the OPEB Plan, state and federal regulatory requirements, amounts requested from customers in the Company's Texas and New Mexico jurisdictions and the annual net periodic benefit cost of the OPEB Plan, as actuarially calculated. The assets of the OPEB Plan are primarily invested in institutional funds which hold equity securities, debt securities and cash equivalents and are managed by a professional investment manager appointed by the Company.

The following table contains a reconciliation of the change in the benefit obligation, the fair value of plan assets and the funded status of the OPEB Plan (in thousands):

	December 31, 2019	December 31, 2018
Change in benefit obligation:		
Benefit obligation at end of prior year	$ 60,862	$ 67,290
Service cost	2,242	2,591
Interest cost	2,456	2,252
Actuarial (gain) loss	889	(9,295)
Benefits paid from plan assets	(2,643)	(3,003)
Benefits paid from corporate assets	(176)	(141)
Retiree contributions	1,262	1,168
Benefit obligation at end of year	64,892	60,862
Change in plan assets:		
Fair value of plan assets at end of prior year	36,287	40,873
Actual return (loss) on plan assets	6,636	(2,997)
Employer contribution	450	450
Benefits paid from plan assets	(2,643)	(3,003)
Retiree contributions	1,262	1,168
Administrative and investment expenses	(181)	(204)
Fair value of plan assets at end of year	41,811	36,287
Funded status at end of year	$ (23,081)	$ (24,575)

Amounts recognized in the Company's regulatory-basis balance sheet consist of the following (in thousands):

	December 31, 2019	December 31, 2018
Current liabilities	$ —	$ —
Noncurrent liabilities	(23,081)	(24,575)
Total	$ (23,081)	$ (24,575)

Pre-tax amounts recognized in AOCI consist of the following (in thousands):

	December 31, 2019	December 31, 2018
Net gain	$ (38,139)	$ (36,890)
Prior service benefit	(23,472)	(28,706)
Total	$ (61,611)	$ (65,596)

The following are the weighted-average actuarial assumptions used to determine the accrued benefit obligations:

	December 31, 2019	December 31, 2018
Discount rate at end of year	3.41%	4.43%
Health care cost trend rates:		
Initial		
Pre-65 medical	5.75%	6.00%
Post-65 medical	4.50%	4.50%
Pre-65 drug	6.75%	7.00%
Post-65 drug	7.00%	8.50%
Ultimate	4.50%	4.50%
Year ultimate reached (a)	2026	2026

(a) Pre-65 medical reaches the ultimate trend rate in 2025. Additionally, the Post-65 medical trend is assumed to be 4.50% for all years into the future.

The Company reassesses various actuarial assumptions at least on an annual basis. The discount rate is reviewed and updated at each measurement date. The discount rate used to measure the fiscal year end obligation is based on a segmented spot rate yield curve that matches projected future payments with the appropriate interest rate applicable to the timing of the projected future benefit payments. A 1% increase in the discount rate would decrease the December 31, 2019 accumulated post-retirement benefit obligation by 14.2%. A 1% decrease in the discount rate would increase the December 31, 2019 accumulated post-retirement benefit obligation by 18.4%.

Net periodic benefit cost is made up of the components listed below (in thousands):

	Years Ended December 31, 2019	Years Ended December 31, 2018
Service cost (a)	$ 2,423	$ 2,795
Interest cost	2,456	2,252
Expected return on plan assets	(2,120)	(2,435)
Amortization of:		
Prior service benefit	(5,234)	(6,151)
Net gain	(2,377)	(2,166)
Net periodic benefit cost	$ (4,852)	$ (5,705)

(a) Service cost for 2019 and 2018 includes expenses of $181 and $204 thousand, respectively, for administrative and investment expenses paid from plan assets during the year.

The changes in benefit obligations and plan assets recognized in other comprehensive income are presented below (in thousands):

	Years Ended December 31, 2019	2018
Net gain	$ (3,626)	$ (3,863)
Amortization of:		
Prior service benefit	5,234	6,151
Net gain	2,377	2,166
Total recognized in other comprehensive income	$ 3,985	$ 4,454

The total amount recognized in net periodic benefit cost and other comprehensive income are presented below (in thousands):

	Years Ended December 31, 2019	2018
Total recognized in net periodic benefit cost and other comprehensive income	$ (867)	$ (1,251)

The amount in AOCI that is expected to be recognized as a component of net periodic benefit cost during 2020 is a prior service benefit of $3.1 million and a net gain of $2.4 million.

The following are the weighted-average actuarial assumptions used to determine the net periodic benefit cost for the twelve months ended December 31:

	2019	2018
Discount rate:		
Benefit obligation	4.44%	3.79%
Service cost	4.51%	3.87%
Interest cost	4.15%	3.38%
Expected long-term return on plan assets	6.00%	6.12%
Health care cost trend rates:		
Initial		
Pre-65 medical	6.0%	6.25%
Post-65 medical	4.5%	4.5%
Pre-65 drug	7.0%	7.25%
Post-65 drug	8.5%	10.0%
Ultimate	4.5%	4.5%
Year ultimate reached (a)	2026	2026

(a) Pre-65 medical reaches the ultimate trend rate in 2025. Additionally, the Post-65 medical trend is assumed to be 4.50% for all years into the future.

Assumed health care cost trend rates have a significant effect on the amounts reported for the health care plan. The effect of a 1% change in these assumed health care cost trend rates would increase or decrease the December 31, 2019 benefit obligation by $10.6 million or $8.3 million, respectively. In addition, a 1% change in said rate would increase or decrease the aggregate 2019 service and interest cost components of the net periodic benefit cost by $1.0 million or $0.8 million, respectively.

The Company's overall expected long-term rate of return on assets is 7.85%, as of January 1, 2020, on a pre-tax basis. The expected long-term rate of return on assets on an after-tax basis is 6.00% as of January 1, 2020. The trust's tax rate was assumed to be 23.60% at January 1, 2019 and January 1, 2020. The expected long-term rate of return is based on the after-tax weighted average of the expected returns on investments based upon the target asset allocation. The Company's target allocations for the plan's assets are presented below:

	December 31, 2019
Equity securities	45.4%
Fixed income	39.3%
Alternative investments	15.3%
Total	100.0%

The OPEB Plan invests the majority of its plan assets in institutional funds which includes a diversified portfolio of domestic and international equity securities and fixed income securities. Alternative investments of the OPEB Plan are comprised of a real estate limited partnership and equity securities of real estate companies, primarily in real estate investment trusts. The alternative investments also include equity securities of a dynamic, diversified portfolio designed to capture market opportunities. The underlying allocations to various asset classes in this portfolio will shift over time, but the overall strategic allocation is as follows: 75% global equity, 15% marketable real assets and 10% global fixed income. The expected rates of return for the funds are assessed annually and are based on long-term relationships among major asset classes and the level of incremental returns that can be earned by the successful implementation of different active investment management strategies. Equity returns are based on estimates of long-term inflation rate, real rate of return, 10-year Treasury bond premium over cash, an expected equity risk premium, as well as other economic factors. Fixed income returns are based on maturity, long-term inflation, real rate of return and credit spreads. These assumptions also capture the expected correlation of returns between these asset classes over the long term.

The FASB guidance on disclosure for other post-retirement benefit plans requires disclosure of fair value measurements of plan assets. To increase consistency and comparability in fair value measurements, the FASB guidance on fair value measurements established a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value into three levels as follows:

- Level 1 – Observable inputs that reflect quoted market prices for identical assets and liabilities in active markets. Prices of securities held in the mutual funds and underlying portfolios of the Other Post-retirement Benefits Plan are primarily obtained from independent pricing services. These prices are based on observable market data. The institutional funds are valued using the NAV provided by the administrator of the fund. The NAV price is quoted on a restrictive market although the underlying investments are traded on active markets. The NAV used for determining the fair value of the investments in the institutional funds have readily determinable fair values. Accordingly, such fund values are categorized as Level 1.

- Level 2 – Inputs other than quoted market prices included in Level 1 that are observable for the asset or liability either directly or indirectly. The fair value of these investments is based on evaluated prices that reflect observable market information, such as actual trade information of similar securities, adjusted for observable differences.

- Level 3 – Unobservable inputs using data that is not corroborated by market data.

The fair value of the Company's OPEB Plan assets at December 31, 2019 and 2018 and the level within the three levels of the fair value hierarchy defined by the FASB guidance on fair value measurements are presented in the table below (in thousands):

Description of Securities	Fair Value as of December 31, 2019	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Cash and Cash Equivalents	$ 2,522	$ 2,522	$ —	$ —
Institutional Funds (a)				
Equity funds	18,664	18,664	—	—
Fixed income funds	15,038	15,038	—	—
Multi asset funds	3,766	3,766	—	—
Real asset funds	1,482	1,482	—	—
Total Institutional Funds	38,950	38,950	—	—
Limited Partnership Interest in Real Estate (b)	339			
Total Plan Investments	$ 41,811	$ 41,472	$ —	$ —

Description of Securities	Fair Value as of December 31, 2018	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Cash and Cash Equivalents	$ 1,353	$ 1,353	$ —	$ —
Institutional Funds (a)				
Equity funds	17,887	17,887	—	—
Fixed income funds	11,437	11,437	—	—
Multi asset funds	3,576	3,576	—	—
Real asset funds	1,405	1,405	—	—
Total Institutional Funds	34,305	34,305	—	—
Limited Partnership Interest in Real Estate (b)	629			
Total Plan Investments	$ 36,287	$ 35,658	$ —	$ —

(a) The institutional funds are invested in equity or fixed income securities, or a combination thereof. The investment objective of each fund is to produce returns in excess of, or commensurate with, its predefined index.

(b) This investment is a commercial real estate partnership that purchases land, develops limited infrastructure and sells it for commercial development. The OPEB Plan trust was restricted from selling its partnership interest during the life of the partnership, which spanned 7 years. Return of investment is realized as land is sold. The fair value of the limited partnership interest in real estate is based on the NAV of the partnership which reflects the appraised value of the land. The partnership term expired on June 30, 2016. Upon expiration, dissolution of the partnership commenced and, as a result, the general partner of the partnership is attempting to sell the remaining inventory as soon as possible at the highest pricing possible.

The table below reflects the changes in the fair value of the investments in real estate during the period (in thousands):

	Fair Value of Investments in Real Estate
Balance at December 31, 2017	$ 722
Sale of land	(9)
Unrealized loss in fair value	(84)
Balance at December 31, 2018	629
Sale of land	(297)
Unrealized gain in fair value	7
Balance at December 31, 2019	$ 339

There were no transfers in or out of Level 1 and Level 2 fair value measurements categories due to changes in observable inputs during the twelve month periods ending December 31, 2019 and 2018. There were no purchases, issuances and settlements related to the assets in the Level 3 fair value measurement category during the twelve month periods ending December 31, 2019 and 2018.

The Company and the fiduciaries responsible for the OPEB Plan adhere to the traditional capital market pricing theory, which maintains that over the long term, the risk of owning equities should be rewarded with a greater return than available from fixed income investments. The Company and the fiduciaries responsible for the OPEB Plan seek to minimize the risk of owning equity securities by investing in funds that pursue risk minimization strategies and by diversifying its investments to limit its risks during falling markets. The investment manager has full discretionary authority to direct the investment of plan assets held in trust within the investment policy guidelines prescribed by the Company. The investment guidelines of the investment policy statement are in accordance with the ERISA and DOL regulations.

The following benefit payments, which reflect expected future service, as appropriate, are expected to be paid (in thousands):

2020	$ 2,131
2021	2,277
2022	2,463
2023	2,642
2024	2,843
2025-2029	15,179

Annual Short-Term Incentive Plan

The Annual Short-Term Incentive Plan ("Incentive Plan") provides for the payment of cash awards to eligible Company employees, including each of its named executive officers. Payment of awards is based on the achievement of performance measures reviewed and approved by the Board of Directors' Compensation Committee. Generally, these performance measures are based on meeting certain financial, operational and individual performance criteria. The financial performance goals are based on specified levels of earnings and certain O&M expenses. The operational performance goals are based on reliability and customer satisfaction. If a minimum level of earnings is not attained, no amounts will be paid under the Incentive Plan, unless the Board of Directors' Compensation Committee determines otherwise. In 2019, the Company reached the required levels of earnings, certain O&M expenses, reliability and customer satisfaction goals for an incentive payment of $14.4 million. In 2018, the Company achieved required levels of similar goals for incentive payments of $11.0 million.

O. Franchises and Significant Customers

Franchises

The Company operates under franchise agreements with several cities in its service territory, including one with El Paso, Texas, the largest city it serves. The franchise agreement allows the Company to utilize public rights-of-way necessary to serve its customers within El Paso. Pursuant to the El Paso franchise agreement, the Company pays to the City of El Paso, on a quarterly basis, a fee equal to 5.00% of gross revenues the Company receives for the generation, transmission and distribution of electrical energy and other services within the city. The 2005 El Paso franchise agreement set the franchise fee at 3.25% of gross revenues, but that amount has since been adjusted by two amendments. The 2010 amendment added an incremental fee equal to 0.75% of gross revenues to be placed in a restricted fund to be used by the city solely for economic development and renewable energy purposes. The 2018 amendment, approved on March 20, 2018, and applicable to bills issued on or after October 1, 2018, increased the dedicated incremental fee by 1.00% of gross revenues and extended the term of the franchise agreement by 30 years. Any assignment of the franchise agreement, including a deemed assignment as a result of a change in control of the Company, requires the consent of the City of El Paso. Accordingly, the Company on September 20, 2019, sought approval from the City of El Paso for a deemed assignment of the franchise agreement as a result of the Merger, which approval was granted on February 4, 2020. The El Paso franchise agreement is set to expire on July 31, 2060.

The Company does not have a written franchise agreement with Las Cruces, New Mexico, the second largest city in its service territory. The Company utilizes public rights-of-way necessary to service its customers within Las Cruces under an implied franchise pursuant to state law by satisfying all obligations under the franchise agreement that expired on April 30, 2009. The Company pays the City of Las Cruces a franchise fee of 2.00% of gross revenues the Company receives from services within the City of Las Cruces.

The Company also maintains franchise agreements with other municipalities, and applicable counties, within its service territories.

Military Installations

The Company serves HAFB, White Sands Missile Range ("White Sands") and Fort Bliss U.S. Army Post ("Fort Bliss"). These military installations represent approximately 2.8% of the Company's annual retail revenues in 2019. In July 2014, the Company signed an agreement with Fort Bliss under which Fort Bliss takes retail electric service from the Company under the applicable Texas tariffs. The Company serves White Sands under the applicable New Mexico tariffs. In August 2016, the Company signed a contract with HAFB under which the Company provides retail electric service and limited wheeling services to HAFB under the applicable New Mexico tariffs. As stated in the contract, HAFB purchases the full output of a Company-owned 5-MW solar facility upon its completed construction, which occurred on October 18, 2018. HAFB's other power requirements are provided under the applicable New Mexico tariffs with limited wheeling services under the contract.

P. Financial Instruments and Investments

The FASB guidance requires the Company to disclose estimated fair values for its financial instruments. The Company has determined that cash and temporary investments, investment in debt securities, accounts receivable, decommissioning trust funds that are reflected in Other Special Funds, long-term debt, financing obligations and capital lease obligations, short-term borrowings under the RCF, accounts payable and customer deposits meet the definition of financial instruments. The carrying amounts of cash and temporary investments, accounts receivable, accounts payable and customer deposits approximate fair value because of the short maturity of these items. Investments in debt securities and decommissioning trust funds are carried at estimated fair value.

Long-Term Debt, Financing Obligations, Capital Lease Obligations and Short-Term Borrowings Under the RCF. The fair values of the Company's long-term debt, financing obligations, capital lease obligations including the current portion thereof, and short-term borrowings under the RCF are based on estimated market prices for similar issues and are presented below (in thousands):

	December 31,			
	2019		2018	
	Carrying Amount	Estimated Fair Value	Carrying Amount	Estimated Fair Value
Pollution Control Bonds (1)	$ 159,835	$ 167,256	$ 159,835	$ 161,917
Senior Notes	1,128,184	1,398,645	1,128,186	1,244,310
RGRT Senior Notes (2)	110,000	114,270	110,000	111,440
RCF (2)	115,657	115,657	51,408	51,408
Capitalized Operating Leases	5,607	5,607	—	—
Total	$ 1,519,283	$ 1,801,435	$ 1,449,429	$ 1,569,075

(1) On February 1, 2019 and April 1, 2019, the Company purchased in lieu of redemption the 2009 Series A 7.25% PCBs with an aggregate principal amount of $63.5 million and the 2009 Series B 7.25% PCBs with an aggregate principal amount of $37.1 million, respectively, utilizing funds borrowed under the RCF. On May 22, 2019, the Company reoffered and sold $63.5 million aggregate principal amount of 2009 Series A 7.25% PCBs and $37.1 million aggregate principal amount of 2009 Series B 7.25% PCBs with a fixed interest rate of 3.60% per annum until the 2009 PCBs mature on February 1, 2040 and April 1, 2040, respectively. See Note I of Notes to Financial Statements for further discussion.

(2) Nuclear fuel capital lease obligations, as of December 31, 2019 and December 31, 2018, are funded through $110 million RGRT Senior Notes and $31.7 million and $28.4 million, respectively, under the RCF. As of December 31, 2019, $84.0 million was outstanding under the RCF for working capital or general corporate purposes. As of December 31, 2018, $23.0 million was outstanding under the RCF for working capital or general corporate purposes. The interest rate on the Company's borrowings under the RCF is reset throughout the period reflecting current market rates. Consequently, the carrying value approximates fair value. See Note I of Notes to Financial Statements for further discussion.

Treasury Rate Locks. The Company entered into treasury rate lock agreements in 2005 to hedge against potential movements in the treasury reference interest rate pending the issuance of the 6% Senior Notes. The treasury rate lock agreements met the criteria for hedge accounting and were designated as a cash flow hedge. In accordance with cash flow hedge accounting, the Company recorded the loss associated with the fair value of the cash flow hedge, net of tax, as a component of accumulated other comprehensive loss and amortizes the accumulated comprehensive loss to earnings as interest expense over the life of the 6% Senior Notes. In 2020, approximately $0.6 million of this accumulated other comprehensive loss item will be reclassified to interest expense.

Contracts and Derivative Accounting. The Company uses commodity contracts to manage its exposure to price and availability risks for fuel purchases and power sales and purchases and these contracts generally have the characteristics of derivatives. The Company does not trade or use these instruments with the objective of earning financial gains on the commodity price fluctuations. The Company has determined that all such contracts outstanding at December 31, 2019, except for certain natural gas commodity contracts with optionality features, that had the characteristics of derivatives met the "normal purchases and normal sales" exception provided in the FASB guidance for accounting for derivative instruments and hedging activities, and, as such, were not required to be accounted for as derivatives.

Marketable Securities. The Company's marketable securities, included in the NDT that are reflected in Other Special Funds in the Regulatory-Basis Balance Sheet, are reported at fair value, which was $326.0 million and $276.9 million at December 31, 2019 and 2018, respectively. The investments in the NDT are classified as equity securities and temporary cash and cash equivalents restricted solely for investment in the NDT. These investments are recorded at their estimated fair value in accordance with FASB guidance for certain investments in equity securities, which requires entities to recognize changes in fair value for these securities in net income as reported in the Company's Regulatory-Basis Statement of Income.

During September 2019, the Company sold all of the fixed income securities classified as available for sale held in the NDT, which approximated 450 individual securities. The proceeds were reinvested in exchange traded funds that hold similar securities. The exchange traded funds meet the definition of equity securities with readily determinable fair values and therefore are not classified as available for sale as of December 31, 2019. Furthermore, changes in the fair value of these exchange traded funds are recorded in net income as reported in the Company's Regulatory-Basis Statement of Income.

Prior to September 2019, the reported fair values included gross unrealized losses on securities classified as available for sale whose impairment the Company had deemed to be temporary. The table below presents the gross unrealized losses and the fair value of these securities as of December 31, 2018, aggregated by investment category and length of time that individual securities have been in a continuous unrealized loss position (in thousands):

	December 31, 2018					
	Less than 12 Months		12 Months or Longer		Total	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
Description of Securities (1):						
Federal Agency Mortgage Backed Securities	$ 6,187	$ (36)	$ 14,567	$ (510)	$ 20,754	$ (546)
U.S. Government Bonds	4,005	(9)	36,615	(1,663)	40,620	(1,672)
Municipal Obligations	3,100	(74)	9,037	(723)	12,137	(797)
Corporate Obligations	22,259	(763)	11,231	(731)	33,490	(1,494)
Total	$ 35,551	$ (882)	$ 71,450	$ (3,627)	$ 107,001	$ (4,509)

(1) Includes approximately 156 securities, aggregated by CUSIP number.

Prior to the sale of all the Company's fixed income securities classified as available for sale, the Company monitored the length of time such securities traded below their cost basis along with the amount and percentage of the unrealized loss in determining if a decline in fair value below recorded cost was considered to be other than temporary. In accordance with the FASB guidance, such impairment losses were recognized in net income, and a lower cost basis was established for these securities. The Company does not anticipate expending monies held in the trust before 2044 or a later period when decommissioning of Palo Verde begins. For the twelve months ended December 31, 2019 and 2018, the Company did not recognize any other than temporary impairment losses on its available for sale securities.

Investments categorized as available for sale securities also included gross unrealized gains which had not been recognized in the Company's net income prior to September 2019. The table below presents the unrecognized gross unrealized gains and the fair value of these securities, aggregated by investment category as of December 31, 2018 (in thousands):

	December 31, 2018	
	Fair Value	Unrealized Gains
Description of Securities:		
Federal Agency Mortgage Backed Securities	$ 9,959	$ 176
U.S. Government Bonds	6,987	149
Municipal Debt Obligations	1,952	120
Corporate Debt Obligations	8,283	222
Total Debt Securities	$ 27,181	$ 667

The Company's available for sale securities in the NDT were sold from time to time and the Company used the specific identification basis to determine the amount to reclassify from AOCI into net income. The proceeds from the sale of these securities during the twelve months ended December 31, 2019 and 2018 and the related effects on pre-tax income are as follows (in thousands):

	2019	2018
Proceeds from sales or maturities of available-for-sale securities	$ 168,177	$ 25,955
Gross realized gains included in pre-tax income	$ 4,815	$ 17
Gross realized losses included in pre-tax income	(2,583)	(1,462)
Net gains (losses) included in pre-tax income	$ 2,232	$ (1,445)

Upon the adoption of ASU 2016-01, Financial Instruments-Overall, on January 1, 2018, the Company began recording changes in fair market value for equity securities held in the NDT in the Company's Regulatory-Basis Statement of Income. The unrealized gains and losses recognized during the twelve months ended December 31, 2019 and 2018 and related effects on pre-tax income are as follows (in thousands):

	December 31, 2019	December 31, 2018
Net gains and (losses) recognized on equity securities	$ 36,017	$ (11,405)
Less: Net gains recognized on equity securities sold	430	7,079
Unrealized gains and (losses) recognized on equity securities still held at reporting date	$ 35,587	$ (18,484)

Fair Value Measurements. The FASB guidance requires the Company to provide expanded quantitative disclosures for financial assets and liabilities recorded on the regulatory-basis balance sheet at fair value. Financial assets carried at fair value include the Company's decommissioning trust investments and investments in debt securities which are included in Other Special Funds and Other Investments, respectively on the regulatory-basis balance sheet. The Company has no liabilities that are measured at fair value on a recurring basis. The FASB guidance establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value into three levels as follows:

- Level 1 – Observable inputs that reflect quoted market prices for identical assets and liabilities in active markets. Financial assets utilizing Level 1 inputs include the NDT investments in active exchange-traded equity securities, mutual funds and U.S. Treasury securities that are in a highly liquid and active market. The Institutional Funds - International Equity investments are valued using the NAV provided by the administrator of the fund. The NAV price is quoted on a restrictive market although the underlying investments are traded on active markets and have readily determinable fair values. Accordingly, such fund values are categorized as Level 1.

- Level 2 – Inputs other than quoted market prices included in Level 1 that are observable for the asset or liability either directly or indirectly. Financial assets utilizing Level 2 inputs include the NDT investments in fixed income securities that were sold by the Company in September 2019 and reinvested in similar fixed income securities held in exchange traded funds. The fair value of these financial instruments is based on evaluated prices that reflect observable market information, such as actual trade information of similar securities, adjusted for observable differences.

- Level 3 – Unobservable inputs using data that is not corroborated by market data and primarily based on internal Company analysis using models and various other analysis. Financial assets utilizing Level 3 inputs are the Company's investment in debt securities.

The securities in the NDT are valued using prices and other relevant information generated by market transactions involving identical or comparable securities. The FASB guidance identifies this valuation technique as the "market approach" with observable inputs. Prior to the sale of all the Company's fixed income securities classified as available for sale in September 2019, the Company analyzed available for sale securities to determine if losses were other than temporary.

The fair value of the NDT and investments in debt securities at December 31, 2019 and 2018, and the level within the three levels of the fair value hierarchy defined by the FASB guidance are presented in the table below (in thousands):

Description of Securities	Fair Value as of December 31, 2019	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Trading Securities:				
Investments in Debt Securities	$ 1,587	$ —	$ —	$ 1,587
Equity Securities:				
Domestic (a)	$ 295,065	$ 295,065	$ —	$ —
International	29,202	29,202	—	—
Total Equity Securities	324,267	324,267	—	—
Cash and Cash Equivalents	1,731	1,731	—	—
Total	$ 325,998	$ 325,998	$ —	$ —

(a) Includes $148.1 million held in exchange traded funds with underlying investments in debt securities that meet the definition of equity securities with readily determinable fair values.

Description of Securities	Fair Value as of December 31, 2018	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Trading Securities:				
Investments in Debt Securities	$ 1,656	$ —	$ —	$ 1,656
Equity Securities:				
Domestic	$ 111,325	$ 111,325	$ —	$ —
International	24,540	24,540	—	—
Total Equity Securities	135,865	135,865	—	—
Available for sale:				
Federal Agency Mortgage Backed Securities	$ 30,713	$ —	$ 30,713	$ —
U.S. Government Bonds	47,607	47,607	—	—
Municipal Debt Obligations	14,089	—	14,089	—
Corporate Debt Obligations	41,773	—	41,773	—
Total Available for Sale Debt Securities	134,182	47,607	86,575	—
Cash and Cash Equivalents	6,858	6,858	—	—
Total	$ 276,905	$ 190,330	$ 86,575	$ —

Below is a reconciliation of the beginning and ending balance of the fair value of the investment in debt securities classified as trading securities (in thousands):

	2019	2018
Balance at January 1	$ 1,656	$ 1,735
Net unrealized gains (losses) in fair value recognized in oncome (a)	(69)	(79)
Balance at December 31	$ 1,587	$ 1,656

(a) These amounts are reflected in the Company's regulatory-basis statement of income as other income.

There were no transfers in or out of Level 1 and Level 2 fair value measurements categories due to changes in observable inputs during the twelve months ended December 31, 2019 and 2018. There were no purchases, sales, issuances and settlements related to the assets in the Level 3 fair value measurement category during the twelve months ended December 31, 2019 and 2018.

Q. Supplemental Statements of Cash Flows Disclosures

	Years Ended December 31, 2019	2018
	(In thousands)	
Cash paid (refunded) for:		
Interest on long-term debt and borrowing under the revolving credit facility	$ 70,997	$ 70,016
Income tax paid (refunded), net	(1,451)	3,546
Non-cash investing and financing activities:		
Changes in accrued plant additions	2,912	1,075
Grants of restricted shares of common stock	1,393	1,039
Issuance of performance shares	2,520	1,499
Non-cash operating activities:		
Operating lease liabilities arising from obtaining ROU assets	5,550	—

R. Agreement and Plan of Merger

On June 1, 2019, the Company entered into the Merger Agreement, by and among the Company, Parent and Merger Sub. Pursuant to the Merger Agreement, on and subject to the terms and conditions set forth therein, Merger Sub will merge with and into the Company, with the Company continuing as the surviving corporation in the Merger and becoming a wholly owned subsidiary of Parent. Parent and Merger Sub are affiliates of IIF.

On and subject to the terms and conditions set forth in the Merger Agreement, upon the closing of the Merger, each share of common stock including outstanding and unvested restricted stock and unvested performance stock of the Company shall be cancelled and converted into the right to receive $68.25 in cash, without interest (the "Merger Consideration").

The Company, Parent and Merger Sub each have made various representations, warranties and covenants in the Merger Agreement. Among other things, the Company has agreed, subject to certain exceptions, to conduct its business in the ordinary course, consistent with past practice, from the date of the Merger Agreement until the closing of the Merger, and not to take certain actions prior to the closing of the Merger without the prior written consent of Parent (which consent shall not be unreasonably withheld, conditioned or delayed). The Company has made certain additional customary covenants, including, subject to certain exceptions: (i) to cause a meeting of the Company's shareholders to be held to consider approval of the Merger Agreement, (ii) not to solicit proposals relating to alternative business combination transactions and not to participate in discussions concerning, or furnish information in connection with, alternative business combination transactions and (iii) not to withdraw its recommendation to the Company's shareholders regarding the Merger. In addition, subject to the terms of the Merger Agreement, the Company, Parent and Merger Sub are required to use reasonable best efforts to obtain all required regulatory approvals, which will include clearance under federal antitrust laws and certain approvals by federal and state regulatory bodies, subject to certain exceptions, including that such efforts not result in a Burdensome Condition (as defined in the Merger Agreement). Parent has obtained equity and debt financing commitments for the transactions contemplated by the Merger Agreement, the aggregate proceeds of which will be sufficient to consummate the Merger and the other transactions contemplated by the Merger Agreement, including payment of the aggregate Merger Consideration.

Consummation of the Merger is subject to various conditions, including: (i) approval of the shareholders of the Company, (ii) expiration or termination of the applicable HSR Act waiting period, (iii) receipt of all required regulatory and statutory approvals without the imposition of a Burdensome Condition, (iv) absence of any law or order prohibiting the consummation of the Merger and (v) other customary closing conditions, including (a) subject to materiality qualifiers, the accuracy of each party's representations and warranties, (b) each party's compliance in all material respects with its obligations and covenants under the Merger Agreement and (c) the absence of a material adverse effect with respect to the Company.

The Merger Agreement contains certain termination rights for both the Company and Parent, including if the Merger is not consummated by June 1, 2020 (subject to extension for an additional three months if all of the conditions to closing, other than the conditions related to obtaining regulatory approvals, have been satisfied). The Merger Agreement also provides for certain termination rights for each of the Company and Parent, and provides that, upon termination of the Merger Agreement under certain specified circumstances, Parent would be required to pay a termination fee of $170 million to the Company, and under other specified circumstances, the Company would be required to pay Parent a termination fee of $85 million.

On August 2, 2019, the Company filed a definitive proxy statement with the SEC in connection with the Merger. Three purported Company shareholders filed lawsuits alleging violations under the federal securities laws, two in the U.S. District Court for the Southern District of New York and one in the U.S. District Court for the District of Delaware, challenging the adequacy of the disclosures made in the Company's proxy statement in connection with the Merger as discussed in Note M of Notes to Financial Statements. The lawsuit filed in the U.S. District Court for the District of Delaware was voluntarily dismissed on January 29, 2020; one of the lawsuits filed in the U.S. District Court for the Southern District of New York was dismissed for want of prosecution on March 6, 2020; and the plaintiff in the other lawsuit filed in the U.S. District Court for the Southern District of New York has informed the court of his intention to dismiss the case and seek a mooting fee.

On August 13, 2019, the Company, Parent and IIF US Holding 2 LP, an affiliate of IIF, as applicable, filed (i) the joint report and application for regulatory approvals with the PUCT requesting approval of the Merger pursuant to the PURA, which was assigned PUCT Docket No. 49849, (ii) the joint application for regulatory approvals with the NMPRC requesting approval of the Merger pursuant to the NMPUA and NMPRC Rule 450, which was assigned NMPRC Case No. 19-00234-UT, (iii) the joint application requesting approval of the Merger with the FERC under Section 203 of the Federal Power Act, which was assigned FERC Docket No. EC19-120-000, and (iv) the joint application for regulatory approval for the indirect transfer of the Company's NRC licenses to Parent from the NRC under the Atomic Energy Act of 1954, which was assigned Docket ID NRC-2019-0214. In addition, on August 13, 2019, the Company and Parent sought the authorization of the FCC to assign or transfer control of the Company's FCC licenses under FCC File No. 008737430. On December 4, 2019, the Company and Parent received consent from the FCC to transfer the Company's FCC licenses.

On August 16, 2019, the Company and Parent filed the notification and report form with the Antitrust Division of the Department of Justice and the FTC under the HSR Act, which was assigned Transaction Identification No. 2019 1858. On September 3, 2019, the Company and Parent received notice from the FTC granting early termination of the waiting period under the HSR Act.

At a special meeting of the Company's shareholders held on September 19, 2019, the Company's shareholders approved the Merger Agreement and the transactions contemplated thereby, including the Merger, and the compensation that will or may become payable by the Company to its named executive officers in connection with the Merger.

Under the Merger Agreement, the consent to the Merger by the City of El Paso under its franchise agreement with the Company is a condition to the closing of the Merger. Under the franchise agreement, if the City of El Paso does not grant its consent to the Merger, the franchise agreement would terminate upon the closing of the Merger. On September 20, 2019, the Company submitted the Franchise Agreement Assignment Application to the City of El Paso to receive the City's consent to the Merger. On February 4, 2020, the City of El Paso passed Ordinance No. 019022 approving the Franchise Agreement Assignment Application and granting the City of El Paso's consent to the Merger.

On November 21, 2019, the Company and IIF reached an agreement in principle with the PUCT staff and most intervenors regarding the Merger. The PUCT issued an order delaying the hearing on the merits in order to assist in reaching a unanimous settlement. The parties continued discussions and provided an update on the status of settlement at the PUCT meeting on December 13, 2019. A non-unanimous settlement was filed with the PUCT on December 18, 2019, resolving substantially all issues in the application. The hearing at the PUCT on the non-unanimous issues was held on January 7, 2020, at the conclusion of which the PUCT requested the Company and IIF attend the PUCT's January 16, 2020 open meeting to answer any follow-up questions. On January 16, 2020, the PUCT approved the Merger and issued its final order on January 28, 2020.

On January 3, 2020, the Company and IIF filed an unopposed stipulation with the NMPRC regarding the Merger. A hearing at the NMPRC for the unopposed stipulation was held on January 16, 2020. On January 16, 2020, the Hearing Examiner agreed with the consent of parties to waive briefing. On February 12, 2020, the Hearing Examiner issued an Amended Certification of the Stipulation in which it is recommended that the NMPRC approve the unopposed stipulation subject to the parties agreeing to the Hearing Examiner's modifications. A final order adopting the Certification of the Stipulation and approving the Merger was issued by the NMPRC on March 11, 2020, which was assigned Case No. 19-00234-UT.

On December 5, 2019, the FERC requested additional information regarding the parties to the Merger. On January 6, 2020, the Company and IIF filed a joint response to FERC's inquiry. On January 17, 2020, the Company and IIF filed a second supplement to the application. The FERC established a January 27, 2020 deadline date for comments on the filings. Several motions to intervene were filed, along with a protest of the January 6, 2020 response. On February 6, 2020, the Company and IIF filed a reply to the January 27, 2020 protest. On March 30, 2020, FERC issued an order authorizing IIF’s proposed acquisition of the Company, subject to the FERC’s approval of mitigation to address certain discrete competitive effects of the transaction that could arise. FERC concluded that the acquisition, as conditioned, satisfies governing federal standards and authorized the acquisition as consistent with the public interest. The proposed mitigation must be filed within 45 days of the issuance of the FERC Order.

On March 6, 2020, the NRC's staff approved the joint application for the indirect transfer of control of the Company’s ownership in Palo Verde to IIF.

The FERC’s approval is the last regulatory approval needed to close the proposed acquisition. The Company anticipates that the closing of the Merger will occur in the first half of 2020, upon FERC’s approval of the required mitigation and satisfaction or waiver of the other closing conditions.

The Company and IIF have agreed to numerous regulatory commitments in connection with the Merger under the agreements with the PUCT, NMPRC, and the City of El Paso discussed above. Among the commitments that will apply to the Company as of the closing of the Merger are the issuance of rate credits to its Texas customers in a total aggregate amount of $21 million and to New Mexico customers of $8.7 million. Both rate credits will be distributed among customers in 36 monthly installments. The Company is required to make tariff filings to implement the rate credits no later than 45 days and 7 days, respectively, in Texas and New Mexico after the closing of the Merger. The Company made its required tariff filing in Texas on March 13, 2020. The Company will not attempt to recover the value of these rate credits in future rate cases.

In connection with the Merger, the Company recorded $12.1 million of strategic transaction costs, principally related to advisory fees, legal, and other consulting costs, in the twelve months ended December 31, 2019, which are reflected in Other Deductions in the Company's Regulatory-Basis Statement of Income. The Company will not attempt to recover strategic transaction costs in future rate cases. The Company will reflect any non-deductible amounts in the effective tax rate at the Merger closing date.

For more information regarding the terms of the Merger, including a copy of the Merger Agreement, see the Company's Current Report on Form 8-K filed with the SEC on June 3, 2019, and its definitive proxy statement relating to the special meeting of shareholders filed with the SEC on August 2, 2019.

S. Subsequent Event – Novel Coronavirus ("COVID-19 virus") Pandemic

As widely reported, the spread of the COVID-19 virus has migrated from predominately a regional concern in Asia, notably Wuhan City, China, in December 2019 to a global epidemic, which on March 11, 2020 the World Health Organization declared a pandemic. As of the date of this FERC Form No. 1, the Company is operating in a modified work environment, where all employees have been requested to operate from home except those who have responsibilities essential to servicing the Company’s customers and that require them to be on site. The Company is working closely with community leaders to monitor the situation and to continue to provide safe, reliable and cost-effective energy to its customers. The Company cannot predict the impact that this pandemic will have on its financial condition, results of operations and cash flows.

Name of Respondent El Paso Electric Company	This Report Is: (1) [X] An Original (2) [ ] A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2019/Q4

STATEMENTS OF ACCUMULATED COMPREHENSIVE INCOME, COMPREHENSIVE INCOME, AND HEDGING ACTIVITIES

1. Report in columns (b),(c),(d) and (e) the amounts of accumulated other comprehensive income items, on a net-of-tax basis, where appropriate.
2. Report in columns (f) and (g) the amounts of other categories of other cash flow hedges.
3. For each category of hedges that have been accounted for as "fair value hedges", report the accounts affected and the related amounts in a footnote.
4. Report data on a year-to-date basis.

Line No.	Item (a)	Unrealized Gains and Losses on Available-for-Sale Securities (b)	Minimum Pension Liability adjustment (net amount) (c)	Foreign Currency Hedges (d)	Other Adjustments (e)
1	Balance of Account 219 at Beginning of Preceding Year	(534,630)			(17,789,852)
2	Preceding Qtr/Yr to Date Reclassifications from Acct 219 to Net Income	1,135,903			(2,544,470)
3	Preceding Quarter/Year to Date Changes in Fair Value	(3,350,077)			(4,588,871)
4	Total (lines 2 and 3)	(2,214,174)			(7,133,341)
5	Balance of Account 219 at End of Preceding Quarter/Year	(2,748,804)			(24,923,193)
6	Balance of Account 219 at Beginning of Current Year	(2,748,804)			(24,923,193)
7	Current Qtr/Yr to Date Reclassifications from Acct 219 to Net Income	(1,713,417)			(4,144,063)
8	Current Quarter/Year to Date Changes in Fair Value	4,867,900			(9,424,206)
9	Total (lines 7 and 8)	3,154,483			(13,568,269)
10	Balance of Account 219 at End of Current Quarter/Year	405,679			(38,491,462)

STATEMENTS OF ACCUMULATED COMPREHENSIVE INCOME, COMPREHENSIVE INCOME, AND HEDGING ACTIVITIES

Line No.	Other Cash Flow Hedges Interest Rate Swaps (f)	Other Cash Flow Hedges [Insert Footnote at Line 1 to specify] (g)	Totals for each category of items recorded in Account 219 (h)	Net Income (Carried Forward from Page 117, Line 78) (i)	Total Comprehensive Income (j)
1		(11,341,514)	(29,665,996)	[redacted]	
2		422,631	(985,936)		
3			(7,938,948)		
4		422,631	(8,924,884)	85,050,298	76,125,414
5		(10,918,883)	(38,590,880)	[redacted]	
6		(10,918,883)	(38,590,880)		
7		457,502	(5,399,978)		
8			(4,556,306)		
9		457,502	(9,956,284)	123,715,379	113,759,095
10		(10,461,381)	(48,547,164)	[redacted]	

Schedule Page: 122(a)(b) Line No.: 1 Column: b

Effective January 1, 2018, upon adoption of ASU 2016-01, Financial Instruments-Overall, the Company no longer classifies equity securities as available for sale securities and, as a result, any changes in the fair value are recognized in net income and not in Accumulated Other Comprehensive Income ("AOCI"). Additionally, upon adoption of ASU 2016-01, the Company recorded a cumulative effect adjustment, net of income taxes, to increase retained earnings by $40.7 million with a reduction to AOCI.

Schedule Page: 122(a)(b) Line No.: 1 Column: e

In accordance with the FERC Guidance Letter related to FASB guidance for employers' accounting for defined benefit pension and other postretirement plans, this amount includes reclassification adjustments of accumulated other comprehensive income as a result of gains or losses, prior service costs or credits and transition assets or obligations related to pension and other postretirement benefit plans.

Schedule Page: 122(a)(b) Line No.: 1 Column: g

During the first quarter of 2005, the Company entered into treasury rate lock agreements to hedge against potential movements in the treasury reference interest rate pending the issuance of 6% Senior Notes. These treasury rate locks were terminated on May 11, 2005. The treasury rate lock agreements met the criteria for hedge accounting and were designated as a cash flow hedge. In accordance with cash flow hedge accounting, the Company recorded the loss associated with the fair value of the cash flow hedge of approximately $14.5 million, net of tax, as a component of accumulated other comprehensive income. In May 2005, the Company began to recognize in earnings (as additional interest expense) the accumulated other comprehensive income associated with the cash flow hedge. During the next twelve-month period, approximately $0.6 million pre-tax of this accumulated other comprehensive income item will be reclassified to interest expense.

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
El Paso Electric Company	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2019/Q4

SUMMARY OF UTILITY PLANT AND ACCUMULATED PROVISIONS FOR DEPRECIATION. AMORTIZATION AND DEPLETION

Report in Column (c) the amount for electric function, in column (d) the amount for gas function, in column (e), (f), and (g) report other (specify) and in column (h) common function.

Line No.	Classification (a)	Total Company for the Current Year/Quarter Ended (b)	Electric (c)
1	Utility Plant		
2	In Service		
3	Plant in Service (Classified)	4,644,983,450	4,644,983,450
4	Property Under Capital Leases	5,549,838	5,549,838
5	Plant Purchased or Sold		
6	Completed Construction not Classified	685,366,946	685,366,946
7	Experimental Plant Unclassified		
8	Total (3 thru 7)	5,335,900,234	5,335,900,234
9	Leased to Others		
10	Held for Future Use		
11	Construction Work in Progress	157,850,999	157,850,999
12	Acquisition Adjustments		
13	Total Utility Plant (8 thru 12)	5,493,751,233	5,493,751,233
14	Accum Prov for Depr, Amort, & Depl	2,381,984,861	2,381,984,861
15	Net Utility Plant (13 less 14)	3,111,766,372	3,111,766,372
16	Detail of Accum Prov for Depr, Amort & Depl		
17	In Service:		
18	Depreciation	2,312,562,773	2,312,562,773
19	Amort & Depl of Producing Nat Gas Land/Land Right		
20	Amort of Underground Storage Land/Land Rights		
21	Amort of Other Utility Plant	69,422,088	69,422,088
22	Total In Service (18 thru 21)	2,381,984,861	2,381,984,861
23	Leased to Others		
24	Depreciation		
25	Amortization and Depletion		
26	Total Leased to Others (24 & 25)		
27	Held for Future Use		
28	Depreciation		
29	Amortization		
30	Total Held for Future Use (28 & 29)		
31	Abandonment of Leases (Natural Gas)		
32	Amort of Plant Acquisition Adj		
33	Total Accum Prov (equals 14) (22,26,30,31,32)	2,381,984,861	2,381,984,861

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
El Paso Electric Company	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2019/Q4

SUMMARY OF UTILITY PLANT AND ACCUMULATED PROVISIONS
FOR DEPRECIATION. AMORTIZATION AND DEPLETION

Gas (d)	Other (Specify) (e)	Other (Specify) (f)	Other (Specify) (g)	Common (h)	Line No.
					1
					2
					3
					4
					5
					6
					7
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					12
					13
					14
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					30
					31
					32
					33

NUCLEAR FUEL MATERIALS (Account 120.1 through 120.6 and 157)

1. Report below the costs incurred for nuclear fuel materials in process of fabrication, on hand, in reactor, and in cooling; owned by the respondent.
2. If the nuclear fuel stock is obtained under leasing arrangements, attach a statement showing the amount of nuclear fuel leased, the quantity used and quantity on hand, and the costs incurred under such leasing arrangements.

Line No.	Description of item (a)	Balance Beginning of Year (b)	Changes during Year Additions (c)
1	Nuclear Fuel in process of Refinement, Conv, Enrichment & Fab (120.1)		
2	Fabrication		
3	Nuclear Materials		
4	Allowance for Funds Used during Construction		
5	(Other Overhead Construction Costs, provide details in footnote)		
6	SUBTOTAL (Total 2 thru 5)		
7	Nuclear Fuel Materials and Assemblies		
8	In Stock (120.2)		
9	In Reactor (120.3)		
10	SUBTOTAL (Total 8 & 9)		
11	Spent Nuclear Fuel (120.4)		
12	Nuclear Fuel Under Capital Leases (120.6)	199,843,869	38,452,795
13	(Less) Accum Prov for Amortization of Nuclear Fuel Assem (120.5)	73,742,663	-1,973,235
14	TOTAL Nuclear Fuel Stock (Total 6, 10, 11, 12, less 13)	126,101,206	
15	Estimated net Salvage Value of Nuclear Materials in line 9		
16	Estimated net Salvage Value of Nuclear Materials in line 11		
17	Est Net Salvage Value of Nuclear Materials in Chemical Processing		
18	Nuclear Materials held for Sale (157)		
19	Uranium		
20	Plutonium		
21	Other (provide details in footnote):		
22	TOTAL Nuclear Materials held for Sale (Total 19, 20, and 21)		

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
El Paso Electric Company	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2019/Q4

NUCLEAR FUEL MATERIALS (Account 120.1 through 120.6 and 157)

Changes during Year		Balance	Line
Amortization (d)	Other Reductions (Explain in a footnote) (e)	End of Year (f)	No.
			1
			2
			3
			4
			5
			6
			7
			8
			9
			10
			11
	38,625,512	199,671,152	12
-39,634,449	38,625,512	72,778,365	13
		126,892,787	14
			15
			16
			17
			18
			19
			20
			21
			22

Schedule Page: 202 Line No.: 12 Column: c

During 2019, the Company capitalized approximately $6.0 million of costs, including interest on RGRT borrowings, accrued interest on the RGRT Senior Notes and other fees, in connection with the financing of nuclear fuel through the RGRT. Information on quantities of nuclear fuel materials is not available.

Schedule Page: 202 Line No.: 12 Column: e

Retirement of fully amortized nuclear fuel in connection with the 2019 reloads for Palo Verde Units 1 and 3.

Schedule Page: 202 Line No.: 13 Column: c

Dry cask storage costs allocated to Palo Verde Units 1, 2 and 3.

Schedule Page: 202 Line No.: 13 Column: e

Retirement of fully amortized nuclear fuel in connection with the 2019 reloads for Palo Verde Units 1 and 3.

Schedule Page: 202 Line No.: 14 Column: f

All of the Company's nuclear fuel financing is accomplished through the RGRT that has amounts borrowed through the isuance of senior notes and borrowings under a revolving credit facility. The assets and liabilities of the RGRT are reported on the Company's regulatory basis balance sheet. The total amount borrowed for nuclear fuel by the RGRT at December 31, 2019 was $141.7 million of which $31.7 million had been borrowed under the revolving credit facility, and $110 million was borrowed through senior notes.

Name of Respondent El Paso Electric Company	This Report Is: (1) [X] An Original (2) [ ] A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2019/Q4

ELECTRIC PLANT IN SERVICE (Account 101, 102, 103 and 106)

1. Report below the original cost of electric plant in service according to the prescribed accounts.
2. In addition to Account 101, Electric Plant in Service (Classified), this page and the next include Account 102, Electric Plant Purchased or Sold; Account 103, Experimental Electric Plant Unclassified; and Account 106, Completed Construction Not Classified-Electric.
3. Include in column (c) or (d), as appropriate, corrections of additions and retirements for the current or preceding year.
4. For revisions to the amount of initial asset retirement costs capitalized, included by primary plant account, increases in column (c) additions and reductions in column (e) adjustments.
5. Enclose in parentheses credit adjustments of plant accounts to indicate the negative effect of such accounts.
6. Classify Account 106 according to prescribed accounts, on an estimated basis if necessary, and include the entries in column (c). Also to be included in column (c) are entries for reversals of tentative distributions of prior year reported in column (b). Likewise, if the respondent has a significant amount of plant retirements which have not been classified to primary accounts at the end of the year, include in column (d) a tentative distribution of such retirements, on an estimated basis, with appropriate contra entry to the account for accumulated depreciation provision. Include also in column (d)

Line No.	Account (a)	Balance Beginning of Year (b)	Additions (c)
1	1. INTANGIBLE PLANT		
2	(301) Organization		
3	(302) Franchises and Consents		
4	(303) Miscellaneous Intangible Plant	154,196,377	14,635,177
5	TOTAL Intangible Plant (Enter Total of lines 2, 3, and 4)	154,196,377	14,635,177
6	2. PRODUCTION PLANT		
7	A. Steam Production Plant		
8	(310) Land and Land Rights	282,846	
9	(311) Structures and Improvements	70,855,631	3,839,462
10	(312) Boiler Plant Equipment	165,842,446	6,181,230
11	(313) Engines and Engine-Driven Generators	65,828,317	7,711,931
12	(314) Turbogenerator Units	150,473,627	2,315,129
13	(315) Accessory Electric Equipment	35,323,721	7,545,478
14	(316) Misc. Power Plant Equipment	53,046,721	694,317
15	(317) Asset Retirement Costs for Steam Production	-248,487	
16	TOTAL Steam Production Plant (Enter Total of lines 8 thru 15)	541,404,822	28,287,547
17	B. Nuclear Production Plant		
18	(320) Land and Land Rights	2,356,152	-8,438
19	(321) Structures and Improvements	540,606,126	8,244,440
20	(322) Reactor Plant Equipment	784,058,493	3,218,639
21	(323) Turbogenerator Units	256,692,144	16,786,009
22	(324) Accessory Electric Equipment	179,490,955	4,524,259
23	(325) Misc. Power Plant Equipment	134,282,483	3,774,403
24	(326) Asset Retirement Costs for Nuclear Production	-38,768,493	
25	TOTAL Nuclear Production Plant (Enter Total of lines 18 thru 24)	1,858,717,860	36,539,312
26	C. Hydraulic Production Plant		
27	(330) Land and Land Rights		
28	(331) Structures and Improvements		
29	(332) Reservoirs, Dams, and Waterways		
30	(333) Water Wheels, Turbines, and Generators		
31	(334) Accessory Electric Equipment		
32	(335) Misc. Power PLant Equipment		
33	(336) Roads, Railroads, and Bridges		
34	(337) Asset Retirement Costs for Hydraulic Production		
35	TOTAL Hydraulic Production Plant (Enter Total of lines 27 thru 34)		
36	D. Other Production Plant		
37	(340) Land and Land Rights	2,607,376	145,946
38	(341) Structures and Improvements	100,743,768	-56,708,222
39	(342) Fuel Holders, Products, and Accessories	19,429,461	5,728,436
40	(343) Prime Movers	314,615,534	57,379,414
41	(344) Generators	57,690,419	-494,556
42	(345) Accessory Electric Equipment	28,146,495	4,676,221
43	(346) Misc. Power Plant Equipment	7,080,649	-191,486
44	(347) Asset Retirement Costs for Other Production	255,881	
45	TOTAL Other Prod. Plant (Enter Total of lines 37 thru 44)	530,569,583	10,535,753
46	TOTAL Prod. Plant (Enter Total of lines 16, 25, 35, and 45)	2,930,692,265	75,362,612

Name of Respondent El Paso Electric Company	This Report Is: (1) [X] An Original (2) [ ] A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2019/Q4

ELECTRIC PLANT IN SERVICE (Account 101, 102, 103 and 106) (Continued)

distributions of these tentative classifications in columns (c) and (d), including the reversals of the prior years tentative account distributions of these amounts. Careful observance of the above instructions and the texts of Accounts 101 and 106 will avoid serious omissions of the reported amount of respondent's plant actually in service at end of year.

7. Show in column (f) reclassifications or transfers within utility plant accounts. Include also in column (f) the additions or reductions of primary account classifications arising from distribution of amounts initially recorded in Account 102, include in column (e) the amounts with respect to accumulated provision for depreciation, acquisition adjustments, etc., and show in column (f) only the offset to the debits or credits distributed in column (f) to primary account classifications.

8. For Account 399, state the nature and use of plant included in this account and if substantial in amount submit a supplementary statement showing subaccount classification of such plant conforming to the requirement of these pages.

9. For each amount comprising the reported balance and changes in Account 102, state the property purchased or sold, name of vendor or purchase, and date of transaction. If proposed journal entries have been filed with the Commission as required by the Uniform System of Accounts, give also date

Retirements (d)	Adjustments (e)	Transfers (f)	Balance at End of Year (g)		Line No.
					1
					2
					3
91,326			168,740,228		4
91,326			168,740,228		5
					6
					7
			282,846		8
1,305,689			73,389,404		9
675,563			171,348,113		10
			73,540,248		11
324,140			152,464,616		12
752,156			42,117,043		13
			53,741,038		14
			-248,487		15
3,057,548			566,634,821		16
					17
			2,347,714		18
2,396,567			546,453,999		19
1,312,456		-194,269	785,770,407		20
2,869,116		134,046	270,743,083		21
488,785		60,223	183,586,652		22
312,889			137,743,997		23
			-38,768,493		24
7,379,813			1,887,877,359		25
					26
					27
					28
					29
					30
					31
					32
					33
					34
					35
					36
			2,753,322		37
			44,035,546		38
			25,157,897		39
203,794			371,791,154		40
109,363			57,086,500		41
			32,822,716		42
			6,889,163		43
			255,881		44
313,157			540,792,179		45
10,750,518			2,995,304,359		46

Name of Respondent El Paso Electric Company	This Report Is: (1) [X] An Original (2) [ ] A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2019/Q4

ELECTRIC PLANT IN SERVICE (Account 101, 102, 103 and 106) (Continued)

Line No.	Account (a)	Balance Beginning of Year (b)	Additions (c)
47	3. TRANSMISSION PLANT		
48	(350) Land and Land Rights	32,041,773	5,976,230
49	(352) Structures and Improvements	11,798,783	664,659
50	(353) Station Equipment	200,666,584	1,975,079
51	(354) Towers and Fixtures	31,656,702	
52	(355) Poles and Fixtures	153,530,633	10,089,154
53	(356) Overhead Conductors and Devices	97,757,225	856,287
54	(357) Underground Conduit		
55	(358) Underground Conductors and Devices		
56	(359) Roads and Trails	2,492,657	1,080,695
57	(359.1) Asset Retirement Costs for Transmission Plant		
58	TOTAL Transmission Plant (Enter Total of lines 48 thru 57)	529,944,357	20,642,104
59	4. DISTRIBUTION PLANT		
60	(360) Land and Land Rights	7,336,861	2,295,433
61	(361) Structures and Improvements	16,868,594	4,919,962
62	(362) Station Equipment	239,049,355	48,573,423
63	(363) Storage Battery Equipment		
64	(364) Poles, Towers, and Fixtures	174,814,022	10,362,656
65	(365) Overhead Conductors and Devices	108,078,596	9,712,207
66	(366) Underground Conduit	134,277,838	7,552,465
67	(367) Underground Conductors and Devices	158,330,082	9,561,538
68	(368) Line Transformers	272,225,307	12,923,816
69	(369) Services	53,129,381	3,168,375
70	(370) Meters	57,340,933	3,669,322
71	(371) Installations on Customer Premises	13,809,360	448,253
72	(372) Leased Property on Customer Premises		
73	(373) Street Lighting and Signal Systems	11,628,873	130,939
74	(374) Asset Retirement Costs for Distribution Plant		
75	TOTAL Distribution Plant (Enter Total of lines 60 thru 74)	1,246,889,202	113,318,389
76	5. REGIONAL TRANSMISSION AND MARKET OPERATION PLANT		
77	(380) Land and Land Rights		
78	(381) Structures and Improvements		
79	(382) Computer Hardware		
80	(383) Computer Software		
81	(384) Communication Equipment		
82	(385) Miscellaneous Regional Transmission and Market Operation Plant		
83	(386) Asset Retirement Costs for Regional Transmission and Market Oper		
84	TOTAL Transmission and Market Operation Plant (Total lines 77 thru 83)		
85	6. GENERAL PLANT		
86	(389) Land and Land Rights	1,685,156	
87	(390) Structures and Improvements	110,967,802	3,544,305
88	(391) Office Furniture and Equipment	32,882,925	4,273,810
89	(392) Transportation Equipment	47,705,317	6,192,235
90	(393) Stores Equipment	53,347	8,703
91	(394) Tools, Shop and Garage Equipment	5,903,429	1,065,601
92	(395) Laboratory Equipment	4,685,622	581,209
93	(396) Power Operated Equipment	8,816,888	223,410
94	(397) Communication Equipment	34,234,046	1,586,591
95	(398) Miscellaneous Equipment	4,195,990	400,015
96	SUBTOTAL (Enter Total of lines 86 thru 95)	251,130,522	17,875,879
97	(399) Other Tangible Property		
98	(399.1) Asset Retirement Costs for General Plant	87,400	
99	TOTAL General Plant (Enter Total of lines 96, 97 and 98)	251,217,922	17,875,879
100	TOTAL (Accounts 101 and 106)	5,112,940,123	241,834,161
101	(102) Electric Plant Purchased (See Instr. 8)		
102	(Less) (102) Electric Plant Sold (See Instr. 8)		
103	(103) Experimental Plant Unclassified		
104	TOTAL Electric Plant in Service (Enter Total of lines 100 thru 103)	5,112,940,123	241,834,161

ELECTRIC PLANT IN SERVICE (Account 101, 102, 103 and 106) (Continued)

Retirements (d)	Adjustments (e)	Transfers (f)	Balance at End of Year (g)		Line No.
					47
			38,018,003		48
			12,463,442		49
31,705			202,609,958		50
			31,656,702		51
135,254			163,484,533		52
89,344			98,524,168		53
					54
					55
			3,573,352		56
					57
256,303			550,330,158		58
					59
			9,632,294		60
			21,788,556		61
			287,622,778		62
					63
959,455			184,217,223		64
754,506			117,036,297		65
4			141,830,299		66
1,094,576			166,797,044		67
1,540,223			283,608,900		68
304			56,297,452		69
			61,010,255		70
159,033			14,098,580		71
					72
8,805			11,751,007		73
					74
4,516,906			1,355,690,685		75
					76
					77
					78
					79
					80
					81
					82
					83
					84
					85
			1,685,156		86
			114,512,107		87
5,108,099			32,048,636		88
2,579,610			51,317,942		89
			62,050		90
104,825			6,864,205		91
40,701			5,226,130		92
7,200			9,033,098		93
957,325			34,863,312		94
11,075			4,584,930		95
8,808,835			260,197,566		96
					97
			87,400		98
8,808,835			260,284,966		99
24,423,888			5,330,350,396		100
					101
					102
					103
24,423,888			5,330,350,396		104

Schedule Page: 204 Line No.: 104 Column: g

Total Electric Plant in Service excludes Property Under Capital Lease of $5,549,838.

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
El Paso Electric Company	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2019/Q4

CONSTRUCTION WORK IN PROGRESS - - ELECTRIC (Account 107)

1. Report below descriptions and balances at end of year of projects in process of construction (107)
2. Show items relating to "research, development, and demonstration" projects last, under a caption Research, Development, and Demonstrating (see Account 107 of the Uniform System of Accounts)
3. Minor projects (5% of the Balance End of the Year for Account 107 or $1,000,000, whichever is less) may be grouped.

Line No.	Description of Project (a)	Construction work in progress - Electric (Account 107) (b)
1	PALO VERDE CAPITAL IMPROVEMENTS	42,429,058
2	RIO GRANDE TO SUNSET TRANSMISSION LINE REBUILD	14,898,034
3	EXECUTIVE SUBSTATION AND CENTRAL 1 TEMPORARY SUBSTATION	10,224,726
4	NEWMAN UNIT 6 GAS TURBINE	6,337,031
5	DISTRIBUTION COMMERCIAL CONSTRUCTION - TEXAS	5,055,191
6	AFTON TO AIRPORT TRANSMISSION LINE	3,374,676
7	DISTRIBUTION BETTERMENT - TEXAS	3,111,240
8	TRIUMPH DISTRIBUTION SUBSTATION	2,773,961
9	GENERATION OPERATIONS COMPUTERIZED MAINTENANCE MANAGEMENT SYSTEM	2,619,111
10	MONTANA POWER STATION WAREHOUSE AND ACCESS ROAD	2,442,226
11	MONTANA POWER STATION BLACK START GENERATORS	2,359,617
12	DISTRIBUTION RESIDENTIAL CONSTRUCTION - TEXAS	2,329,021
13	MONTANA POWER STATION UNIT 4 HOT SECTION/COMBUSTOR SPARE ENGINE	2,287,434
14	CRITICAL INFRASTRUCTURE PROTECTION PHYSICAL SECURITY	2,145,242
15	AFTON NORTH SUBSTATION	2,053,183
16	NEWMAN UNIT 4 GAS TURBINE REPLACEMENT COMPONENTS	2,009,997
17	NEW MOONGATE DISTRIBUTION SUBSTATION	1,981,897
18	NEWMAN CAPITAL IMPROVEMENTS	1,712,891
19	COPPER STATION HOT GAS PATH REPLACEMENT COMPONENTS	1,619,973
20	NEWMAN UNIT 5 GAS TURBINE 4 WET COMPRESSION UPGRADE	1,607,166
21	SUNSET UNDERGROUND BREAKERS UPGRADE	1,547,535
22	MOONGATE-JORNADA NEW TRANSMISSION LINE	1,338,724
23	NEW JORNADA FEEDER DISTRIBUTION SUBSTATION	1,130,956
24	TEXAS DEPARTMENT OF TRANSPORTATION PHASE 2 LOOP 375 TRANSMISSION LINES STRUCTURE	1,126,276
25	PICANTE TRANSMISSION SUBSTATION 345KV REACTOR ADDITION	1,117,721
26	DALLAS SUBSTATION TRANSFORMER REPLACEMENT	1,090,717
27	SECONDARY NETWORK DISTRIBUTION SYSTEM UPGRADE PROJECT	1,086,753
28	MINOR PROJECTS	36,040,642
29		
30		
31		
32		
33		
34		
35		
36		
37		
38		
39		
40		
41		
42		
43	TOTAL	157,850,999

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
El Paso Electric Company	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2019/Q4

ACCUMULATED PROVISION FOR DEPRECIATION OF ELECTRIC UTILITY PLANT (Account 108)

1. Explain in a footnote any important adjustments during year.
2. Explain in a footnote any difference between the amount for book cost of plant retired, Line 11, column (c), and that reported for electric plant in service, pages 204-207, column 9d), excluding retirements of non-depreciable property.
3. The provisions of Account 108 in the Uniform System of accounts require that retirements of depreciable plant be recorded when such plant is removed from service. If the respondent has a significant amount of plant retired at year end which has not been recorded and/or classified to the various reserve functional classifications, make preliminary closing entries to tentatively functionalize the book cost of the plant retired. In addition, include all costs included in retirement work in progress at year end in the appropriate functional classifications.
4. Show separately interest credits under a sinking fund or similar method of depreciation accounting.

Section A. Balances and Changes During Year

Line No.	Item (a)	Total (c+d+e) (b)	Electric Plant in Service (c)	Electric Plant Held for Future Use (d)	Electric Plant Leased to Others (e)
1	Balance Beginning of Year	2,251,426,740	2,251,426,740		
2	Depreciation Provisions for Year, Charged to				
3	(403) Depreciation Expense	93,956,078	93,956,078		
4	(403.1) Depreciation Expense for Asset Retirement Costs	-1,327,583	-1,327,583		
5	(413) Exp. of Elec. Plt. Leas. to Others				
6	Transportation Expenses-Clearing	1,739,650	1,739,650		
7	Other Clearing Accounts				
8	Other Accounts (Specify, details in footnote):				
9					
10	TOTAL Deprec. Prov for Year (Enter Total of lines 3 thru 9)	94,368,145	94,368,145		
11	Net Charges for Plant Retired:				
12	Book Cost of Plant Retired	24,423,887	24,423,887		
13	Cost of Removal	10,246,454	10,246,454		
14	Salvage (Credit)	1,438,229	1,438,229		
15	TOTAL Net Chrgs. for Plant Ret. (Enter Total of lines 12 thru 14)	33,232,112	33,232,112		
16	Other Debit or Cr. Items (Describe, details in footnote):				
17					
18	Book Cost or Asset Retirement Costs Retired				
19	Balance End of Year (Enter Totals of lines 1, 10, 15, 16, and 18)	2,312,562,773	2,312,562,773		
	Section B. Balances at End of Year According to Functional Classification				
20	Steam Production	254,529,057	254,529,057		
21	Nuclear Production	1,275,339,005	1,275,339,005		
22	Hydraulic Production-Conventional				
23	Hydraulic Production-Pumped Storage				
24	Other Production	64,717,734	64,717,734		
25	Transmission	238,445,220	238,445,220		
26	Distribution	394,919,970	394,919,970		
27	Regional Transmission and Market Operation				
28	General	84,611,787	84,611,787		
29	TOTAL (Enter Total of lines 20 thru 28)	2,312,562,773	2,312,562,773		

Name of Respondent El Paso Electric Company	This Report Is: (1) [X] An Original (2) [ ] A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2019/Q4

MATERIALS AND SUPPLIES

1. For Account 154, report the amount of plant materials and operating supplies under the primary functional classifications as indicated in column (a); estimates of amounts by function are acceptable. In column (d), designate the department or departments which use the class of material.
2. Give an explanation of important inventory adjustments during the year (in a footnote) showing general classes of material and supplies and the various accounts (operating expenses, clearing accounts, plant, etc.) affected debited or credited. Show separately debit or credits to stores expense clearing, if applicable.

Line No.	Account (a)	Balance Beginning of Year (b)	Balance End of Year (c)	Department or Departments which Use Material (d)
1	Fuel Stock (Account 151)	2,063,056	1,900,338	Production
2	Fuel Stock Expenses Undistributed (Account 152)			
3	Residuals and Extracted Products (Account 153)			
4	Plant Materials and Operating Supplies (Account 154)			
5	Assigned to - Construction (Estimated)			
6	Assigned to - Operations and Maintenance			
7	Production Plant (Estimated)	37,182,698	39,483,808	Production
8	Transmission Plant (Estimated)	7,271,859	8,648,655	Transmission
9	Distribution Plant (Estimated)	5,960,271	7,687,769	Distribution
10	Regional Transmission and Market Operation Plant (Estimated)			
11	Assigned to - Other (provide details in footnote)	2,888,273	3,094,244	Various
12	TOTAL Account 154 (Enter Total of lines 5 thru 11)	53,303,101	58,914,476	
13	Merchandise (Account 155)			
14	Other Materials and Supplies (Account 156)			
15	Nuclear Materials Held for Sale (Account 157) (Not applic to Gas Util)			
16	Stores Expense Undistributed (Account 163)	8,692	1,145	
17				
18				
19				
20	TOTAL Materials and Supplies (Per Balance Sheet)	55,374,849	60,815,959	

Schedule Page: 227 Line No.: 11 Column: b

Consists primarily of items used in the field and includes conduit, underground rubber goods, lighting and safety supplies and tools.

Schedule Page: 227 Line No.: 11 Column: c

Consists primarily of items used in the field and includes conduit, underground rubber goods, lighting and safety supplies and tools.

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
El Paso Electric Company	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2019/Q4

Allowances (Accounts 158.1 and 158.2)

1. Report below the particulars (details) called for concerning allowances.
2. Report all acquisitions of allowances at cost.
3. Report allowances in accordance with a weighted average cost allocation method and other accounting as prescribed by General Instruction No. 21 in the Uniform System of Accounts.
4. Report the allowances transactions by the period they are first eligible for use: the current year's allowances in columns (b)-(c), allowances for the three succeeding years in columns (d)-(i), starting with the following year, and allowances for the remaining succeeding years in columns (j)-(k).
5. Report on line 4 the Environmental Protection Agency (EPA) issued allowances. Report withheld portions Lines 36-40.

Line No.	SO2 Allowances Inventory (Account 158.1) (a)	Current Year No. (b)	Current Year Amt. (c)	2020 No. (d)	2020 Amt. (e)
1	Balance-Beginning of Year	14,286.00		363.00	
2					
3	Acquired During Year:				
4	Issued (Less Withheld Allow)	4.00			
5	Returned by EPA				
6					
7					
8	Purchases/Transfers:				
9	Evolution Markets				
10					
11					
12					
13					
14					
15	Total				
16					
17	Relinquished During Year:				
18	Charges to Account 509	15.00			
19	Other:				
20					
21	Cost of Sales/Transfers:				
22					
23					
24					
25					
26					
27					
28	Total				
29	Balance-End of Year	14,275.00		363.00	
30					
31	Sales:				
32	Net Sales Proceeds(Assoc. Co.)				
33	Net Sales Proceeds (Other)				
34	Gains				
35	Losses				
	Allowances Withheld (Acct 158.2)				
36	Balance-Beginning of Year				
37	Add: Withheld by EPA				
38	Deduct: Returned by EPA				
39	Cost of Sales				
40	Balance-End of Year				
41					
42	Sales:				
43	Net Sales Proceeds (Assoc. Co.)				
44	Net Sales Proceeds (Other)				
45	Gains				
46	Losses				

Name of Respondent El Paso Electric Company	This Report Is: (1) [X] An Original (2) [ ] A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2019/Q4

Allowances (Accounts 158.1 and 158.2) (Continued)

6. Report on Lines 5 allowances returned by the EPA. Report on Line 39 the EPA's sales of the withheld allowances. Report on Lines 43-46 the net sales proceeds and gains/losses resulting from the EPA's sale or auction of the withheld allowances.
7. Report on Lines 8-14 the names of vendors/transferors of allowances acquire and identify associated companies (See "associated company" under "Definitions" in the Uniform System of Accounts).
8. Report on Lines 22 - 27 the name of purchasers/ transferees of allowances disposed of an identify associated companies.
9. Report the net costs and benefits of hedging transactions on a separate line under purchases/transfers and sales/transfers.
10. Report on Lines 32-35 and 43-46 the net sales proceeds and gains or losses from allowance sales.

2021		2022		Future Years		Totals		Line No.
No. (f)	Amt. (g)	No. (h)	Amt. (i)	No. (j)	Amt. (k)	No. (l)	Amt. (m)	
363.00		363.00		9,697.00		25,072.00		1
								2
								3
						4.00		4
								5
								6
								7
								8
								9
								10
								11
								12
								13
								14
								15
								16
								17
						15.00		18
								19
								20
								21
								22
								23
								24
								25
								26
								27
								28
363.00		363.00		9,697.00		25,061.00		29
								30
								31
								32
								33
								34
								35
								36
								37
								38
								39
								40
								41
								42
								43
								44
								45
								46

Schedule Page: 228 Line No.: 1 Column: b

The Balance-Beginning of the Year 2019 reflects allowances from the Acid Rain Program ("ARP") accounts for the Newman , Montana, and Rio Grande Generating Stations.

Schedule Page: 228 Line No.: 1 Column: d

Represents allowances allocated to the Company by the EPA based on our current electric generation and the current regulatory framework. There were no new allocations made under CSAPR for years 2017 and beyond.

Schedule Page: 228 Line No.: 1 Column: f

Represents allowances allocated to the Company by the EPA based on our current electric generation and the current regulatory framework. There were no new allocations made under CSAPR for years 2017 and beyond.

Schedule Page: 228 Line No.: 1 Column: h

Represents allowances allocated to the Company by the EPA based on our current electric generation and the current regulatory framework. There were no new allocations made under CSAPR for years 2017 and beyond.

Schedule Page: 228 Line No.: 1 Column: j

Represents allowances allocated to the Company by the EPA based on our current electric generation and the current regulatory framework. Allowances for future years include allowances for each year beginning in 2023 through 2049. There were no new allocations made under CSAPR for years 2017 and beyond.

Schedule Page: 228 Line No.: 1 Column: l

Represents allowances banked by the Company through December 31, 2019.

Schedule Page: 228 Line No.: 1 Column: m

The Company has not purchased any allowances; however, at December 31, 2019 SO2 allowances were trading at approximately $0.50 per ton (allowance) under the Acid Rain program.

Schedule Page: 228 Line No.: 4 Column: b

Represents the 4 Texas SO2 program allowances allocated in 2019.

Allowances (Accounts 158.1 and 158.2)

1. Report below the particulars (details) called for concerning allowances.
2. Report all acquisitions of allowances at cost.
3. Report allowances in accordance with a weighted average cost allocation method and other accounting as prescribed by General Instruction No. 21 in the Uniform System of Accounts.
4. Report the allowances transactions by the period they are first eligible for use: the current year's allowances in columns (b)-(c), allowances for the three succeeding years in columns (d)-(i), starting with the following year, and allowances for the remaining succeeding years in columns (j)-(k).
5. Report on line 4 the Environmental Protection Agency (EPA) issued allowances. Report withheld portions Lines 36-40.

Line No.	NOx Allowances Inventory (Account 158.1) (a)	Current Year No. (b)	Current Year Amt. (c)	2020 No. (d)	2020 Amt. (e)
1	Balance-Beginning of Year	252.00	56,642	520.00	
2					
3	Acquired During Year:				
4	Issued (Less Withheld Allow)	550.00			
5	Returned by EPA				
6					
7					
8	Purchases/Transfers:				
9	Evolution Markets	450.00	40,500		
10					
11					
12					
13					
14					
15	Total	450.00	40,500		
16					
17	Relinquished During Year:				
18	Charges to Account 509	1,048.00	41,058		
19	Other:				
20					
21	Cost of Sales/Transfers:				
22					
23					
24					
25					
26					
27					
28	Total				
29	Balance-End of Year	204.00	56,084	520.00	
30					
31	Sales:				
32	Net Sales Proceeds(Assoc. Co.)				
33	Net Sales Proceeds (Other)				
34	Gains				
35	Losses				
	Allowances Withheld (Acct 158.2)				
36	Balance-Beginning of Year				
37	Add: Withheld by EPA				
38	Deduct: Returned by EPA				
39	Cost of Sales				
40	Balance-End of Year				
41					
42	Sales:				
43	Net Sales Proceeds (Assoc. Co.)				
44	Net Sales Proceeds (Other)				
45	Gains				
46	Losses				

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
El Paso Electric Company	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2019/Q4

Allowances (Accounts 158.1 and 158.2) (Continued)

6. Report on Lines 5 allowances returned by the EPA. Report on Line 39 the EPA's sales of the withheld allowances. Report on Lines 43-46 the net sales proceeds and gains/losses resulting from the EPA's sale or auction of the withheld allowances.
7. Report on Lines 8-14 the names of vendors/transferors of allowances acquire and identify associated companies (See "associated company" under "Definitions" in the Uniform System of Accounts).
8. Report on Lines 22 - 27 the name of purchasers/ transferees of allowances disposed of an identify associated companies.
9. Report the net costs and benefits of hedging transactions on a separate line under purchases/transfers and sales/transfers.
10. Report on Lines 32-35 and 43-46 the net sales proceeds and gains or losses from allowance sales.

2021		2022		Future Years		Totals		Line
No. (f)	Amt. (g)	No. (h)	Amt. (i)	No. (j)	Amt. (k)	No. (l)	Amt. (m)	No.
520.00		520.00				1,812.00	56,642	1
								2
								3
						550.00		4
								5
								6
								7
								8
						450.00	40,500	9
								10
								11
								12
								13
								14
						450.00	40,500	15
								16
								17
						1,048.00	41,058	18
								19
								20
								21
								22
								23
								24
								25
								26
								27
								28
520.00		520.00				1,764.00	56,084	29
								30
								31
								32
								33
								34
								35
								36
								37
								38
								39
								40
								41
								42
								43
								44
								45
								46

Schedule Page: 229 Line No.: 1 Column: b

All entries to this form correspond to the Company's allowances under CSAPR Nox Ozone Season Group 2. Effective September 29, 2017 for the 2017 control period and subsequent years, the Company is no longer a participant in CSAPR Nox annual or Ozone Season Group 1 programs.

Schedule Page: 229 Line No.: 4 Column: b

Represents Nox allowances allocated annually for Nox CSAPR ozone season Group 2 and any New Unit Set Aside allowances allocated through 12/31/2019 .

Schedule Page: 229 Line No.: 9 Column: b

Includes the Nox allowances purchased for the 2019 compliance year.

Schedule Page: 229 Line No.: 9 Column: c

Includes the Nox allowances purchased for the 2019 compliance year.

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
El Paso Electric Company	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2019/Q4

Transmission Service and Generation Interconnection Study Costs

1. Report the particulars (details) called for concerning the costs incurred and the reimbursements received for performing transmission service and generator interconnection studies.
2. List each study separately.
3. In column (a) provide the name of the study.
4. In column (b) report the cost incurred to perform the study at the end of period.
5. In column (c) report the account charged with the cost of the study.
6. In column (d) report the amounts received for reimbursement of the study costs at end of period.
7. In column (e) report the account credited with the reimbursement received for performing the study.

Line No.	Description (a)	Costs Incurred During Period (b)	Account Charged (c)	Reimbursements Received During the Period (d)	Account Credited With Reimbursement (e)
1	**Transmission Studies**				
2	TSR 88624350	42,739	186-000	(42,739)	186-000
3	TSR 87952110	89,378	186-000	(89,378)	186-000
4	TSR 86504365	2,597	186-000	(2,597)	186-000
5	TSR 87791567	5,190	186-000	(5,190)	186-000
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
18					
19					
20					
21	**Generation Studies**				
22	Spring 2019 Cluster Study	65,839	186-000	(65,839)	186-000
23	EC500W	109,028	186-000	(109,028)	186-000
24	Fall 2017 Cluster Study	142,040	186-000	(142,040)	186-000
25	Spring 2018 Cluster Study	60,000	186-000	(60,000)	186-000
26	H252W	31,446	186-000	(31,446)	186-000
27					
28					
29					
30					
31					
32					
33					
34					
35					
36					
37					
38					
39					
40					

Name of Respondent El Paso Electric Company	This Report Is: (1) [X] An Original (2) [ ] A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2019/Q4

OTHER REGULATORY ASSETS (Account 182.3)

1. Report below the particulars (details) called for concerning other regulatory assets, including rate order docket number, if applicable.
2. Minor items (5% of the Balance in Account 182.3 at end of period, or amounts less than $100,000 which ever is less), may be grouped by classes.
3. For Regulatory Assets being amortized, show period of amortization.

Line No.	Description and Purpose of Other Regulatory Assets (a)	Balance at Beginning of Current Quarter/Year (b)	Debits (c)	CREDITS Written off During the Quarter /Year Account Charged (d)	CREDITS Written off During the Period Amount (e)	Balance at end of Current Quarter/Year (f)
1	Taxes - Regulatory Assets	54,521,034	2,095,180	Various	4,496,899	52,119,315
2						
3	Rio Grande Resources Trust:					
4	Nuclear Fuel Postload Daily Finance Charge	4,031,067	3,352,075	518	2,833,257	4,549,885
5						
6	Coal Reclamation	4,065,144		501	660,532	3,404,612
7						
8	Four Corners Decommissioning	5,813,174		407.3	790,344	5,022,830
9						
10	Net Undercollection of Fuel Revenues:					
11	New Mexico		327,487			327,487
12						
13	Texas:					
14	2015 Texas Rate Case Costs	747,156		928	369,120	378,036
15	2017 Texas Rate Case Costs	2,634,141		928	1,129,880	1,504,261
16	Demand Response Program	266,173	220,204	928	192,012	294,365
17	Texas Tax Credit Refund		263,497			263,497
18	Texas TCRF Surcharge		2,964,943			2,964,943
19	Texas Corporate Tax Compliance Reform	106,298	539			106,837
20	Texas Military Base Discount and Recovery	25,502		440s	25,502	
21	Texas Energy Efficiency Program	331,265		254.3	174,780	156,485
22	Texas TCRF Filing	43,643	241,481			285,124
23	Texas DCRF Filing		129,461			129,461
24						
25	New Mexico Renewable Energy:					
26	Credits and Related Costs	4,709,288		407.3	1,121,694	3,587,594
27						
28	New Mexico:					
29	2010 FPPCAC Audit	253,329		407.3	72,372	180,957
30	2015 New Mexico Rate Case Costs	214,720		928	214,720	
31	2020 New Mexico Rate Case Costs	919	433,868			434,787
32	Demand Response Program	302,284	21,774	928	127,236	196,822
33						
34	FERC Cost of Service General	158,338	210,116			368,454
35						
36	Palo Verde Deferred Depreciation	4,111,033		407.3	152,184	3,958,849
37						
38						
39						
40						
41						
42						
43						
44	**TOTAL :**	82,334,508	10,260,625		12,360,532	80,234,601

Schedule Page: 232 Line No.: 1 Column: f

Amortization period ranges from 5 to 40 years.

Schedule Page: 232 Line No.: 4 Column: a

Amortization is based on a pro rata relationship with nuclear fuel amortization.

Schedule Page: 232 Line No.: 6 Column: a

Final coal mine reclamation costs are related to the Company's previous ownership interest in the Four Corners Generation Station ("Four Corners"), and represent the cost to reclaim the land disturbed during the coal mining that was not previously reclaimed while the mine was in operation.

Pursuant to the final order in the 2016 Fuel Reconciliation, PUCT Docket No. 46308, the Texas jurisdiction portion of the final coal reclamation costs are to be recovered through fuel costs over a seven-year period beginning July 2016.

Pursuant to the final order in NMPRC Case No. 15-00109-UT, the New Mexico jurisdiction portion of the final coal reclamation costs are to be recovered through the Fuel and Purchased Power Cost Adjustment Clause ("FPPPCAC") over a seven-year period beginning with the rate case to be filed after closing the sale of the Company's interest in Four Corners on July 6, 2016.

Schedule Page: 232 Line No.: 8 Column: a

The 2017 PUCT Final Order in Docket No. 46831 approved the recovery of approximately $5.5 million representing the Texas portion to decommission Four Corners, over a seven year period beginning August 2017.

The NMPRC in Case No. 15-00109-UT also approved the Company's request for an accounting order establishing $1.4 million of costs related to the decommissioning of Four Corners as a regulatory asset to be recovered over a seven-year period beginning in the rate case to be filed after closing the sale of the Company's interest in Four Corners on July 6, 2016.

Schedule Page: 232 Line No.: 14 Column: a

On August 25, 2016, the PUCT issued the 2016 PUCT Final Order in Docket No. 44941 approving the recovery of rate case expenses through a separate surcharge beginning October 1, 2016 and ending September 30, 2018. Subsequently, in the 2017 PUCT Final Order, the remaining 2015 rate case costs were combined with the 2017 rate case costs into one surcharge over three years beginning in January 2018.

Schedule Page: 232 Line No.: 15 Column: a

On December 18, 2017, the PUCT issued the 2017 PUCT Final Order in the Company's rate case in Docket No. 46831 approving the recovery of rate case expenses through a surcharge over three years beginning in January 2018.

Schedule Page: 232 Line No.: 16 Column: a

Represents costs associated with the Company's Demand Response Pilot Program. This program provides an incentive for customers to switch to eSmart Thermostats, giving the Company the ability to slightly modify the eSmart Thermostats during peak times. These program costs will be requested for recovery in a future rate making proceeding.

Schedule Page: 232 Line No.: 17 Column: a

This item is related to the refund tariff ordered in PUCT Docket No. 48124. The tariff is designed to reduce Texas base rate charges for the decrease in federal income tax expense resulting from the TCJA. The over-refunded amount was addressed in the Company's 2019 Texas fuel reconciliation filing, PUCT Docket No. 50058.

Schedule Page: 232 Line No.: 18 Column: a

This item represents revenue associated with the Company's 2019 TCRF rate filing in PUCT Docket No. 49148, related to the period from July 30, 2019 through December 31, 2019. The recovery period is over a period of 12 months beginning on April 1, 2020.

Schedule Page: 232 Line No.: 19 Column: a

Represents costs associated with the Company's filing of a proposed refund tariff with the PUCT in Docket No. 48124. The tariff is designed to reduce Texas base rate charges for the decrease in federal income tax expense resulting from the TCJA. The Company will request recovery of these costs in the Company's next Texas rate case filing.

Schedule Page: 232 Line No.: 21 Column: a

In accordance with the Final Order in Docket No. 37690, the Company began recovering Energy Efficiency costs effective July 2010, through a tariff rider approved by the PUCT via Texas Rate 97. The rate is updated annually.

Schedule Page: 232 Line No.: 22 Column: a

Represents costs associated with the Company's filing to establish its Transmission Cost Recovery Factor ("TCRF") with the PUCT in Docket No. 49148. These costs will be requested in the next Texas base rate case filing.

Schedule Page: 232 Line No.: 23 Column: a

Represents costs associated with the Company's filing to establish its Distribution Cost Recovery Factor ("DCRF") with the PUCT in Docket No. 49395. These costs will be requested in the next Texas base rate case filing.

Schedule Page: 232 Line No.: 26 Column: a

In NMPRC Case No.15-00127-UT, the NMPRC approved the Company's request to recover costs related to renewable energy certificates and procurement plan costs over a six-year period beginning July 1, 2016. The Company will request costs incurred after December 31, 2014 as a component of base rates in the Company's next New Mexico rate case filing.

Schedule Page: 232 Line No.: 29 Column: a

Represents costs incurred for a FPPCAC audit. The Company requested such amounts in NMPRC Case No. 15-00127-UT and they are being amortized over a three-year period which began when new rates became effective on July 1, 2016.

Schedule Page: 232 Line No.: 30 Column: a

This balance is related to rate case costs requested in NMPRC Case No. 15-00127-UT and was being amortized over a three-year period that ended in July 2019.

Schedule Page: 232 Line No.: 31 Column: a

The Company will request recovery of these costs in the Company's next New Mexico rate case filing.

Schedule Page: 232 Line No.: 32 Column: a

On February 22, 2017, the NMPRC approved, in Case No. 17-00016-UT, the Company's request to implement a Demand Response Pilot Program pursuant to its proposed Original Rate No. 37. This program provides an incentive for customers to switch to eSmart Thermostats, giving the Company the ability to slightly modify the eSmart Thermostats during peak times. These program costs will be requested for recovery in a future New Mexico rate making proceeding.

Schedule Page: 232 Line No.: 34 Column: a

Represents costs incurred for the FERC transmission rate case expected to be filed in 2020. The Company will request these costs in the Company's FERC rate case filing.

Schedule Page: 232 Line No.: 36 Column: a

In NMPRC Case No. 09-00171-UT, the NMPRC extended the depreciable life of Palo Verde an additional 20 years for New Mexico ratemaking purposes, reducing the depreciation expense collected from New Mexico customers in rates, effective January 2010. In April 2011, the NRC renewed the operating license for all three units at Palo Verde for an additional 20 years; therefore, the incremental difference in Palo Verde depreciation for the New Mexico jurisdiction is being amortized to account 407.3 over the remaining life of Palo Verde.

Name of Respondent El Paso Electric Company	This Report Is: (1) [X] An Original (2) [ ] A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2019/Q4

MISCELLANEOUS DEFFERED DEBITS (Account 186)

1. Report below the particulars (details) called for concerning miscellaneous deferred debits.
2. For any deferred debit being amortized, show period of amortization in column (a)
3. Minor item (1% of the Balance at End of Year for Account 186 or amounts less than $100,000, whichever is less) may be grouped by classes.

Line No.	Description of Miscellaneous Deferred Debits (a)	Balance at Beginning of Year (b)	Debits (c)	CREDITS Account Charged (d)	CREDITS Amount (e)	Balance at End of Year (f)
1	Facility & Impact Study	356,672	797,909	131	587,199	567,382
2						
3	Reimbursable Transmission &					
4	Distribution Projects	701,375	683,431	131	872,686	512,120
5						
6	El Paso Water Utilities Land					
7	Lease	1,193,064		507	88,000	1,105,064
8						
9	Palo Verde:					
10	Water Agreement Deposit	3,588,600		519	119,260	3,469,340
11	Pooled Inventory Management	429,203		519	28,367	400,836
12						
13	Miscellaneous	4,290	119,691	Various	100,975	23,006
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						
41						
42						
43						
44						
45						
46						
47	Misc. Work in Progress	72,508				61,171
48	Deferred Regulatory Comm. Expenses (See pages 350 - 351)					
49	TOTAL	6,345,712				6,138,919

Schedule Page: 233 Line No.: 7 Column: b

The deferred debit relates to cash payments made at the beginning of the lease period which extends to December 2032.

Schedule Page: 233 Line No.: 7 Column: f

The deferred debit relates to cash payments made at the beginning of the lease period which extends to December 2032.

Schedule Page: 233 Line No.: 10 Column: a

In May 2010, Palo Verde entered into a 40 year Municipal Effluent Purchase and Sale Agreement with the Sub-regional Operating Group (City of Phoenix, City of Mesa, City of Scottsdale and the City of Glendale).

Schedule Page: 233 Line No.: 47 Column: a

Represents miscellaneous charges pending final classification.

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
El Paso Electric Company	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2019/Q4

ACCUMULATED DEFERRED INCOME TAXES (Account 190)

1. Report the information called for below concerning the respondent's accounting for deferred income taxes.
2. At Other (Specify), include deferrals relating to other income and deductions.

Line No.	Description and Location (a)	Balance of Begining of Year (b)	Balance at End of Year (c)
1	Electric		
2		195,739,510	176,423,602
3			
4			
5			
6			
7	Other		
8	TOTAL Electric (Enter Total of lines 2 thru 7)	195,739,510	176,423,602
9	Gas		
10			
11			
12			
13			
14			
15	Other		
16	TOTAL Gas (Enter Total of lines 10 thru 15		
17	Other (Specify)	1,178,565	1,528,952
18	TOTAL (Acct 190) (Total of lines 8, 16 and 17)	196,918,075	177,952,554

Notes

Schedule Page: 234 Line No.: 2 Column: c

El Paso Electric Company
Account 190 - FERC ONLY
For the Year Ended December 31, 2019

< Page 234 Line 2 Column (a) >

	Balance at Beginning of Year	Balance at End of Year
ELECTRIC		
Deferred tax assets:		
Plant, principally due to capitalized costs	36,689,694	38,309,509
Benefit of tax loss carryforwards	12,573,706	0
Pensions and benefits	31,800,995	33,455,821
Alternative minimum tax credit carryforward	8,855,468	0
Regulatory liabilities related to income taxes	67,166,819	66,824,187
Asset retirement obligation	21,304,721	23,239,446
Other	17,348,107	14,594,639
Net deferred tax assets	195,739,510	176,423,602

< Page 234 Line 17 Column (a) >

	Balance at Beginning of Year	Balance at End of Year
OTHER (Specify)		
Deferred tax assets:		
Decommissioning costs	1,178,565	1,528,952
Net deferred tax assets	1,178,565	1,528,952
Total Account 190	196,918,075	177,952,554

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
El Paso Electric Company	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2019/Q4

CAPITAL STOCKS (Account 201 and 204)

1. Report below the particulars (details) called for concerning common and preferred stock at end of year, distinguishing separate series of any general class. Show separate totals for common and preferred stock. If information to meet the stock exchange reporting requirement outlined in column (a) is available from the SEC 10-K Report Form filing, a specific reference to report form (i.e., year and company title) may be reported in column (a) provided the fiscal years for both the 10-K report and this report are compatible.
2. Entries in column (b) should represent the number of shares authorized by the articles of incorporation as amended to end of year.

Line No.	Class and Series of Stock and Name of Stock Series (a)	Number of shares Authorized by Charter (b)	Par or Stated Value per share (c)	Call Price at End of Year (d)
1	201			
2	Common Stock (1)			
3	New York Stock Exchange (NYSE)	100,000,000	1.00	
4	Total Common Stock (2)	100,000,000		
5				
6	204			
7	Preferred Stock	2,000,000		
8	Total Preferred Stock	2,000,000		
9				
10				
11	(1) As of December 31, 2019, 1,321,934			
12	unissued shares of Common Stock of the			
13	Company were reserved for future			
14	allocations under the 2007 Amended and			
15	Restated Long-Term Incentive Plan.			
16				
17				
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27				
28	Note: For additional information see the			
29	El Paso Electric Company 2019 Form 10-K			
30	dated February 26, 2020 filed with the SEC.			
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42				

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
El Paso Electric Company	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2019/Q4

CAPITAL STOCKS (Account 201 and 204) (Continued)

3. Give particulars (details) concerning shares of any class and series of stock authorized to be issued by a regulatory commission which have not yet been issued.
4. The identification of each class of preferred stock should show the dividend rate and whether the dividends are cumulative or non-cumulative.
5. State in a footnote if any capital stock which has been nominally issued is nominally outstanding at end of year.
Give particulars (details) in column (a) of any nominally issued capital stock, reacquired stock, or stock in sinking and other funds which is pledged, stating name of pledgee and purposes of pledge.

OUTSTANDING PER BALANCE SHEET (Total amount outstanding without reduction for amounts held by respondent)		HELD BY RESPONDENT				Line No.
		AS REACQUIRED STOCK (Account 217)		IN SINKING AND OTHER FUNDS		
Shares (e)	Amount (f)	Shares (g)	Cost (h)	Shares (i)	Amount (j)	
						1
						2
64,428,688	64,428,688	23,696,262	394,714,658			3
64,428,688	64,428,688	23,696,262	394,714,658			4
						5
						6
						7
						8
						9
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						42

OTHER PAID-IN CAPITAL (Accounts 208-211, inc.)

Report below the balance at the end of the year and the information specified below for the respective other paid-in capital accounts. Provide a subheading for each account and show a total for the account, as well as total of all accounts for reconciliation with balance sheet, Page 112. Add more columns for any account if deemed necessary. Explain changes made in any account during the year and give the accounting entries effecting such change.

(a) Donations Received from Stockholders (Account 208)-State amount and give brief explanation of the origin and purpose of each donation.

(b) Reduction in Par or Stated value of Capital Stock (Account 209): State amount and give brief explanation of the capital change which gave rise to amounts reported under this caption including identification with the class and series of stock to which related.

(c) Gain on Resale or Cancellation of Reacquired Capital Stock (Account 210): Report balance at beginning of year, credits, debits, and balance at end of year with a designation of the nature of each credit and debit identified by the class and series of stock to which related.

(d) Miscellaneous Paid-in Capital (Account 211)-Classify amounts included in this account according to captions which, together with brief explanations, disclose the general nature of the transactions which gave rise to the reported amounts.

Line No.	Item (a)	Amount (b)
1	210. Gain on Resale or Cancellation of Reacquired Capital Stock	
2	Balance at Beginning of Year	
3	Credits:	
4	Restricted Common Stock Awards	5,234,504
5	Performance Awards Vested	2,099,663
6	Compensation Paid in Shares to Board of Directors of the Company	848,358
7	Restricted Common Stock Awards Forfeited	1,346,628
8	Debits:	
9	Retirement of Treasury Shares	-5,551,933
10	Taxes Withheld Related to Restricted Common Stock Awards	-1,094,044
11	Taxes Withheld Related to Performance Awards Vested	-1,293,168
12	Total - Account 210	1,590,008
13		
14	211. Miscellaneous Paid-in Capital	
15	Deferred Compensation:	
16	Performance Awards	2,078,067
17		
18		
19		
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40	TOTAL	3,668,075

Schedule Page: 253 Line No.: 12 Column: b

Represents the additional compensation in excess of the treasury stock average cost of $16.66 per share, net of taxes withheld and forfeitures, related to grants of restricted share awards, performance share awards vested and compensation paid in shares of Company common stock to the Board of Directors of the Company issued from the shares of Company common stock repurchased and held in treasury stock.

Schedule Page: 253 Line No.: 16 Column: b

Represents deferred compensation related to grants of performance share awards to officers in 2017, 2018 and 2019 under the Company's existing long-term incentive plans, which provide for the issuance of Company common stock based on the achievement of certain performance criteria over a three-year period. The amounts will be transferred to Account 210 when the performance shares vest.

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
El Paso Electric Company	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2019/Q4

CAPITAL STOCK EXPENSE (Account 214)

1. Report the balance at end of the year of discount on capital stock for each class and series of capital stock.
2. If any change occurred during the year in the balance in respect to any class or series of stock, attach a statement giving particulars (details) of the change. State the reason for any charge-off of capital stock expense and specify the account charged.

Line No.	Class and Series of Stock (a)	Balance at End of Year (b)
1	214. Capital Stock Expense	340,939
2		
3		
4		
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19		
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21		
22	TOTAL	340,939

Name of Respondent El Paso Electric Company	This Report Is: (1) [X] An Original (2) [ ] A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2019/Q4

LONG-TERM DEBT (Account 221, 222, 223 and 224)

1. Report by balance sheet account the particulars (details) concerning long-term debt included in Accounts 221, Bonds, 222, Reacquired Bonds, 223, Advances from Associated Companies, and 224, Other long-Term Debt.
2. In column (a), for new issues, give Commission authorization numbers and dates.
3. For bonds assumed by the respondent, include in column (a) the name of the issuing company as well as a description of the bonds.
4. For advances from Associated Companies, report separately advances on notes and advances on open accounts. Designate demand notes as such. Include in column (a) names of associated companies from which advances were received.
5. For receivers, certificates, show in column (a) the name of the court -and date of court order under which such certificates were issued.
6. In column (b) show the principal amount of bonds or other long-term debt originally issued.
7. In column (c) show the expense, premium or discount with respect to the amount of bonds or other long-term debt originally issued.
8. For column (c) the total expenses should be listed first for each issuance, then the amount of premium (in parentheses) or discount. Indicate the premium or discount with a notation, such as (P) or (D). The expenses, premium or discount should not be netted.
9. Furnish in a footnote particulars (details) regarding the treatment of unamortized debt expense, premium or discount associated with issues redeemed during the year. Also, give in a footnote the date of the Commission's authorization of treatment other than as specified by the Uniform System of Accounts.

Line No.	Class and Series of Obligation, Coupon Rate (For new issue, give commission Authorization numbers and dates) (a)	Principal Amount Of Debt issued (b)	Total expense, Premium or Discount (c)
1	Account 221		
2			
3	2009 Series A Palo Verde Pollution Control Bonds	63,500,000	755,357
4	2009 Series B Palo Verde Pollution Control Bonds	37,100,000	470,463
5	2012 Series A Palo Verde Pollution Control Bonds	59,235,000	896,854
6			
7	Subtotal	159,835,000	2,122,674
8			
9	Account 222		
10			
11	Subtotal		
12			
13	Account 224		
14			
15	2005 Senior Notes	400,000,000	5,239,886
16			2,312,000 D
17	2008 Senior Notes	150,000,000	1,714,035
18			1,281,000 D
19	2012 Senior Notes	150,000,000	1,338,657
20			318,000 D
21	2014 Senior Notes	150,000,000	1,787,396
22			532,500 D
23	2016 Senior Notes	150,000,000	1,762,201
24			-7,051,500 P
25	2018 Senior Notes	125,000,000	893,476
26			
27	Treasury Rate Lock Agreements		
28	Subtotal	1,125,000,000	10,127,651
29			
30	Interest on obligations under capital lease (Rio Grande Resources Trust):		
31	$45 million RGRT Senior Notes and $65 million RGRT Senior Guaranteed Notes		
32	Revolving Credit Facility		
33	TOTAL	1,284,835,000	12,250,325

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
El Paso Electric Company	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2019/Q4

LONG-TERM DEBT (Account 221, 222, 223 and 224) (Continued)

10. Identify separate undisposed amounts applicable to issues which were redeemed in prior years.
11. Explain any debits and credits other than debited to Account 428, Amortization and Expense, or credited to Account 429, Premium on Debt - Credit.
12. In a footnote, give explanatory (details) for Accounts 223 and 224 of net changes during the year. With respect to long-term advances, show for each company: (a) principal advanced during year, (b) interest added to principal amount, and (c) principle repaid during year. Give Commission authorization numbers and dates.
13. If the respondent has pledged any of its long-term debt securities give particulars (details) in a footnote including name of pledgee and purpose of the pledge.
14. If the respondent has any long-term debt securities which have been nominally issued and are nominally outstanding at end of year, describe such securities in a footnote.
15. If interest expense was incurred during the year on any obligations retired or reacquired before end of year, include such interest expense in column (i). Explain in a footnote any difference between the total of column (i) and the total of Account 427, interest on Long-Term Debt and Account 430, Interest on Debt to Associated Companies.
16. Give particulars (details) concerning any long-term debt authorized by a regulatory commission but not yet issued.

Nominal Date of Issue (d)	Date of Maturity (e)	AMORTIZATION PERIOD Date From (f)	AMORTIZATION PERIOD Date To (g)	Outstanding (Total amount outstanding without reduction for amounts held by respondent) (h)	Interest for Year Amount (i)	Line No.
						1
						2
03/26/09	02/01/40	03/26/09	02/01/40	63,500,000	1,780,646	3
03/26/09	04/01/40	03/26/09	04/01/40	37,100,000	1,488,637	4
08/28/12	08/01/42	08/28/12	08/01/42	59,235,000	2,665,575	5
						6
				159,835,000	5,934,858	7
						8
						9
						10
						11
						12
						13
						14
05/17/05	05/15/35	05/17/05	05/15/35	400,000,000	24,000,000	15
						16
06/03/08	03/15/38	06/03/08	03/15/38	150,000,000	11,250,000	17
						18
12/06/12	12/15/22	12/06/12	12/15/22	150,000,000	4,950,000	19
						20
12/01/14	12/01/44	12/01/14	12/01/44	150,000,000	7,500,000	21
						22
03/24/16	12/01/44	03/24/16	12/01/44	150,000,000	7,500,000	23
						24
06/28/18	08/15/28	06/28/18	08/15/28	125,000,000	5,275,000	25
						26
					605,460	27
				1,125,000,000	61,080,460	28
						29
						30
					4,913,500	31
					1,019,822	32
				1,284,835,000	72,948,640	33

Schedule Page: 256 Line No.: 3 Column: b

The 7.25% 2009 Series A Pollution Control Bonds had an optional redemption beginning in February 2019. On February 1, 2019, the Company purchased in lieu of redemption all of the bonds with a principal amount of $63.5 million utilizing funds borrowed under the Revolving Credit Facility. Unamortized debt expense was reclassified to FERC account 189 - Unamortized Loss on Reacquired Debt being amortized through original maturity term. On May 22, 2019, the Company reoffered and sold $63.5 million aggregate principal amount of 2009 Series A 7.25% PCBs with a fixed interest rate of 3.60% per annum until the bonds mature on February 1, 2040. The bonds are subject to optional redemption at a redemption price of par on or after June 1, 2029. Proceeds from the remarketing of the bonds were primarily used to repay outstanding short-term borrowings under the Revolving Credit Facility.

Schedule Page: 256 Line No.: 4 Column: b

The 7.25% 2009 Series B Pollution Control Bonds had an optional redemption beginning in April 2019. On April 1, 2019, the Company purchased in lieu of redemption all of the bonds with a principal amount of $37.1 million utilizing funds borrowed under the Revolving Credit Facility. Unamortized debt expense was reclassified to FERC account 189 - Unamortized Loss on Reacquired Debt and being amortized through original maturity term. On May 22, 2019, the Company reoffered and sold $37.1 million aggregate principal amount of 2009 Series B 7.25% PCBs with a fixed interest rate of 3.60% per annum until the bonds mature on April 1, 2040. The bonds are subject to optional redemption at a redemption price of par on or after June 1, 2029. Proceeds from the remarketing of the bonds were primarily used to repay outstanding short-term borrowings under the Revolving Credit Facility.

Schedule Page: 256 Line No.: 30 Column: a

Rio Grande Resources Trust is a trust through which the Company finances its portion of nuclear fuel for Palo Verde.

Schedule Page: 256 Line No.: 31 Column: b

Obligations under capital lease-noncurrent are recorded in FERC account 227.

Schedule Page: 256 Line No.: 32 Column: b

Obligations under capital lease-current are recorded in FERC account 243.

RECONCILIATION OF REPORTED NET INCOME WITH TAXABLE INCOME FOR FEDERAL INCOME TAXES

1. Report the reconciliation of reported net income for the year with taxable income used in computing Federal income tax accruals and show computation of such tax accruals. Include in the reconciliation, as far as practicable, the same detail as furnished on Schedule M-1 of the tax return for the year. Submit a reconciliation even though there is no taxable income for the year. Indicate clearly the nature of each reconciling amount.
2. If the utility is a member of a group which files a consolidated Federal tax return, reconcile reported net income with taxable net income as if a separate return were to be field, indicating, however, intercompany amounts to be eliminated in such a consolidated return. State names of group member, tax assigned to each group member, and basis of allocation, assignment, or sharing of the consolidated tax among the group members.
3. A substitute page, designed to meet a particular need of a company, may be used as Long as the data is consistent and meets the requirements of the above instructions. For electronic reporting purposes complete Line 27 and provide the substitute Page in the context of a footnote.

Line No.	Particulars (Details) (a)	Amount (b)
1	Net Income for the Year (Page 117)	123,715,379
2		
3		
4	Taxable Income Not Reported on Books	
5	(see page 261 footnote)	-28,598,252
6		
7		
8		
9	Deductions Recorded on Books Not Deducted for Return	
10	(see page 261 footnote)	22,640,696
11		
12		
13		
14	Income Recorded on Books Not Included in Return	
15	(see page 261 footnote)	1,337,080
16		
17		
18		
19	Deductions on Return Not Charged Against Book Income	
20	(see page 261 footnote)	-2,140,023
21		
22		
23		
24	Federal Income Taxes (detail below)	31,300,482
25		
26		
27	Federal Tax Net Income	148,255,362
28	Show Computation of Tax:	
29		
30		
31	Tax Computed at Statutory Rate	32,754,901
32	ITC Amortization Net of Deferred Taxes	-1,279,516
33	Amortization of Excess Deferred Taxes	952,500
34	Permanent Differences	-1,041,108
35	State Income Taxes (Federal Effect)	-201,562
36	Amortization of Regulatory Assets	-340,124
37	Allowance for Equity FundsUsed During Construction	455,391
38	Other	
39		
40		
41		
42	Total Federal Income Tax Expense (Benefit)	31,300,482
43		
44		

Schedule Page: 261 Line No.: 5 Column: a

Taxable Income Not Reported on Books
< Page 261, Line 5, Column b >

Contributions in aid of construction	3,831,619
Capitalized Construction Interest and Capitalized Costs	4,072,292
Decommissioning Costs	(34,755,313)
Other	(1,746,850)
Taxable Income Not Reported on Books	(28,598,252)

Deductions Recorded on Books not Deducted for Return
< Page 261, Line 10, Column b >

Coal Reclamation	1,450,876
Debt Issuance Costs	(901,310)
Deferred Fuel	7,370,553
Lobbying	756,745
Meals and Entertainment	78,561
Non-deductible Transaction Costs	4,614,051
SFAS 143 Asset Retirement Obligation	8,997,104
State Income Taxes	(1,070,839)
Taxes Other Than Federal	1,344,955
Deductions Recorded on Books Not Deducted for Return	22,640,696

Income Recorded on Books Not Deducted for Return
< Page 261, Line 15, Column b >

AFUDC	2,274,042
Unbilled Revenue	(936,962)
Income Reported on Books Not Included in Return	1,337,080

Deductions on Return Not Charged Against Book Income
< Page 261, Line 20, Column b >

Depreciation and Amortization Differences	19,354,433
Employee Benefits	(10,206,811)
Decommissioning Costs	(5,819,170)
Repair Allowance	(142,736)
Section 174 R&D	(5,325,739)
Deductions on Return not Charged Against Book Income	(2,140,023)

Tax Computed at Statutory Rate
< Page 261, Line 31, Column b >

Net Income	123,715,377
Federal and State Income Tax Expense	32,260,348
Pre-Tax Income	155,975,725
Tax Rate	21%
Tax Computed at Statutory Rate	32,754,901

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
El Paso Electric Company	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2019/Q4

TAXES ACCRUED, PREPAID AND CHARGED DURING YEAR

1. Give particulars (details) of the combined prepaid and accrued tax accounts and show the total taxes charged to operations and other accounts during the year. Do not include gasoline and other sales taxes which have been charged to the accounts to which the taxed material was charged. If the actual, or estimated amounts of such taxes are know, show the amounts in a footnote and designate whether estimated or actual amounts.
2. Include on this page, taxes paid during the year and charged direct to final accounts, (not charged to prepaid or accrued taxes.) Enter the amounts in both columns (d) and (e). The balancing of this page is not affected by the inclusion of these taxes.
3. Include in column (d) taxes charged during the year, taxes charged to operations and other accounts through (a) accruals credited to taxes accrued, (b)amounts credited to proportions of prepaid taxes chargeable to current year, and (c) taxes paid and charged direct to operations or accounts other than accrued and prepaid tax accounts.
4. List the aggregate of each kind of tax in such manner that the total tax for each State and subdivision can readily be ascertained.

Line No.	Kind of Tax (See instruction 5) (a)	BALANCE AT BEGINNING OF YEAR Taxes Accrued (Account 236) (b)	Prepaid Taxes (Include in Account 165) (c)	Taxes Charged During Year (d)	Taxes Paid During Year (e)	Adjust-ments (f)
1	FEDERAL					
2	Current FIT Payable		8,974,986	14,034,986	5,060,000	
3	Prior Years	3,162,891	43,062	-8,328,597	-8,827,740	
4	FUTA			49,046	49,046	
5	Insurance Contributions	1,653		5,034,470	5,036,123	
6	Subtotal	3,164,544	9,018,048	10,789,905	1,317,429	
7						
8	State County & Local - TX					
9	Ad Valorem	15,266,716		16,636,604	15,272,227	
10	Gross Receipts	2,272,169		9,939,398	9,993,851	
11	Unemployment			38,663	38,663	
12	Franchise Tax / Margin Tax	1,456,434		1,956,983	1,916,577	
13	Use Tax	180,986		6,354,901	5,932,033	
14	Regulatory Commission	578,633		960,259	979,345	
15	Franchise Fees (OSR)	5,778,815	9,576	24,212,267	24,398,587	
16	Subtotal	25,533,753	9,576	60,099,075	58,531,283	
17						
18	State County & Local - NM					
19	Ad Valorem	1,970,052	1,451	4,413,279	3,442,327	
20	Income	5,525		704,562	700,050	
21	Unemployment			21,179	21,179	
22	Compensating	83,617		419,068	462,642	
23	Regulatory Commission	933,895		888,005	931,797	
24	Franchise Fees (OSR)	202,275	107,614	3,565,498	3,693,018	
25	L.C. Fran,Pumping Facility					
26	Payroll Taxes					
27	Worker's Comp Fee					
28						
29						
30	Other Taxes			-26,044	-26,044	
31	Subtotal	3,195,364	109,065	9,985,547	9,224,969	
32						
33						
34	State County & Local - AZ					
35	Ad Valorem	3,683,968		6,935,784	7,152,266	
36	Income	-1,791,206		-630,839	-300,000	
37	Palo Verde Payroll Taxes			3,078,374	3,078,374	
38	Sales & Use Taxes	4,729		13,061	4,729	
39	Subtotal	1,897,491		9,396,380	9,935,369	
40						
41	TOTAL	33,791,152	9,136,689	90,270,907	79,009,050	

Name of Respondent El Paso Electric Company	This Report Is: (1) [X] An Original (2) [ ] A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2019/Q4

TAXES ACCRUED, PREPAID AND CHARGED DURING YEAR (Continued)

5. If any tax (exclude Federal and State income taxes)- covers more then one year, show the required information separately for each tax year, identifying the year in column (a).
6. Enter all adjustments of the accrued and prepaid tax accounts in column (f) and explain each adjustment in a foot- note. Designate debit adjustments by parentheses.
7. Do not include on this page entries with respect to deferred income taxes or taxes collected through payroll deductions or otherwise pending transmittal of such taxes to the taxing authority.
8. Report in columns (i) through (l) how the taxes were distributed. Report in column (l) only the amounts charged to Accounts 408.1 and 409.1 pertaining to electric operations. Report in column (l) the amounts charged to Accounts 408.1 and 109.1 pertaining to other utility departments and amounts charged to Accounts 408.2 and 409.2. Also shown in column (l) the taxes charged to utility plant or other balance sheet accounts.
9. For any tax apportioned to more than one utility department or account, state in a footnote the basis (necessity) of apportioning such tax.

BALANCE AT END OF YEAR		DISTRIBUTION OF TAXES CHARGED				Line No.
(Taxes accrued Account 236) (g)	Prepaid Taxes (Incl. in Account 165) (h)	Electric (Account 408.1, 409.1) (i)	Extraordinary Items (Account 409.3) (j)	Adjustments to Ret. Earnings (Account 439) (k)	Other (l)	
						1
		3,405,994			10,628,992	2
3,618,972		-1,007,907			-7,320,690	3
		60,052			-11,006	4
		6,164,246			-1,129,776	5
3,618,972		8,622,385			2,167,520	6
						7
						8
16,631,093		16,636,604				9
2,217,716		9,939,398				10
		47,339			-8,676	11
1,496,840		1,954,838			2,145	12
603,854		77,182			6,277,719	13
559,547		960,259				14
5,591,214	8,295	24,212,267				15
27,100,264	8,295	53,827,887			6,271,188	16
						17
						18
2,941,004	1,451	4,413,279				19
10,037		697,983			6,579	20
		25,932			-4,753	21
40,043		17,427			401,641	22
890,103		888,005				23
201,982	234,841	87,064			3,478,434	24
						25
						26
						27
						28
						29
		-26,044				30
4,083,169	236,292	6,103,646			3,881,901	31
						32
						33
						34
3,477,555		6,945,853			-10,069	35
-2,122,045		-634,119			3,280	36
		2,902,320			176,054	37
13,061					13,061	38
1,368,571		9,214,054			182,326	39
						40
36,170,976	244,587	77,767,972			12,502,935	41

ACCUMULATED DEFERRED INVESTMENT TAX CREDITS (Account 255)

Report below information applicable to Account 255. Where appropriate, segregate the balances and transactions by utility and nonutility operations. Explain by footnote any correction adjustments to the account balance shown in column (g).Include in column (i) the average period over which the tax credits are amortized.

Line No.	Account Subdivisions (a)	Balance at Beginning of Year (b)	Deferred for Year		Allocations to Current Year's Income		Adjustments (g)
			Account No. (c)	Amount (d)	Account No. (e)	Amount (f)	
1	Electric Utility						
2	3%						
3	4%						
4	7%						
5	10%	16,214,277			411.4	1,501,312	
6	30%	6,364,721			411.4	118,328	
7							
8	TOTAL	22,578,998				1,619,640	
9	Other (List separately and show 3%, 4%, 7%, 10% and TOTAL)						
10					411.4	1,619,640	
11							
12							
13							
14							
15							
16							
17							
18							
19							
20							
21							
22							
23							
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40							
41							
42							
43							
44							
45							
46							
47							
48							

ACCUMULATED DEFERRED INVESTMENT TAX CREDITS (Account 255) (continued)

Balance at End of Year (h)	Average Period of Allocation to Income (i)	ADJUSTMENT EXPLANATION	Line No.
			1
			2
			3
			4
14,712,965			5
6,246,393			6
			7
20,959,358			8
			9
-1,619,640			10
			11
			12
			13
			14
			15
			16
			17
			18
			19
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			21
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			28
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			46
			47
			48

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
El Paso Electric Company	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2019/Q4

OTHER DEFFERED CREDITS (Account 253)

1. Report below the particulars (details) called for concerning other deferred credits.
2. For any deferred credit being amortized, show the period of amortization.
3. Minor items (5% of the Balance End of Year for Account 253 or amounts less than $100,000, whichever is greater) may be grouped by classes.

Line No.	Description and Other Deferred Credits (a)	Balance at Beginning of Year (b)	DEBITS Contra Account (c)	DEBITS Amount (d)	Credits (e)	Balance at End of Year (f)
1	Environmental Accrual	199,769	131	102,724	400,000	497,045
2						
3	Texas Docket 23530 Settlement	117,881			2,346	120,227
4						
5	Contribution in Aid of Construct.	863,611	416	3,630,158	6,966,620	4,200,073
6						
7	Facility & Impact Study	2,309,072	131	1,043,225	2,491,061	3,756,908
8						
9	Employment Separation Agreements	654,975	131	41,416	23,149	636,708
10						
11	New Mexico Voluntary Renewable					
12	Energy Program	189,254			24,966	214,220
13						
14	Other	138,416	131	50,000		88,416
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						
41						
42						
43						
44						
45						
46						
47	TOTAL	4,472,978		4,867,523	9,908,142	9,513,597

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
El Paso Electric Company	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2019/Q4

ACCUMULATED DEFFERED INCOME TAXES - OTHER PROPERTY (Account 282)

1. Report the information called for below concerning the respondent's accounting for deferred income taxes rating to property not subject to accelerated amortization
2. For other (Specify),include deferrals relating to other income and deductions.

Line No.	Account (a)	Balance at Beginning of Year (b)	CHANGES DURING YEAR Amounts Debited to Account 410.1 (c)	CHANGES DURING YEAR Amounts Credited to Account 411.1 (d)
1	Account 282			
2	Electric	500,140,517	12,982,015	14,976,693
3	Gas			
4				
5	TOTAL (Enter Total of lines 2 thru 4)	500,140,517	12,982,015	14,976,693
6				
7				
8				
9	TOTAL Account 282 (Enter Total of lines 5 thru 8)	500,140,517	12,982,015	14,976,693
10	Classification of TOTAL			
11	Federal Income Tax			
12	State Income Tax			
13	Local Income Tax			

NOTES

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
El Paso Electric Company	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2019/Q4

ACCUMULATED DEFERRED INCOME TAXES - OTHER PROPERTY (Account 282) (Continued)

3. Use footnotes as required.

CHANGES DURING YEAR		ADJUSTMENTS						
		Debits		Credits				
Amounts Debited to Account 410.2 (e)	Amounts Credited to Account 411.2 (f)	Account Credited (g)	Amount (h)	Account Debited (i)	Amount (j)	Balance at End of Year (k)	Line No.
							1
196,649	23,142	various	8,506,949			489,812,397	2
							3
							4
196,649	23,142		8,506,949			489,812,397	5
							6
							7
							8
196,649	23,142		8,506,949			489,812,397	9
							10
							11
							12
							13

NOTES (Continued)

Schedule Page: 274 Line No.: 2 Column: k

El Paso Electric Company
Account 282 - FERC ONLY
For the Year Ended December 31, 2019

	Balance at Beginning of Year	Balance at End of Year
Electric:		
Plant, principally due to depreciation and basis differences	$ 438,719,392	$ 435,525,319
Regulatory assets related to income taxes	35,235,564	26,728,615
Decommissioning	26,185,561	27,558,463
Total - Electric Other	$ 500,140,517	$ 489,812,397

Name of Respondent El Paso Electric Company	This Report Is: (1) [X] An Original (2) [ ] A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2019/Q4

ACCUMULATED DEFFERED INCOME TAXES - OTHER (Account 283)

1. Report the information called for below concerning the respondent's accounting for deferred income taxes relating to amounts recorded in Account 283.
2. For other (Specify),include deferrals relating to other income and deductions.

Line No.	Account (a)	Balance at Beginning of Year (b)	CHANGES DURING YEAR Amounts Debited to Account 410.1 (c)	CHANGES DURING YEAR Amounts Credited to Account 411.1 (d)
1	Account 283			
2	Electric			
3	Deferred Tax	10,650,126	8,702,590	9,019,535
4	AEFUDC			
5				
6	Excess ADSIT	7,522,178	1,262,016	
7				
8				
9	TOTAL Electric (Total of lines 3 thru 8)	18,172,304	9,964,606	9,019,535
10	Gas			
11				
12				
13				
14				
15				
16				
17	TOTAL Gas (Total of lines 11 thru 16)			
18				
19	TOTAL (Acct 283) (Enter Total of lines 9, 17 and 18)	18,172,304	9,964,606	9,019,535
20	Classification of TOTAL			
21	Federal Income Tax	10,386,300	8,022,570	8,290,888
22	State Income Tax	7,786,004	1,942,036	728,647
23	Local Income Tax			

NOTES

Name of Respondent El Paso Electric Company	This Report Is: (1) [X] An Original (2) [ ] A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2019/Q4

ACCUMULATED DEFERRED INCOME TAXES - OTHER (Account 283) (Continued)

3. Provide in the space below explanations for Page 276 and 277. Include amounts relating to insignificant items listed under Other.
4. Use footnotes as required.

CHANGES DURING YEAR		ADJUSTMENTS						
Amounts Debited to Account 410.2	Amounts Credited to Account 411.2	Debits		Credits		Balance at End of Year	Line No.
		Account Credited	Amount	Account Debited	Amount		
(e)	(f)	(g)	(h)	(i)	(j)	(k)	
							1
							2
9,745,930	2,628,543				4,116,881	21,567,449	3
				182.3	3,595,468	3,595,468	4
							5
7,608		254.3	1,607,119			7,184,683	6
							7
							8
9,753,538	2,628,543		1,607,119		7,712,349	32,347,600	9
							10
							11
							12
							13
							14
							15
							16
							17
							18
9,753,538	2,628,543		1,607,119		7,712,349	32,347,600	19
							20
9,745,930	2,628,543		1,607,119		7,105,073	22,733,323	21
7,608					607,276	9,614,277	22
							23

NOTES (Continued)

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
El Paso Electric Company	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2019/Q4

OTHER REGULATORY LIABILITIES (Account 254)

1. Report below the particulars (details) called for concerning other regulatory liabilities, including rate order docket number, if applicable.
2. Minor items (5% of the Balance in Account 254 at end of period, or amounts less than $100,000 which ever is less), may be grouped by classes.
3. For Regulatory Liabilities being amortized, show period of amortization.

Line No.	Description and Purpose of Other Regulatory Liabilities (a)	Balance at Begining of Current Quarter/Year (b)	DEBITS Account Credited (c)	DEBITS Amount (d)	Credits (e)	Balance at End of Current Quarter/Year (f)
1	Regulatory Tax Liabilities	290,359,009	Various	1,268,243	287,368	289,378,134
2						
3	Net Overcollection of:					
4	Texas Fuel Revenues	8,928,084	440s		7,601,454	16,529,538
5	New Mexico Fuel Revenues	405,548	440s	405,548		
6	New Mexico Renewable Procurement Standard Revenue	1,658,407	440s		519,566	2,177,973
7	FERC Fuel Revenues	54,505	440s	19,778		34,727
8						
9	New Mexico Energy Efficiency Program	1,694,094	451,928	1,510,600		183,494
10						
11	Texas Relate Back Surcharge	240,093	131		249,161	489,254
12						
13	New Mexico Gain on Sale of Assets	305,512	407.4	130,623		174,889
14						
15	Texas Military Base Discount and Recovery Factor		142		95,685	95,685
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						
41	TOTAL	303,645,252		3,334,792	8,753,234	309,063,694

Schedule Page: 278 Line No.: 1 Column: f

The recovery period for the regulatory liability in the amount of $256.8 million related to the reduction in the federal tax rate in 2017 will be addressed in the next base rate filings in all jurisdictions. Amortization period ranges from 5 to 40 years for items not related to the reduction in the federal tax rate in 2017.

Schedule Page: 278 Line No.: 9 Column: a

In accordance with the final order in NMPRC Case No. 06-0065-UT, the Company started collecting Energy Efficiency costs, effective May 2009, through a tariff rider approved by the NMPRC via New Mexico Rate 17. The rate is updated annually.

Schedule Page: 278 Line No.: 11 Column: a

This item relates to the recovery of revenues through two separate surcharges; one for the 2015 Texas Retail Rate Case relate back revenues beginning October 1, 2016, and ending September 30, 2017, and a second surcharge for the 2017 Texas Retail Rate Case relate back revenues beginning January 10, 2018, and ending January 9, 2019. The over-recovered balance related to these surcharges was addressed in the 2019 Texas Fuel Reconciliation, PUCT Docket No. 50058.

Schedule Page: 278 Line No.: 13 Column: a

The balance represents gains on sale of assets that will be included in the Company's next New Mexico base rate case.

Schedule Page: 278 Line No.: 15 Column: a

PURA Section 36.354 requires that each electric utility provide Military Base Rate discounts to military bases in areas where customers choice is not available. In accordance with the Final Order in Docket No. 37690, the Military Base Discount Recovery Factor allows the Company to recover the total base rate discount provided to military base facilities from non-military base customers through a recovery factor. The rate is updated annually.

Name of Respondent El Paso Electric Company	This Report Is: (1) [X] An Original (2) [ ] A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2019/Q4

ELECTRIC OPERATING REVENUES (Account 400)

1. The following instructions generally apply to the annual version of these pages. Do not report quarterly data in columns (c), (e), (f), and (g). Unbilled revenues and MWH related to unbilled revenues need not be reported separately as required in the annual version of these pages.
2. Report below operating revenues for each prescribed account, and manufactured gas revenues in total.
3. Report number of customers, columns (f) and (g), on the basis of meters, in addition to the number of flat rate accounts; except that where separate meter readings are added for billing purposes, one customer should be counted for each group of meters added. The -average number of customers means the average of twelve figures at the close of each month.
4. If increases or decreases from previous period (columns (c),(e), and (g)), are not derived from previously reported figures, explain any inconsistencies in a footnote.
5. Disclose amounts of $250,000 or greater in a footnote for accounts 451, 456, and 457.2.

Line No.	Title of Account (a)	Operating Revenues Year to Date Quarterly/Annual (b)	Operating Revenues Previous year (no Quarterly) (c)
1	Sales of Electricity		
2	(440) Residential Sales	340,078,208	355,467,342
3	(442) Commercial and Industrial Sales		
4	Small (or Comm.) (See Instr. 4)	224,196,907	240,341,389
5	Large (or Ind.) (See Instr. 4)	44,701,499	51,905,038
6	(444) Public Street and Highway Lighting	4,536,693	4,699,630
7	(445) Other Sales to Public Authorities	111,874,603	120,583,590
8	(446) Sales to Railroads and Railways		
9	(448) Interdepartmental Sales		
10	TOTAL Sales to Ultimate Consumers	725,387,910	772,996,989
11	(447) Sales for Resale	91,959,088	90,276,460
12	TOTAL Sales of Electricity	817,346,998	863,273,449
13	(Less) (449.1) Provision for Rate Refunds		
14	TOTAL Revenues Net of Prov. for Refunds	817,346,998	863,273,449
15	Other Operating Revenues		
16	(450) Forfeited Discounts	1,115,585	1,208,316
17	(451) Miscellaneous Service Revenues	16,863,585	16,291,577
18	(453) Sales of Water and Water Power		
19	(454) Rent from Electric Property	3,125,479	2,966,709
20	(455) Interdepartmental Rents		
21	(456) Other Electric Revenues	921,958	836,730
22	(456.1) Revenues from Transmission of Electricity of Others	22,620,638	19,025,825
23	(457.1) Regional Control Service Revenues		
24	(457.2) Miscellaneous Revenues		
25			
26	TOTAL Other Operating Revenues	44,647,245	40,329,157
27	TOTAL Electric Operating Revenues	861,994,243	903,602,606

Name of Respondent El Paso Electric Company	This Report Is: (1) [X] An Original (2) [ ] A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2019/Q4

ELECTRIC OPERATING REVENUES (Account 400)

6. Commercial and industrial Sales, Account 442, may be classified according to the basis of classification (Small or Commercial, and Large or Industrial) regularly used by the respondent if such basis of classification is not generally greater than 1000 Kw of demand. (See Account 442 of the Uniform System of Accounts. Explain basis of classification in a footnote.)
7. See pages 108-109, Important Changes During Period, for important new territory added and important rate increase or decreases.
8. For Lines 2,4,5,and 6, see Page 304 for amounts relating to unbilled revenue by accounts.
9. Include unmetered sales. Provide details of such Sales in a footnote.

MEGAWATT HOURS SOLD		AVG.NO. CUSTOMERS PER MONTH		Line No.
Year to Date Quarterly/Annual (d)	Amount Previous year (no Quarterly) (e)	Current Year (no Quarterly) (f)	Previous Year (no Quarterly) (g)	
				1
2,998,517	2,988,695	380,155	374,138	2
				3
2,406,623	2,431,920	42,685	42,349	4
1,028,162	1,050,834	48	48	5
39,624	38,745	227	212	6
1,528,734	1,524,482	6,076	5,534	7
				8
				9
8,001,660	8,034,676	429,191	422,281	10
3,878,943	3,694,319	22	24	11
11,880,603	11,728,995	429,213	422,305	12
				13
11,880,603	11,728,995	429,213	422,305	14

Line 12, column (b) includes $ 3,995,000 of unbilled revenues.

Line 12, column (d) includes 45,581 MWH relating to unbilled revenues

Schedule Page: 300 Line No.: 11 Column: d

Includes 829,307 MWhs related to the Company's Power Purchase and Sales Agreement with Freeport-McMoRan dated December 16, 2005.

Schedule Page: 300 Line No.: 11 Column: e

Includes 947,367 MWhs related to the Company's Power Purchase and Sales Agreement with Freeport-McMoRan dated December 16, 2005.

Schedule Page: 300 Line No.: 12 Column: d

Includes 829,307 MWhs related to the Company's Power Purchase and Sales Agreement with Freeport-McMoRan dated December 16, 2005.

Schedule Page: 300 Line No.: 12 Column: e

Includes 947,367 MWhs related to the Company's Power Purchase and Sales Agreement with Freeport-McMoRan dated December 16, 2005.

Schedule Page: 300 Line No.: 14 Column: d

Includes 829,307 MWhs related to the Company's Power Purchase and Sales Agreement with Freeport-McMoRan dated December 16, 2005.

Schedule Page: 300 Line No.: 14 Column: e

Includes 947,367 MWhs related to the Company's Power Purchase and Sales Agreement with Freeport-McMoRan dated December 16, 2005.

Schedule Page: 300 Line No.: 17 Column: b

Below is the detail of Miscellaneous Service Revenues recorded in account 451:

	December 2019
Non Pay Reconnect Charges	1,638,190
Name Change/Cut in Charge	2,237,150
New Service Charges	379,609
Overhead/Underground Connection Charges	762,728
Texas Energy Efficiency Bonus and New Mexico Energy Efficiency Incentive	1,562,070
Texas and New Mexico Energy Efficiency Cost Recovery	9,458,494
Misc Other	825,344
Total	16,863,585

Schedule Page: 300 Line No.: 17 Column: c

Below is the detail of Miscellaneous Service Revenues recorded in account 451:

	December 2018
Non Pay Reconnect Charges	2,280,925
Name Change/Cut in Charge	2,278,662
New Service Charges	366,659
Overhead/Underground Connection Charges	699,223
Texas Energy Efficiency Bonus and New Mexico Energy Efficiency Incentive	1,314,123
Texas and New Mexico Energy Efficiency Cost Recovery	8,888,060
Misc Other	463,925
Total	16,291,577

Schedule Page: 300 Line No.: 21 Column: b

Includes $484,958 related to the Company's 15.8% share of Palo Verde other electric revenues from APS.

Includes $437,000 related to the sale of renewable energy certificates.

Schedule Page: 300 Line No.: 21 Column: c

Includes $440,480 related to the Company's 15.8% share of Palo Verde other electric revenues from APS.

Includes $396,250 related to the sale of renewable energy certificates.

Schedule Page: 300 Line No.: 27 Column: b

Includes the effect of rate increases approved by the PUCT in Docket No. 49395 on September 27, 2019 and in Docket No. 49148 on December 16, 2019.

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
El Paso Electric Company	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2019/Q4

SALES OF ELECTRICITY BY RATE SCHEDULES

1. Report below for each rate schedule in effect during the year the MWH of electricity sold, revenue, average number of customer, average Kwh per customer, and average revenue per Kwh, excluding date for Sales for Resale which is reported on Pages 310-311.
2. Provide a subheading and total for each prescribed operating revenue account in the sequence followed in "Electric Operating Revenues," Page 300-301. If the sales under any rate schedule are classified in more than one revenue account, List the rate schedule and sales data under each applicable revenue account subheading.
3. Where the same customers are served under more than one rate schedule in the same revenue account classification (such as a general residential schedule and an off peak water heating schedule), the entries in column (d) for the special schedule should denote the duplication in number of reported customers.
4. The average number of customers should be the number of bills rendered during the year divided by the number of billing periods during the year (12 if all billings are made monthly).
5. For any rate schedule having a fuel adjustment clause state in a footnote the estimated additional revenue billed pursuant thereto.
6. Report amount of unbilled revenue as of end of year for each applicable revenue account subheading.

Line No.	Number and Title of Rate schedule (a)	MWh Sold (b)	Revenue (c)	Average Number of Customers (d)	KWh of Sales Per Customer (e)	Revenue Per KWh Sold (f)
1	(440)					
2	RESIDENTIAL SALES-TX					
3	CS Community Solar		11,865			
4	01 Residential Service	2,265,343	271,209,687	291,525	7,771	0.1197
5	28 Private Area Lighting Service	1,976	291,098	225	8,782	0.1473
6	EVC Electric Vehicle Charging	12	436			0.0363
7	Deferred Fuel		-9,607,679			
8	Unbilled Revenue	10,787	1,535,000			0.1423
9	TX Relate Back		1,265,322			
10						
11	RESIDENTIAL SALES-NM					
12	01 Residential Service	713,422	74,499,452	88,103	8,098	0.1044
13	12 Private Area Lighting Service	2,610	555,558	302	8,642	0.2129
14	Deferred Fuel		-28,510			
15	Unbilled Revenue	4,367	353,000			0.0808
16	Renewable Energy Credit		-7,021			
17						
18	Total (440)	2,998,517	340,078,208	380,155	7,888	0.1134
19						
20	(442)					
21	C&I SALES SMALL-TX					
22	CS Community Solar		1,897			
23	02 Small Commercial Service	251,052	32,383,641	24,767	10,137	0.1290
24	07 Outdoor Recreational Lighting	211	26,861	13	16,231	0.1273
25	22 Irrigation Service	3,047	334,546	129	23,620	0.1098
26	24 General Service	1,391,675	129,302,133	6,750	206,174	0.0929
27	25 Large Power Service	231,953	16,421,764	57	4,069,351	0.0708
28	28 Private Area Lighting Service	15,244	1,738,531	448	34,027	0.1140
29	34 Cotton Gin Service	2,340	199,140	2	1,170,000	0.0851
30	EVC Electric Vehicle Charging	6	275			0.0458
31	Deferred Fuel		-8,383,836			
32	Unbilled Revenue	8,492	703,000			0.0828
33	TX Relate Back		981,634			
34						
35	C&I SALES SMALL-NM					
36	03 Small Commercial Service	151,607	18,921,823	8,955	16,930	0.1248
37	04 General Service	268,400	23,952,927	558	481,004	0.0892
38	05 Irrigation Service	42,799	3,975,715	830	51,565	0.0929
39	08 Municipal Water Pumping	2,704	208,173	25	108,160	0.0770
40	09 Large Power Service	19,611	1,356,977	4	4,902,750	0.0692
41	TOTAL Billed	7,956,079	721,392,910	429,191	18,537	0.0907
42	Total Unbilled Rev.(See Instr. 6)	45,581	3,995,000	0	0	0.0876
43	TOTAL	8,001,660	725,387,910	429,191	18,644	0.0907

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
El Paso Electric Company	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2019/Q4

SALES OF ELECTRICITY BY RATE SCHEDULES

1. Report below for each rate schedule in effect during the year the MWH of electricity sold, revenue, average number of customer, average Kwh per customer, and average revenue per Kwh, excluding date for Sales for Resale which is reported on Pages 310-311.
2. Provide a subheading and total for each prescribed operating revenue account in the sequence followed in "Electric Operating Revenues," Page 300-301. If the sales under any rate schedule are classified in more than one revenue account, List the rate schedule and sales data under each applicable revenue account subheading.
3. Where the same customers are served under more than one rate schedule in the same revenue account classification (such as a general residential schedule and an off peak water heating schedule), the entries in column (d) for the special schedule should denote the duplication in number of reported customers.
4. The average number of customers should be the number of bills rendered during the year divided by the number of billing periods during the year (12 if all billings are made monthly).
5. For any rate schedule having a fuel adjustment clause state in a footnote the estimated additional revenue billed pursuant thereto.
6. Report amount of unbilled revenue as of end of year for each applicable revenue account subheading.

Line No.	Number and Title of Rate schedule (a)	MWh Sold (b)	Revenue (c)	Average Number of Customers (d)	KWh of Sales Per Customer (e)	Revenue Per KWh Sold (f)
1	12 Private Area Lighting Service	2,096	430,902	94	22,298	0.2056
2	19 Seasonal Agr. Processing Svc.	7,744	949,101	45	172,089	0.1226
3	25 Outdoor Recreational Lighting	35	5,024	7	5,000	0.1435
4	29 Interrupt. Svc. for Lg. Power	5,238	296,086	1	5,238,000	0.0565
5	Deferred Fuel		133,627			
6	Unbilled Revenue	2,369	260,000			0.1098
7	Renewable Energy Credit		-3,034			
8						
9	C&I SALES LARGE-TX					
10	15 Electrolytic Refining	34,043	2,156,362	1	34,043,000	0.0633
11	25 Large Power Service	232,676	16,412,454	32	7,271,125	0.0705
12	26 Petroleum Refinery Service	332,242	15,227,431	1	332,242,000	0.0458
13	28 Private Area Lighting Service	203	21,227			0.1046
14	30 Electric Furnace	21,084	1,371,244	1	21,084,000	0.0650
15	38 Interrupt. Svc. for Lg. Power	330,006	8,690,639	4	82,501,500	0.0263
16	Deferred Fuel		-4,228,769			
17	Unbilled Revenue	4,681	224,000			0.0479
18	TX Relate Back		212,846			
19						
20	C&I SALES LARGE-NM					
21	09 Large Power Service	57,141	3,756,050	7	8,163,000	0.0657
22	29 Interrupt. Svc. for Lg. Power	14,952	782,884	2	7,476,000	0.0524
23	Deferred Fuel		30,131			
24	Unbilled Revenue	1,134	45,000			0.0397
25						
26	Total (442)	3,434,785	268,898,406	42,733	80,378	0.0783
27						
28	(444)					
29	PUBLIC ST. & HIGHWAY LIGHT-TX					
30	08 Gov't Street Lights and Signal	37,338	4,309,663	211	176,957	0.1154
31	Deferred Fuel		-164,500			
32	Unbilled Revenue	489	53,000			0.1084
33	University Discount		-407			
34	TX Relate Back		616			
35						
36	PUBLIC ST. & HIGHWAY LIGHT-NM					
37	11 Municipal St. Lighting and Sig	1,777	334,579	16	111,063	0.1883
38	Deferred Fuel		742			
39	Unbilled Revenue	20	3,000			0.1500
40						
41	TOTAL Billed	7,956,079	721,392,910	429,191	18,537	0.0907
42	Total Unbilled Rev.(See Instr. 6)	45,581	3,995,000	0	0	0.0876
43	TOTAL	8,001,660	725,387,910	429,191	18,644	0.0907

SALES OF ELECTRICITY BY RATE SCHEDULES

1. Report below for each rate schedule in effect during the year the MWH of electricity sold, revenue, average number of customer, average Kwh per customer, and average revenue per Kwh, excluding date for Sales for Resale which is reported on Pages 310-311.
2. Provide a subheading and total for each prescribed operating revenue account in the sequence followed in "Electric Operating Revenues," Page 300-301. If the sales under any rate schedule are classified in more than one revenue account, List the rate schedule and sales data under each applicable revenue account subheading.
3. Where the same customers are served under more than one rate schedule in the same revenue account classification (such as a general residential schedule and an off peak water heating schedule), the entries in column (d) for the special schedule should denote the duplication in number of reported customers.
4. The average number of customers should be the number of bills rendered during the year divided by the number of billing periods during the year (12 if all billings are made monthly).
5. For any rate schedule having a fuel adjustment clause state in a footnote the estimated additional revenue billed pursuant thereto.
6. Report amount of unbilled revenue as of end of year for each applicable revenue account subheading.

Line No.	Number and Title of Rate schedule (a)	MWh Sold (b)	Revenue (c)	Average Number of Customers (d)	KWh of Sales Per Customer (e)	Revenue Per KWh Sold (f)
1	Total (444)	39,624	4,536,693	227	174,555	0.1145
2						
3	(445)					
4	OTHER SALES PUB AUTH-TX					
5	01 Residential Service	1,884	264,458	675	2,791	0.1404
6	02 Small Commercial Service	12,265	1,630,863	1,678	7,309	0.1330
7	07 Outdoor Recreational Lighting	5,350	633,196	204	26,225	0.1184
8	11 Municipal Pumping Service	178,939	12,333,916	399	448,469	0.0689
9	22 Irrigation Service	1,662	170,180	16	103,875	0.1024
10	24 General Service	179,440	17,071,422	579	309,914	0.0951
11	25 Large Power Service	123,030	8,686,135	17	7,237,059	0.0706
12	28 Private Area Lighting Service	8,262	895,268	145	56,979	0.1084
13	31 Military Reservation Service	283,584	16,732,070	1	283,584,000	0.0590
14	38 Interrupt. Svc. for Lg. Power	73,243	2,177,770	1	73,243,000	0.0297
15	41 City and County Service	253,570	26,649,034	874	290,126	0.1051
16	45 Supplemental Power	23,595	1,408,605	1	23,595,000	0.0597
17	Deferred Fuel		-5,018,730			
18	Unbilled Revenue	10,993	715,000			0.0650
19	University Discount		-892,998			
20	TX Relate Back		504,525			
21						
22	OTHER SALES PUB AUTH-NM					
23	01 Residential Service	108	13,824	45	2,400	0.1280
24	03 Small Commercial Service	7,115	924,190	366	19,440	0.1299
25	04 General Service	38,953	3,482,150	77	505,883	0.0894
26	05 Irrigation Service	414	38,183	7	59,143	0.0922
27	07 City and County Service	60,816	6,084,987	766	79,394	0.1001
28	08 Municipal Pumping Service	33,549	2,541,688	159	211,000	0.0758
29	09 Large Power Service	70,731	4,546,023	7	10,104,429	0.0643
30	10 Military Research & Dev. Power	127,407	7,969,828	2	63,703,500	0.0626
31	12 Private Area Lighting Service	412	80,821	35	11,771	0.1962
32	25 Outdoor Recreational Lighting	809	87,927	21	38,524	0.1087
33	26 State University Service	30,354	1,977,700	1	30,354,000	0.0652
34	Deferred Fuel		77,479			
35	Unbilled Revenue	2,249	104,000			0.0462
36	Renewable Energy Credit		-14,911			
37						
38	Total (445)	1,528,734	111,874,603	6,076	251,602	0.0732
39						
40						
41	TOTAL Billed	7,956,079	721,392,910	429,191	18,537	0.0907
42	Total Unbilled Rev.(See Instr. 6)	45,581	3,995,000	0	0	0.0876
43	TOTAL	8,001,660	725,387,910	429,191	18,644	0.0907

Schedule Page: 304 Line No.: 1 Column: c

Estimated Fuel Clause Revenues by Rate Schedule

(440) RESIDENTIAL SALES

TEXAS

01	Residential Service	$ 31,134,652
28	Private Area Lighting Service	26,915
	Electrical Vehicle Charging	160
	Community Solar Fuel Credit	(111,709)
	Deferred Fuel	(9,607,679)
	Total - Texas	21,442,339

NEW MEXICO

01	Residential Service	15,615,754
12	Private Area Lighting Service	56,816
	Deferred Fuel	(28,510)
	Total - New Mexico	15,644,060
	Total (440)	$ 37,086,399

Schedule Page: 304 Line No.: 1 Column: d

There were less than 1,255 duplicate customers for all rates schedules combined in 2019.

Schedule Page: 304 Line No.: 20 Column: c

Estimated Fuel Clause Revenues by Rate Schedule

(442) COMMERCIAL AND INDUSTRIAL SALES

SMALL - TEXAS

02	Small Commercial Service	$ 3,442,374
07	Outdoor Recreational Lighting	2,887
22	Irrigation Service	42,305
24	General Service	19,050,822
25	Large Power Service	3,170,765
28	Private Area Lighting Service	207,663
34	Cotton Gin Service	31,657
	Electrical Vehicle Charging	73
	Community Solar Fuel Credit	(3.522)
	Deferred Fuel	(8,382,946)
	Total - Texas	17,562,078

SMALL - NEW MEXICO

03	Small Commercial Service	3,294,504
04	General Service	5,750,556
05	Irrigation Service	873,429
08	Municipal Pumping Service	57,606
09	Large Power Service	358,753
12	Private Area Lighting Service	45,561

19 Seasonal Agr. Processing Svc.		177,690
25 Outdoor Recreational Lighting		731
29 Interruptible Service Large Power		113,487
Deferred Fuel		133,627
	Total - New Mexico	10,805,944

LARGE - TEXAS

15 Electrolytic Refining		442,261
25 Large Power Service		3,176,770
26 Petroleum Refinery Service		4,321,593
28 Private Area Lighting Service		2,773
30 Electric Furnace		275,338
38 Interruptible Service Large Power		4,313,762
Deferred Fuel		(4,228,769)
	Total - Texas	8,303,728

LARGE - NEW MEXICO

09 Large Power Service		925,057
29 Interruptible Service Large Power		232,059
Deferred Fuel		30,131
	Total - New Mexico	1,187,247
	Total (442)	$ 37,858,997

Schedule Page: 304.1 Line No.: 28 Column: c

Estimated Fuel Clause Revenues by Rate Schedule

(444) PUBLIC STREET AND HIGHWAY LIGHTING

TEXAS

08 Municipal St. Lights & Signals		508,622
Deferred Fuel		(164,500)
	Total - Texas	344,122

NEW MEXICO

11 Municipal St. Lights & Signals		38,643
Deferred Fuel		742
	Total - New Mexico	39,385
	Total (444)	$ 383,507

Schedule Page: 304.2 Line No.: 3 Column: c

Estimated Fuel Clause Revenues by Rate Schedule

(445) OTHER SALES TO PUBLIC AUTHORITIES

TEXAS

01 Residential Service	$ 25,969

02 Small Commercial Service	168,354
07 Outdoor Recreational Lighting	72,852
11 Municipal Pumping Service	2,440,936
22 Irrigation Service	22,972
24 General Service	2,478,442
25 Large Power Service	1,651,221
28 Private Area Lighting Service	112,568
31 Military Reservation Service	3,689,895
38 Interruptible Service Large Power	973,450
41 City and County Service	3,464,020
45 Supplemental Power	325,236
Deferred Fuel	(5,018,730)
Total - Texas	10,407,185

NEW MEXICO

01 Residential Service	2,364
03 Small Commercial Service	155,534
04 General Service	846,847
05 Irrigation Service	8,366
07 City and County Service	1,327,701
08 Municipal Pumping Service	732,506
09 Large Power Service	1,517,647
10 Military Research & Dev. Power	2,440,399
12 Private Area Lighting Service	8,971
25 Outdoor Recreational Lighting	18,109
26 State University Service	644,483
Deferred Fuel	77,479
Total - New Mexico	7,780,406
Total (445)	$ 18,187,591

SALES FOR RESALE (Account 447)

1. Report all sales for resale (i.e., sales to purchasers other than ultimate consumers) transacted on a settlement basis other than power exchanges during the year. Do not report exchanges of electricity (i.e., transactions involving a balancing of debits and credits for energy, capacity, etc.) and any settlements for imbalanced exchanges on this schedule. Power exchanges must be reported on the Purchased Power schedule (Page 326-327).
2. Enter the name of the purchaser in column (a). Do note abbreviate or truncate the name or use acronyms. Explain in a footnote any ownership interest or affiliation the respondent has with the purchaser.
3. In column (b), enter a Statistical Classification Code based on the original contractual terms and conditions of the service as follows:
RQ - for requirements service. Requirements service is service which the supplier plans to provide on an ongoing basis (i.e., the supplier includes projected load for this service in its system resource planning). In addition, the reliability of requirements service must be the same as, or second only to, the supplier's service to its own ultimate consumers.
LF - for tong-term service. "Long-term" means five years or Longer and "firm" means that service cannot be interrupted for economic reasons and is intended to remain reliable even under adverse conditions (e.g., the supplier must attempt to buy emergency energy from third parties to maintain deliveries of LF service). This category should not be used for Long-term firm service which meets the definition of RQ service. For all transactions identified as LF, provide in a footnote the termination date of the contract defined as the earliest date that either buyer or setter can unilaterally get out of the contract.
IF - for intermediate-term firm service. The same as LF service except that "intermediate-term" means longer than one year but Less than five years.
SF - for short-term firm service. Use this category for all firm services where the duration of each period of commitment for service is one year or less.
LU - for Long-term service from a designated generating unit. "Long-term" means five years or Longer. The availability and reliability of service, aside from transmission constraints, must match the availability and reliability of designated unit.
IU - for intermediate-term service from a designated generating unit. The same as LU service except that "intermediate-term" means Longer than one year but Less than five years.

Line No.	Name of Company or Public Authority (Footnote Affiliations) (a)	Statistical Classifi-cation (b)	FERC Rate Schedule or Tariff Number (c)	Average Monthly Billing Demand (MW) (d)	Actual Demand (MW) Average Monthly NCP Demand (e)	Actual Demand (MW) Average Monthly CP Demand (f)
1	Rio Grande Electric Cooperative	RQ	18	8.89	10.48	8.89
2	Arizona Electric Power Cooperative	SF	MBR	NA	NA	NA
3	Arizona Public Service Company	SF	MBR	NA	NA	NA
4	Avangrid Renewables LLC	SF	MBR	NA	NA	NA
5	Basin Electric Power Cooperative	SF	MBR	NA	NA	NA
6	BP Energy Company	SF	MBR	NA	NA	NA
7	Brookfield Energy Marketing LP	OS	MBR	NA	NA	NA
8	Brookfield Energy Marketing LP	SF	MBR	NA	NA	NA
9	Brookfield Renewable Trading and Mrktg.	OS	MBR	NA	NA	NA
10	Brookfield Renewable Trading and Mrktg.	SF	MBR	NA	NA	NA
11	Citigroup Energy Inc.	SF	MBR	NA	NA	NA
12	City of Burbank California	SF	MBR	NA	NA	NA
13	EDF Trading North America, LLC	SF	MBR	NA	NA	NA
14	Exelon Generation Company, LLC	SF	MBR	NA	NA	NA
	Subtotal RQ			0	0	0
	Subtotal non-RQ			0	0	0
	Total			**0**	**0**	**0**

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
El Paso Electric Company	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2019/Q4

SALES FOR RESALE (Account 447) (Continued)

OS - for other service. use this category only for those services which cannot be placed in the above-defined categories, such as all non-firm service regardless of the Length of the contract and service from designated units of Less than one year. Describe the nature of the service in a footnote.
AD - for Out-of-period adjustment. Use this code for any accounting adjustments or "true-ups" for service provided in prior reporting years. Provide an explanation in a footnote for each adjustment.
4. Group requirements RQ sales together and report them starting at line number one. After listing all RQ sales, enter "Subtotal - RQ" in column (a). The remaining sales may then be listed in any order. Enter "Subtotal-Non-RQ" in column (a) after this Listing. Enter "Total" in column (a) as the Last Line of the schedule. Report subtotals and total for columns (9) through (k)
5. In Column (c), identify the FERC Rate Schedule or Tariff Number. On separate Lines, List all FERC rate schedules or tariffs under which service, as identified in column (b), is provided.
6. For requirements RQ sales and any type of-service involving demand charges imposed on a monthly (or Longer) basis, enter the average monthly billing demand in column (d), the average monthly non-coincident peak (NCP) demand in column (e), and the average monthly coincident peak (CP)
demand in column (f). For all other types of service, enter NA in columns (d), (e) and (f). Monthly NCP demand is the maximum metered hourly (60-minute integration) demand in a month. Monthly CP demand is the metered demand during the hour (60-minute integration) in which the supplier's system reaches its monthly peak. Demand reported in columns (e) and (f) must be in megawatts. Footnote any demand not stated on a megawatt basis and explain.
7. Report in column (g) the megawatt hours shown on bills rendered to the purchaser.
8. Report demand charges in column (h), energy charges in column (i), and the total of any other types of charges, including out-of-period adjustments, in column (j). Explain in a footnote all components of the amount shown in column (j). Report in column (k) the total charge shown on bills rendered to the purchaser.
9. The data in column (g) through (k) must be subtotaled based on the RQ/Non-RQ grouping (see instruction 4), and then totaled on the Last -line of the schedule. The "Subtotal - RQ" amount in column (g) must be reported as Requirements Sales For Resale on Page 401, line 23. The "Subtotal - Non-RQ" amount in column (g) must be reported as Non-Requirements Sales For Resale on Page 401,iine 24.
10. Footnote entries as required and provide explanations following all required data.

MegaWatt Hours Sold (g)	REVENUE Demand Charges ($) (h)	Energy Charges ($) (i)	Other Charges ($) (j)	Total ($) (h+i+j) (k)	Line No.
61,815	2,542,895	1,053,417	19,779	3,616,091	1
44,735		1,022,140		1,022,140	2
5,650		280,850		280,850	3
2,400		91,000		91,000	4
600		14,400		14,400	5
28,421		694,471		694,471	6
207,204		6,790,840		6,790,840	7
19,512		298,913		298,913	8
40,472		1,185,259		1,185,259	9
55,824		1,305,843		1,305,843	10
174,822		4,852,867		4,852,867	11
1,600		76,432		76,432	12
2,880		80,540		80,540	13
3,600		90,600		90,600	14
61,815	2,542,895	1,053,417	19,779	3,616,091	
3,817,128	0	88,253,369	89,628	88,342,997	
3,878,943	**2,542,895**	**89,306,786**	**109,407**	**91,959,088**	

Name of Respondent El Paso Electric Company	This Report Is: (1) [X] An Original (2) [ ] A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2019/Q4

SALES FOR RESALE (Account 447)

1. Report all sales for resale (i.e., sales to purchasers other than ultimate consumers) transacted on a settlement basis other than power exchanges during the year. Do not report exchanges of electricity (i.e., transactions involving a balancing of debits and credits for energy, capacity, etc.) and any settlements for imbalanced exchanges on this schedule. Power exchanges must be reported on the Purchased Power schedule (Page 326-327).
2. Enter the name of the purchaser in column (a). Do note abbreviate or truncate the name or use acronyms. Explain in a footnote any ownership interest or affiliation the respondent has with the purchaser.
3. In column (b), enter a Statistical Classification Code based on the original contractual terms and conditions of the service as follows:
RQ - for requirements service. Requirements service is service which the supplier plans to provide on an ongoing basis (i.e., the supplier includes projected load for this service in its system resource planning). In addition, the reliability of requirements service must be the same as, or second only to, the supplier's service to its own ultimate consumers.
LF - for tong-term service. "Long-term" means five years or Longer and "firm" means that service cannot be interrupted for economic reasons and is intended to remain reliable even under adverse conditions (e.g., the supplier must attempt to buy emergency energy from third parties to maintain deliveries of LF service). This category should not be used for Long-term firm service which meets the definition of RQ service. For all transactions identified as LF, provide in a footnote the termination date of the contract defined as the earliest date that either buyer or setter can unilaterally get out of the contract.
IF - for intermediate-term firm service. The same as LF service except that "intermediate-term" means longer than one year but Less than five years.
SF - for short-term firm service. Use this category for all firm services where the duration of each period of commitment for service is one year or less.
LU - for Long-term service from a designated generating unit. "Long-term" means five years or Longer. The availability and reliability of service, aside from transmission constraints, must match the availability and reliability of designated unit.
IU - for intermediate-term service from a designated generating unit. The same as LU service except that "intermediate-term" means Longer than one year but Less than five years.

Line No.	Name of Company or Public Authority (Footnote Affiliations) (a)	Statistical Classifi-cation (b)	FERC Rate Schedule or Tariff Number (c)	Average Monthly Billing Demand (MW) (d)	Actual Demand (MW) Average Monthly NCP Demand (e)	Actual Demand (MW) Average Monthly CP Demand (f)
1	Freeport-McMoRan Copper & Gold Energy	LU	MBR	NA	NA	NA
2	Guzman Energy Partners LLC	SF	MBR	NA	NA	NA
3	Imperial Irrigation District	SF	MBR	NA	NA	NA
4	Los Alamos County	SF	MBR	NA	NA	NA
5	Los Angeles Dept of Water & Power	SF	MBR	NA	NA	NA
6	Macquarie Energy LLC	OS	MBR	NA	NA	NA
7	Macquarie Energy LLC	SF	MBR	NA	NA	NA
8	Morgan Stanley Capital Group, Inc.	SF	MBR	NA	NA	NA
9	PacifiCorp	SF	MBR	NA	NA	NA
10	Powerex Corp.	SF	MBR	NA	NA	NA
11	Public Service Company of Colorado	SF	MBR	NA	NA	NA
12	Public Service Company of New Mexico	SF	MBR	NA	NA	NA
13	Rainbow Energy Marketing Corp	SF	MBR	NA	NA	NA
14	Salt River Project Agricultural Improv	SF	MBR	NA	NA	NA
	Subtotal RQ			0	0	0
	Subtotal non-RQ			0	0	0
	Total			**0**	**0**	**0**

SALES FOR RESALE (Account 447) (Continued)

OS - for other service. use this category only for those services which cannot be placed in the above-defined categories, such as all non-firm service regardless of the Length of the contract and service from designated units of Less than one year. Describe the nature of the service in a footnote.
AD - for Out-of-period adjustment. Use this code for any accounting adjustments or "true-ups" for service provided in prior reporting years. Provide an explanation in a footnote for each adjustment.
4. Group requirements RQ sales together and report them starting at line number one. After listing all RQ sales, enter "Subtotal - RQ" in column (a). The remaining sales may then be listed in any order. Enter "Subtotal-Non-RQ" in column (a) after this Listing. Enter "Total" in column (a) as the Last Line of the schedule. Report subtotals and total for columns (9) through (k)
5. In Column (c), identify the FERC Rate Schedule or Tariff Number. On separate Lines, List all FERC rate schedules or tariffs under which service, as identified in column (b), is provided.
6. For requirements RQ sales and any type of-service involving demand charges imposed on a monthly (or Longer) basis, enter the average monthly billing demand in column (d), the average monthly non-coincident peak (NCP) demand in column (e), and the average monthly coincident peak (CP)
demand in column (f). For all other types of service, enter NA in columns (d), (e) and (f). Monthly NCP demand is the maximum metered hourly (60-minute integration) demand in a month. Monthly CP demand is the metered demand during the hour (60-minute integration) in which the supplier's system reaches its monthly peak. Demand reported in columns (e) and (f) must be in megawatts. Footnote any demand not stated on a megawatt basis and explain.
7. Report in column (g) the megawatt hours shown on bills rendered to the purchaser.
8. Report demand charges in column (h), energy charges in column (i), and the total of any other types of charges, including out-of-period adjustments, in column (j). Explain in a footnote all components of the amount shown in column (j). Report in column (k) the total charge shown on bills rendered to the purchaser.
9. The data in column (g) through (k) must be subtotaled based on the RQ/Non-RQ grouping (see instruction 4), and then totaled on the Last -line of the schedule. The "Subtotal - RQ" amount in column (g) must be reported as Requirements Sales For Resale on Page 401, line 23. The "Subtotal - Non-RQ" amount in column (g) must be reported as Non-Requirements Sales For Resale on Page 401,iine 24.
10. Footnote entries as required and provide explanations following all required data.

MegaWatt Hours Sold (g)	REVENUE Demand Charges ($) (h)	Energy Charges ($) (i)	Other Charges ($) (j)	Total ($) (h+i+j) (k)	Line No.
829,307		1,409,230	25,820	1,435,050	1
24,728		466,382		466,382	2
11,800		351,059		351,059	3
167		8,595		8,595	4
3,400		74,850		74,850	5
6,940		128,384		128,384	6
427,405		12,123,057		12,123,057	7
183,373		5,155,999		5,155,999	8
142,622		3,369,627	25,404	3,395,031	9
2,720		62,450		62,450	10
21,154		517,147		517,147	11
12,345		229,950		229,950	12
2,831		83,337		83,337	13
4,845		109,398		109,398	14
61,815	2,542,895	1,053,417	19,779	3,616,091	
3,817,128	0	88,253,369	89,628	88,342,997	
3,878,943	**2,542,895**	**89,306,786**	**109,407**	**91,959,088**	

Name of Respondent El Paso Electric Company	This Report Is: (1) [X] An Original (2) [ ] A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2019/Q4

SALES FOR RESALE (Account 447)

1. Report all sales for resale (i.e., sales to purchasers other than ultimate consumers) transacted on a settlement basis other than power exchanges during the year. Do not report exchanges of electricity (i.e., transactions involving a balancing of debits and credits for energy, capacity, etc.) and any settlements for imbalanced exchanges on this schedule. Power exchanges must be reported on the Purchased Power schedule (Page 326-327).
2. Enter the name of the purchaser in column (a). Do note abbreviate or truncate the name or use acronyms. Explain in a footnote any ownership interest or affiliation the respondent has with the purchaser.
3. In column (b), enter a Statistical Classification Code based on the original contractual terms and conditions of the service as follows:
RQ - for requirements service. Requirements service is service which the supplier plans to provide on an ongoing basis (i.e., the supplier includes projected load for this service in its system resource planning). In addition, the reliability of requirements service must be the same as, or second only to, the supplier's service to its own ultimate consumers.
LF - for tong-term service. "Long-term" means five years or Longer and "firm" means that service cannot be interrupted for economic reasons and is intended to remain reliable even under adverse conditions (e.g., the supplier must attempt to buy emergency energy from third parties to maintain deliveries of LF service). This category should not be used for Long-term firm service which meets the definition of RQ service. For all transactions identified as LF, provide in a footnote the termination date of the contract defined as the earliest date that either buyer or setter can unilaterally get out of the contract.
IF - for intermediate-term firm service. The same as LF service except that "intermediate-term" means longer than one year but Less than five years.
SF - for short-term firm service. Use this category for all firm services where the duration of each period of commitment for service is one year or less.
LU - for Long-term service from a designated generating unit. "Long-term" means five years or Longer. The availability and reliability of service, aside from transmission constraints, must match the availability and reliability of designated unit.
IU - for intermediate-term service from a designated generating unit. The same as LU service except that "intermediate-term" means Longer than one year but Less than five years.

Line No.	Name of Company or Public Authority (Footnote Affiliations) (a)	Statistical Classifi-cation (b)	FERC Rate Schedule or Tariff Number (c)	Average Monthly Billing Demand (MW) (d)	Actual Demand (MW) Average Monthly NCP Demand (e)	Actual Demand (MW) Average Monthly CP Demand (f)
1	Sempra Gas & Power Marketing, LLC	SF	MBR	NA	NA	NA
2	Shell Energy North America (U.S.), L.P.	SF	MBR	NA	NA	NA
3	Tenaska Power Services Co	OS	MBR	NA	NA	NA
4	Tenaska Power Services Co	SF	MBR	NA	NA	NA
5	TransAlta Energy Marketing (U.S.) Inc.	SF	MBR	NA	NA	NA
6	TransCanada Energy Sales Ltd.	SF	MBR	NA	NA	NA
7	Tri-State G & T Association, Inc.	SF	MBR	NA	NA	NA
8	Tucson Electric Power Company	SF	MBR	NA	NA	NA
9	UNS Electric Inc	SF	MBR	NA	NA	NA
10	Arizona Electric Power Cooperative	SF	SRSG	NA	NA	NA
11	Arizona Public Service Company	SF	SRSG	NA	NA	NA
12	Farmington	SF	SRSG	NA	NA	NA
13	Public Service Company of New Mexico	SF	SRSG	NA	NA	NA
14	South Point Energy Center, LLC	SF	SRSG	NA	NA	NA
	Subtotal RQ			0	0	0
	Subtotal non-RQ			0	0	0
	Total			**0**	**0**	**0**

Name of Respondent El Paso Electric Company	This Report Is: (1) [X] An Original (2) [ ] A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2019/Q4

SALES FOR RESALE (Account 447) (Continued)

OS - for other service. use this category only for those services which cannot be placed in the above-defined categories, such as all non-firm service regardless of the Length of the contract and service from designated units of Less than one year. Describe the nature of the service in a footnote.
AD - for Out-of-period adjustment. Use this code for any accounting adjustments or "true-ups" for service provided in prior reporting years. Provide an explanation in a footnote for each adjustment.
4. Group requirements RQ sales together and report them starting at line number one. After listing all RQ sales, enter "Subtotal - RQ" in column (a). The remaining sales may then be listed in any order. Enter "Subtotal-Non-RQ" in column (a) after this Listing. Enter "Total" in column (a) as the Last Line of the schedule. Report subtotals and total for columns (9) through (k)
5. In Column (c), identify the FERC Rate Schedule or Tariff Number. On separate Lines, List all FERC rate schedules or tariffs under which service, as identified in column (b), is provided.
6. For requirements RQ sales and any type of-service involving demand charges imposed on a monthly (or Longer) basis, enter the average monthly billing demand in column (d), the average monthly non-coincident peak (NCP) demand in column (e), and the average monthly coincident peak (CP)
demand in column (f). For all other types of service, enter NA in columns (d), (e) and (f). Monthly NCP demand is the maximum metered hourly (60-minute integration) demand in a month. Monthly CP demand is the metered demand during the hour (60-minute integration) in which the supplier's system reaches its monthly peak. Demand reported in columns (e) and (f) must be in megawatts. Footnote any demand not stated on a megawatt basis and explain.
7. Report in column (g) the megawatt hours shown on bills rendered to the purchaser.
8. Report demand charges in column (h), energy charges in column (i), and the total of any other types of charges, including out-of-period adjustments, in column (j). Explain in a footnote all components of the amount shown in column (j). Report in column (k) the total charge shown on bills rendered to the purchaser.
9. The data in column (g) through (k) must be subtotaled based on the RQ/Non-RQ grouping (see instruction 4), and then totaled on the Last -line of the schedule. The "Subtotal - RQ" amount in column (g) must be reported as Requirements Sales For Resale on Page 401, line 23. The "Subtotal - Non-RQ" amount in column (g) must be reported as Non-Requirements Sales For Resale on Page 401,iine 24.
10. Footnote entries as required and provide explanations following all required data.

MegaWatt Hours Sold (g)	REVENUE Demand Charges ($) (h)	Energy Charges ($) (i)	Other Charges ($) (j)	Total ($) (h+i+j) (k)	Line No.
800		36,800		36,800	1
217,494		6,574,457		6,574,457	2
642,185		20,628,911		20,628,911	3
242,609		7,310,557		7,310,557	4
246,094		7,004,151		7,004,151	5
400		7,300		7,300	6
36,820		841,533	15,521	857,054	7
98,907		2,504,764	20,231	2,524,995	8
68,020		2,448,385	1,565	2,449,950	9
240		2,634	99	2,733	10
66		646		646	11
118		1,028	24	1,052	12
648		6,157		6,157	13
			592	592	14
61,815	2,542,895	1,053,417	19,779	3,616,091	
3,817,128	0	88,253,369	89,628	88,342,997	
3,878,943	**2,542,895**	**89,306,786**	**109,407**	**91,959,088**	

Name of Respondent El Paso Electric Company	This Report Is: (1) [X] An Original (2) [ ] A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2019/Q4

SALES FOR RESALE (Account 447)

1. Report all sales for resale (i.e., sales to purchasers other than ultimate consumers) transacted on a settlement basis other than power exchanges during the year. Do not report exchanges of electricity (i.e., transactions involving a balancing of debits and credits for energy, capacity, etc.) and any settlements for imbalanced exchanges on this schedule. Power exchanges must be reported on the Purchased Power schedule (Page 326-327).
2. Enter the name of the purchaser in column (a). Do note abbreviate or truncate the name or use acronyms. Explain in a footnote any ownership interest or affiliation the respondent has with the purchaser.
3. In column (b), enter a Statistical Classification Code based on the original contractual terms and conditions of the service as follows:
RQ - for requirements service. Requirements service is service which the supplier plans to provide on an ongoing basis (i.e., the supplier includes projected load for this service in its system resource planning). In addition, the reliability of requirements service must be the same as, or second only to, the supplier's service to its own ultimate consumers.
LF - for tong-term service. "Long-term" means five years or Longer and "firm" means that service cannot be interrupted for economic reasons and is intended to remain reliable even under adverse conditions (e.g., the supplier must attempt to buy emergency energy from third parties to maintain deliveries of LF service). This category should not be used for Long-term firm service which meets the definition of RQ service. For all transactions identified as LF, provide in a footnote the termination date of the contract defined as the earliest date that either buyer or setter can unilaterally get out of the contract.
IF - for intermediate-term firm service. The same as LF service except that "intermediate-term" means longer than one year but Less than five years.
SF - for short-term firm service. Use this category for all firm services where the duration of each period of commitment for service is one year or less.
LU - for Long-term service from a designated generating unit. "Long-term" means five years or Longer. The availability and reliability of service, aside from transmission constraints, must match the availability and reliability of designated unit.
IU - for intermediate-term service from a designated generating unit. The same as LU service except that "intermediate-term" means Longer than one year but Less than five years.

Line No.	Name of Company or Public Authority (Footnote Affiliations) (a)	Statistical Classifi-cation (b)	FERC Rate Schedule or Tariff Number (c)	Average Monthly Billing Demand (MW) (d)	Actual Demand (MW) Average Monthly NCP Demand (e)	Actual Demand (MW) Average Monthly CP Demand (f)
1	Star West Generation	SF	SRSG	NA	NA	NA
2	Tucson Electric Power Company	SF	SRSG	NA	NA	NA
3	Tri-State G & T Association, Inc.	SF	SRSG	NA	NA	NA
4						
5						
6						
7						
8						
9						
10						
11						
12						
13						
14						
	Subtotal RQ			0	0	0
	Subtotal non-RQ			0	0	0
	Total			**0**	**0**	**0**

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
El Paso Electric Company	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2019/Q4

SALES FOR RESALE (Account 447) (Continued)

OS - for other service. use this category only for those services which cannot be placed in the above-defined categories, such as all non-firm service regardless of the Length of the contract and service from designated units of Less than one year. Describe the nature of the service in a footnote.
AD - for Out-of-period adjustment. Use this code for any accounting adjustments or "true-ups" for service provided in prior reporting years. Provide an explanation in a footnote for each adjustment.
4. Group requirements RQ sales together and report them starting at line number one. After listing all RQ sales, enter "Subtotal - RQ" in column (a). The remaining sales may then be listed in any order. Enter "Subtotal-Non-RQ" in column (a) after this Listing. Enter "Total" in column (a) as the Last Line of the schedule. Report subtotals and total for columns (9) through (k)
5. In Column (c), identify the FERC Rate Schedule or Tariff Number. On separate Lines, List all FERC rate schedules or tariffs under which service, as identified in column (b), is provided.
6. For requirements RQ sales and any type of-service involving demand charges imposed on a monthly (or Longer) basis, enter the average monthly billing demand in column (d), the average monthly non-coincident peak (NCP) demand in column (e), and the average monthly coincident peak (CP)
demand in column (f). For all other types of service, enter NA in columns (d), (e) and (f). Monthly NCP demand is the maximum metered hourly (60-minute integration) demand in a month. Monthly CP demand is the metered demand during the hour (60-minute integration) in which the supplier's system reaches its monthly peak. Demand reported in columns (e) and (f) must be in megawatts. Footnote any demand not stated on a megawatt basis and explain.
7. Report in column (g) the megawatt hours shown on bills rendered to the purchaser.
8. Report demand charges in column (h), energy charges in column (i), and the total of any other types of charges, including out-of-period adjustments, in column (j). Explain in a footnote all components of the amount shown in column (j). Report in column (k) the total charge shown on bills rendered to the purchaser.
9. The data in column (g) through (k) must be subtotaled based on the RQ/Non-RQ grouping (see instruction 4), and then totaled on the Last -line of the schedule. The "Subtotal - RQ" amount in column (g) must be reported as Requirements Sales For Resale on Page 401, line 23. The "Subtotal - Non-RQ" amount in column (g) must be reported as Non-Requirements Sales For Resale on Page 401,iine 24.
10. Footnote entries as required and provide explanations following all required data.

MegaWatt Hours Sold (g)	REVENUE Demand Charges ($) (h)	Energy Charges ($) (i)	Other Charges ($) (j)	Total ($) (h+i+j) (k)	Line No.
			372	372	1
964		8,649		8,649	2
406		3,777		3,777	3
					4
					5
					6
					7
					8
					9
					10
					11
					12
					13
					14
61,815	2,542,895	1,053,417	19,779	3,616,091	
3,817,128	0	88,253,369	89,628	88,342,997	
3,878,943	**2,542,895**	**89,306,786**	**109,407**	**91,959,088**	

Schedule Page: 310 Line No.: 1 Column: c

Contract effective April 1, 2008.

Schedule Page: 310 Line No.: 1 Column: j

Represents Rio Grande Electric Cooperative ("RGEC") fuel adjustment clause designed to recover all eligible fuel costs allocable to RGEC.

Schedule Page: 310 Line No.: 2 Column: c

MBR = Market-Based Rate Tariff.

Schedule Page: 310 Line No.: 7 Column: b

Contingent energy sale.

Schedule Page: 310 Line No.: 9 Column: b

Contingent energy sale.

Schedule Page: 310.1 Line No.: 1 Column: j

Short-term transmission charged to wholesale customers.

Schedule Page: 310.1 Line No.: 6 Column: b

Non-firm and contingent energy sale.

Schedule Page: 310.1 Line No.: 9 Column: j

Short-term transmission charged to wholesale customers.

Schedule Page: 310.2 Line No.: 3 Column: b

Contingent energy sale.

Schedule Page: 310.2 Line No.: 7 Column: j

Short-term transmission charged to wholesale customers.

Schedule Page: 310.2 Line No.: 8 Column: j

Short-term transmission charged to wholesale customers.

Schedule Page: 310.2 Line No.: 9 Column: j

Short-term transmission charged to wholesale customers.

Schedule Page: 310.2 Line No.: 10 Column: c

SRSG = Southwest Reserve Sharing Group Participation Aqgreement.

Schedule Page: 310.2 Line No.: 10 Column: j

Other Charges are for SRSG penalty received.

Schedule Page: 310.2 Line No.: 12 Column: j

Other Charges are for SRSG penalty received.

Schedule Page: 310.2 Line No.: 14 Column: j

Other Charges are for SRSG penalty received.

Schedule Page: 310.3 Line No.: 1 Column: j

Other Charges are for SRSG penalty received.

ELECTRIC OPERATION AND MAINTENANCE EXPENSES

If the amount for previous year is not derived from previously reported figures, explain in footnote.

Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)
1	1. POWER PRODUCTION EXPENSES		
2	A. Steam Power Generation		
3	Operation		
4	(500) Operation Supervision and Engineering	1,910,572	2,043,799
5	(501) Fuel	59,798,207	98,374,698
6	(502) Steam Expenses	3,138,512	2,796,239
7	(503) Steam from Other Sources		
8	(Less) (504) Steam Transferred-Cr.		
9	(505) Electric Expenses	4,013,145	3,887,089
10	(506) Miscellaneous Steam Power Expenses	3,536,308	2,853,852
11	(507) Rents	526,589	464,612
12	(509) Allowances	41,058	86,418
13	TOTAL Operation (Enter Total of Lines 4 thru 12)	72,964,391	110,506,707
14	Maintenance		
15	(510) Maintenance Supervision and Engineering	2,477,281	2,198,094
16	(511) Maintenance of Structures	1,343,575	1,242,602
17	(512) Maintenance of Boiler Plant	6,009,014	8,018,566
18	(513) Maintenance of Electric Plant	11,561,590	15,348,290
19	(514) Maintenance of Miscellaneous Steam Plant	2,781,855	2,974,089
20	TOTAL Maintenance (Enter Total of Lines 15 thru 19)	24,173,315	29,781,641
21	TOTAL Power Production Expenses-Steam Power (Entr Tot lines 13 & 20)	97,137,706	140,288,348
22	B. Nuclear Power Generation		
23	Operation		
24	(517) Operation Supervision and Engineering	11,575,929	12,412,371
25	(518) Fuel	41,405,064	39,294,957
26	(519) Coolants and Water	7,525,415	7,276,918
27	(520) Steam Expenses	5,207,635	5,136,717
28	(521) Steam from Other Sources		
29	(Less) (522) Steam Transferred-Cr.		
30	(523) Electric Expenses	6,305,449	5,554,018
31	(524) Miscellaneous Nuclear Power Expenses	23,458,605	23,275,898
32	(525) Rents		
33	TOTAL Operation (Enter Total of lines 24 thru 32)	95,478,097	92,950,879
34	Maintenance		
35	(528) Maintenance Supervision and Engineering	2,722,532	2,885,471
36	(529) Maintenance of Structures	1,208,913	1,198,840
37	(530) Maintenance of Reactor Plant Equipment	6,899,627	8,937,099
38	(531) Maintenance of Electric Plant	6,106,305	7,063,947
39	(532) Maintenance of Miscellaneous Nuclear Plant	2,001,185	2,073,945
40	TOTAL Maintenance (Enter Total of lines 35 thru 39)	18,938,562	22,159,302
41	TOTAL Power Production Expenses-Nuc. Power (Entr tot lines 33 & 40)	114,416,659	115,110,181
42	C. Hydraulic Power Generation		
43	Operation		
44	(535) Operation Supervision and Engineering		
45	(536) Water for Power		
46	(537) Hydraulic Expenses		
47	(538) Electric Expenses		
48	(539) Miscellaneous Hydraulic Power Generation Expenses		
49	(540) Rents		
50	TOTAL Operation (Enter Total of Lines 44 thru 49)		
51	C. Hydraulic Power Generation (Continued)		
52	Maintenance		
53	(541) Mainentance Supervision and Engineering		
54	(542) Maintenance of Structures		
55	(543) Maintenance of Reservoirs, Dams, and Waterways		
56	(544) Maintenance of Electric Plant		
57	(545) Maintenance of Miscellaneous Hydraulic Plant		
58	TOTAL Maintenance (Enter Total of lines 53 thru 57)		
59	TOTAL Power Production Expenses-Hydraulic Power (tot of lines 50 & 58)		

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
El Paso Electric Company	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2019/Q4

ELECTRIC OPERATION AND MAINTENANCE EXPENSES (Continued)

If the amount for previous year is not derived from previously reported figures, explain in footnote.

Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)
60	D. Other Power Generation		
61	Operation		
62	(546) Operation Supervision and Engineering	1,022,179	901,301
63	(547) Fuel	19,474,546	31,869,495
64	(548) Generation Expenses	912,897	1,174,805
65	(549) Miscellaneous Other Power Generation Expenses	1,139,818	1,203,618
66	(550) Rents	99,464	52,316
67	TOTAL Operation (Enter Total of lines 62 thru 66)	22,648,904	35,201,535
68	Maintenance		
69	(551) Maintenance Supervision and Engineering	102,068	8,241
70	(552) Maintenance of Structures	129,498	79,275
71	(553) Maintenance of Generating and Electric Plant	4,655,267	3,727,630
72	(554) Maintenance of Miscellaneous Other Power Generation Plant	761,858	396,586
73	TOTAL Maintenance (Enter Total of lines 69 thru 72)	5,648,691	4,211,732
74	TOTAL Power Production Expenses-Other Power (Enter Tot of 67 & 73)	28,297,595	39,413,267
75	E. Other Power Supply Expenses		
76	(555) Purchased Power	55,462,703	59,746,635
77	(556) System Control and Load Dispatching	986,728	1,132,201
78	(557) Other Expenses	325,000	
79	TOTAL Other Power Supply Exp (Enter Total of lines 76 thru 78)	56,774,431	60,878,836
80	TOTAL Power Production Expenses (Total of lines 21, 41, 59, 74 & 79)	296,626,391	355,690,632
81	2. TRANSMISSION EXPENSES		
82	Operation		
83	(560) Operation Supervision and Engineering	1,894,111	1,769,333
84			
85	(561.1) Load Dispatch-Reliability	128,245	100,775
86	(561.2) Load Dispatch-Monitor and Operate Transmission System	869,313	847,523
87	(561.3) Load Dispatch-Transmission Service and Scheduling	971,535	944,247
88	(561.4) Scheduling, System Control and Dispatch Services	618,115	610,891
89	(561.5) Reliability, Planning and Standards Development	741,277	902,274
90	(561.6) Transmission Service Studies		
91	(561.7) Generation Interconnection Studies		
92	(561.8) Reliability, Planning and Standards Development Services		
93	(562) Station Expenses	267,776	296,197
94	(563) Overhead Lines Expenses	303,759	500,681
95	(564) Underground Lines Expenses		
96	(565) Transmission of Electricity by Others	6,123,189	7,094,447
97	(566) Miscellaneous Transmission Expenses	7,661,298	6,148,745
98	(567) Rents	250,050	282,705
99	TOTAL Operation (Enter Total of lines 83 thru 98)	19,828,668	19,497,818
100	Maintenance		
101	(568) Maintenance Supervision and Engineering	20,533	36,372
102	(569) Maintenance of Structures	17,124	31,286
103	(569.1) Maintenance of Computer Hardware		
104	(569.2) Maintenance of Computer Software		
105	(569.3) Maintenance of Communication Equipment		
106	(569.4) Maintenance of Miscellaneous Regional Transmission Plant		
107	(570) Maintenance of Station Equipment	631,007	324,329
108	(571) Maintenance of Overhead Lines	1,656,209	2,455,709
109	(572) Maintenance of Underground Lines		
110	(573) Maintenance of Miscellaneous Transmission Plant	16,467	18,625
111	TOTAL Maintenance (Total of lines 101 thru 110)	2,341,340	2,866,321
112	TOTAL Transmission Expenses (Total of lines 99 and 111)	22,170,008	22,364,139

Name of Respondent El Paso Electric Company	This Report Is: (1) [X] An Original (2) [ ] A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2019/Q4

ELECTRIC OPERATION AND MAINTENANCE EXPENSES (Continued)

If the amount for previous year is not derived from previously reported figures, explain in footnote.

Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)
113	3. REGIONAL MARKET EXPENSES		
114	Operation		
115	(575.1) Operation Supervision		
116	(575.2) Day-Ahead and Real-Time Market Facilitation		
117	(575.3) Transmission Rights Market Facilitation		
118	(575.4) Capacity Market Facilitation		
119	(575.5) Ancillary Services Market Facilitation		
120	(575.6) Market Monitoring and Compliance		
121	(575.7) Market Facilitation, Monitoring and Compliance Services		
122	(575.8) Rents		
123	Total Operation (Lines 115 thru 122)		
124	Maintenance		
125	(576.1) Maintenance of Structures and Improvements		
126	(576.2) Maintenance of Computer Hardware		
127	(576.3) Maintenance of Computer Software		
128	(576.4) Maintenance of Communication Equipment		
129	(576.5) Maintenance of Miscellaneous Market Operation Plant		
130	Total Maintenance (Lines 125 thru 129)		
131	TOTAL Regional Transmission and Market Op Expns (Total 123 and 130)		
132	4. DISTRIBUTION EXPENSES		
133	Operation		
134	(580) Operation Supervision and Engineering	995,447	859,655
135	(581) Load Dispatching		
136	(582) Station Expenses	1,632,180	1,325,671
137	(583) Overhead Line Expenses	1,182,881	738,278
138	(584) Underground Line Expenses	681,099	637,911
139	(585) Street Lighting and Signal System Expenses	528	520
140	(586) Meter Expenses	1,992,684	2,165,573
141	(587) Customer Installations Expenses	489,381	457,947
142	(588) Miscellaneous Expenses	8,875,934	8,595,048
143	(589) Rents	297,398	217,850
144	TOTAL Operation (Enter Total of lines 134 thru 143)	16,147,532	14,998,453
145	Maintenance		
146	(590) Maintenance Supervision and Engineering	60,903	
147	(591) Maintenance of Structures	2,907	5,281
148	(592) Maintenance of Station Equipment	1,303,498	1,415,463
149	(593) Maintenance of Overhead Lines	4,155,368	5,330,687
150	(594) Maintenance of Underground Lines	2,828,754	748,383
151	(595) Maintenance of Line Transformers	6,674	1,918
152	(596) Maintenance of Street Lighting and Signal Systems	409,351	261,767
153	(597) Maintenance of Meters	209,203	207,794
154	(598) Maintenance of Miscellaneous Distribution Plant	571,778	343,973
155	TOTAL Maintenance (Total of lines 146 thru 154)	9,548,436	8,315,266
156	TOTAL Distribution Expenses (Total of lines 144 and 155)	25,695,968	23,313,719
157	5. CUSTOMER ACCOUNTS EXPENSES		
158	Operation		
159	(901) Supervision	1,319	9,578
160	(902) Meter Reading Expenses	2,270,462	2,497,705
161	(903) Customer Records and Collection Expenses	14,265,727	14,319,807
162	(904) Uncollectible Accounts	2,196,040	2,827,184
163	(905) Miscellaneous Customer Accounts Expenses	152,302	242,029
164	TOTAL Customer Accounts Expenses (Total of lines 159 thru 163)	18,885,850	19,896,303

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
El Paso Electric Company	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2019/Q4

ELECTRIC OPERATION AND MAINTENANCE EXPENSES (Continued)

If the amount for previous year is not derived from previously reported figures, explain in footnote.

Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)
165	6. CUSTOMER SERVICE AND INFORMATIONAL EXPENSES		
166	Operation		
167	(907) Supervision		
168	(908) Customer Assistance Expenses	551	
169	(909) Informational and Instructional Expenses	127,646	126,291
170	(910) Miscellaneous Customer Service and Informational Expenses		
171	TOTAL Customer Service and Information Expenses (Total 167 thru 170)	128,197	126,291
172	7. SALES EXPENSES		
173	Operation		
174	(911) Supervision		
175	(912) Demonstrating and Selling Expenses		
176	(913) Advertising Expenses		
177	(916) Miscellaneous Sales Expenses		
178	TOTAL Sales Expenses (Enter Total of lines 174 thru 177)		
179	8. ADMINISTRATIVE AND GENERAL EXPENSES		
180	Operation		
181	(920) Administrative and General Salaries	32,394,224	32,970,312
182	(921) Office Supplies and Expenses	4,916,132	4,276,260
183	(Less) (922) Administrative Expenses Transferred-Credit		
184	(923) Outside Services Employed	16,820,018	15,773,218
185	(924) Property Insurance	4,222,407	4,383,333
186	(925) Injuries and Damages	3,799,548	4,137,090
187	(926) Employee Pensions and Benefits	20,021,705	22,442,841
188	(927) Franchise Requirements		
189	(928) Regulatory Commission Expenses	15,429,910	14,326,910
190	(929) (Less) Duplicate Charges-Cr.		
191	(930.1) General Advertising Expenses	1,160,186	555,733
192	(930.2) Miscellaneous General Expenses	16,529,841	16,227,360
193	(931) Rents	406,738	318,105
194	TOTAL Operation (Enter Total of lines 181 thru 193)	115,700,709	115,411,162
195	Maintenance		
196	(935) Maintenance of General Plant	8,283,149	7,371,979
197	TOTAL Administrative & General Expenses (Total of lines 194 and 196)	123,983,858	122,783,141
198	TOTAL Elec Op and Maint Expns (Total 80,112,131,156,164,171,178,197)	487,490,272	544,174,225

Schedule Page: 320 Line No.: 25 Column: b

Includes a U.S. Department of Energy ("DOE") refund of $1,062,642.

Schedule Page: 320 Line No.: 25 Column: c

Includes a DOE refund of $1,187,026.

PURCHASED POWER (Account 555)
(Including power exchanges)

1. Report all power purchases made during the year. Also report exchanges of electricity (i.e., transactions involving a balancing of debits and credits for energy, capacity, etc.) and any settlements for imbalanced exchanges.
2. Enter the name of the seller or other party in an exchange transaction in column (a). Do not abbreviate or truncate the name or use acronyms. Explain in a footnote any ownership interest or affiliation the respondent has with the seller.
3. In column (b), enter a Statistical Classification Code based on the original contractual terms and conditions of the service as follows:

RQ - for requirements service. Requirements service is service which the supplier plans to provide on an ongoing basis (i.e., the supplier includes projects load for this service in its system resource planning). In addition, the reliability of requirement service must be the same as, or second only to, the supplier's service to its own ultimate consumers.

LF - for long-term firm service. "Long-term" means five years or longer and "firm" means that service cannot be interrupted for economic reasons and is intended to remain reliable even under adverse conditions (e.g., the supplier must attempt to buy emergency energy from third parties to maintain deliveries of LF service). This category should not be used for long-term firm service firm service which meets the definition of RQ service. For all transaction identified as LF, provide in a footnote the termination date of the contract defined as the earliest date that either buyer or seller can unilaterally get out of the contract.

IF - for intermediate-term firm service. The same as LF service expect that "intermediate-term" means longer than one year but less than five years.

SF - for short-term service. Use this category for all firm services, where the duration of each period of commitment for service is one year or less.

LU - for long-term service from a designated generating unit. "Long-term" means five years or longer. The availability and reliability of service, aside from transmission constraints, must match the availability and reliability of the designated unit.

IU - for intermediate-term service from a designated generating unit. The same as LU service expect that "intermediate-term" means longer than one year but less than five years.

EX - For exchanges of electricity. Use this category for transactions involving a balancing of debits and credits for energy, capacity, etc. and any settlements for imbalanced exchanges.

OS - for other service. Use this category only for those services which cannot be placed in the above-defined categories, such as all non-firm service regardless of the Length of the contract and service from designated units of Less than one year. Describe the nature of the service in a footnote for each adjustment.

Line No.	Name of Company or Public Authority (Footnote Affiliations) (a)	Statistical Classification (b)	FERC Rate Schedule or Tariff Number (c)	Average Monthly Billing Demand (MW) (d)	Actual Demand (MW) Average Monthly NCP Demand (e)	Actual Demand (MW) Average Monthly CP Demand (f)
1	Arizona Electric Power Cooperative	SF	MBR	N/A	N/A	N/A
2	Arizona Public Service Company	SF	MBR	N/A	N/A	N/A
3	Basin Electric Power Cooperative	SF	MBR	N/A	N/A	N/A
4	Black Hills Power Inc.	SF	MBR	N/A	N/A	N/A
5	BP Energy Company	SF	MBR	N/A	N/A	N/A
6	Brookfield Energy Marketing LP	OS	MBR	N/A	N/A	N/A
7	Brookfield Energy Marketing LP	SF	MBR	N/A	N/A	N/A
8	Brookfield Renewable Trading and Mrktg	OS	MBR	N/A	N/A	N/A
9	Brookfield Renewable Trading and Mrktg	SF	MBR	N/A	N/A	N/A
10	Citigroup Energy Inc.	AD	MBR	N/A	N/A	N/A
11	Citigroup Energy Inc.	SF	MBR	N/A	N/A	N/A
12	EDF Trading North America, LLC	OS	MBR	N/A	N/A	N/A
13	Exelon Generation Company, LLC	SF	MBR	N/A	N/A	N/A
14	Four Peaks Energy Inc.	LU	MBR	N/A	N/A	N/A
	Total					

PURCHASED POWER(Account 555) (Continued)
(Including power exchanges)

AD - for out-of-period adjustment. Use this code for any accounting adjustments or "true-ups" for service provided in prior reporting years. Provide an explanation in a footnote for each adjustment.

4. In column (c), identify the FERC Rate Schedule Number or Tariff, or, for non-FERC jurisdictional sellers, include an appropriate designation for the contract. On separate lines, list all FERC rate schedules, tariffs or contract designations under which service, as identified in column (b), is provided.
5. For requirements RQ purchases and any type of service involving demand charges imposed on a monnthly (or longer) basis, enter the monthly average billing demand in column (d), the average monthly non-coincident peak (NCP) demand in column (e), and the average monthly coincident peak (CP) demand in column (f). For all other types of service, enter NA in columns (d), (e) and (f). Monthly NCP demand is the maximum metered hourly (60-minute integration) demand in a month. Monthly CP demand is the metered demand during the hour (60-minute integration) in which the supplier's system reaches its monthly peak. Demand reported in columns (e) and (f) must be in megawatts. Footnote any demand not stated on a megawatt basis and explain.
6. Report in column (g) the megawatthours shown on bills rendered to the respondent. Report in columns (h) and (i) the megawatthours of power exchanges received and delivered, used as the basis for settlement. Do not report net exchange.
7. Report demand charges in column (j), energy charges in column (k), and the total of any other types of charges, including out-of-period adjustments, in column (l). Explain in a footnote all components of the amount shown in column (l). Report in column (m) the total charge shown on bills received as settlement by the respondent. For power exchanges, report in column (m) the settlement amount for the net receipt of energy. If more energy was delivered than received, enter a negative amount. If the settlement amount (l) include credits or charges other than incremental generation expenses, or (2) excludes certain credits or charges covered by the agreement, provide an explanatory footnote.
8. The data in column (g) through (m) must be totalled on the last line of the schedule. The total amount in column (g) must be reported as Purchases on Page 401, line 10. The total amount in column (h) must be reported as Exchange Received on Page 401, line 12. The total amount in column (i) must be reported as Exchange Delivered on Page 401, line 13.
9. Footnote entries as required and provide explanations following all required data.

MegaWatt Hours Purchased (g)	POWER EXCHANGES MegaWatt Hours Received (h)	MegaWatt Hours Delivered (i)	COST/SETTLEMENT OF POWER Demand Charges ($) (j)	Energy Charges ($) (k)	Other Charges ($) (l)	Total (j+k+l) of Settlement ($) (m)	Line No.
1,000				43,417		43,417	1
419				9,011		9,011	2
2,181				54,797		54,797	3
86				1,101		1,101	4
25,827				802,307		802,307	5
206				2,447		2,447	6
707				9,372		9,372	7
651				5,457		5,457	8
2,605				31,358		31,358	9
25				1,206		1,206	10
1,233				48,604		48,604	11
2,240				63,820		63,820	12
18,975				548,541		548,541	13
15,449				616,316	432,813	1,049,129	14
2,062,465	137,686	37,095		53,108,252	2,354,451	55,462,703	

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
El Paso Electric Company	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2019/Q4

PURCHASED POWER (Account 555)
(Including power exchanges)

1. Report all power purchases made during the year. Also report exchanges of electricity (i.e., transactions involving a balancing of debits and credits for energy, capacity, etc.) and any settlements for imbalanced exchanges.
2. Enter the name of the seller or other party in an exchange transaction in column (a). Do not abbreviate or truncate the name or use acronyms. Explain in a footnote any ownership interest or affiliation the respondent has with the seller.
3. In column (b), enter a Statistical Classification Code based on the original contractual terms and conditions of the service as follows:

RQ - for requirements service. Requirements service is service which the supplier plans to provide on an ongoing basis (i.e., the supplier includes projects load for this service in its system resource planning). In addition, the reliability of requirement service must be the same as, or second only to, the supplier's service to its own ultimate consumers.

LF - for long-term firm service. "Long-term" means five years or longer and "firm" means that service cannot be interrupted for economic reasons and is intended to remain reliable even under adverse conditions (e.g., the supplier must attempt to buy emergency energy from third parties to maintain deliveries of LF service). This category should not be used for long-term firm service firm service which meets the definition of RQ service. For all transaction identified as LF, provide in a footnote the termination date of the contract defined as the earliest date that either buyer or seller can unilaterally get out of the contract.

IF - for intermediate-term firm service. The same as LF service expect that "intermediate-term" means longer than one year but less than five years.

SF - for short-term service. Use this category for all firm services, where the duration of each period of commitment for service is one year or less.

LU - for long-term service from a designated generating unit. "Long-term" means five years or longer. The availability and reliability of service, aside from transmission constraints, must match the availability and reliability of the designated unit.

IU - for intermediate-term service from a designated generating unit. The same as LU service expect that "intermediate-term" means longer than one year but less than five years.

EX - For exchanges of electricity. Use this category for transactions involving a balancing of debits and credits for energy, capacity, etc. and any settlements for imbalanced exchanges.

OS - for other service. Use this category only for those services which cannot be placed in the above-defined categories, such as all non-firm service regardless of the Length of the contract and service from designated units of Less than one year. Describe the nature of the service in a footnote for each adjustment.

Line No.	Name of Company or Public Authority (Footnote Affiliations) (a)	Statistical Classification (b)	FERC Rate Schedule or Tariff Number (c)	Average Monthly Billing Demand (MW) (d)	Actual Demand (MW) Average Monthly NCP Demand (e)	Actual Demand (MW) Average Monthly CP Demand (f)
1	Freeport-McMoRan Copper & Gold Energy	LU	MBR	N/A	N/A	N/A
2	Guzman Energy Partners LLC	SF	MBR	N/A	N/A	N/A
3	Hatch Solar Energy Center 1, LLC	LU	MBR	N/A	N/A	N/A
4	Los Alamos County	SF	MBR	N/A	N/A	N/A
5	Los Angeles Dept of Water and Power	SF	MBR	N/A	N/A	N/A
6	Macho Springs Solar, LLC	LU	MBR	N/A	N/A	N/A
7	Macquarie Energy LLC	SF	MBR	N/A	N/A	N/A
8	Morgan Stanley Capital Group, Inc.	SF	MBR	N/A	N/A	N/A
9	Newman Solar LLC	LU	MBR	N/A	N/A	N/A
10	PacifiCorp	AD	MBR	N/A	N/A	N/A
11	PacifiCorp	SF	MBR	N/A	N/A	N/A
12	Powerex Corp.	SF	MBR	N/A	N/A	N/A
13	Public Service Company of Colorado	SF	MBR	N/A	N/A	N/A
14	Public Service Company of New Mexico	SF	MBR	N/A	N/A	N/A
	Total					

PURCHASED POWER(Account 555) (Continued)
(Including power exchanges)

AD - for out-of-period adjustment. Use this code for any accounting adjustments or "true-ups" for service provided in prior reporting years. Provide an explanation in a footnote for each adjustment.

4. In column (c), identify the FERC Rate Schedule Number or Tariff, or, for non-FERC jurisdictional sellers, include an appropriate designation for the contract. On separate lines, list all FERC rate schedules, tariffs or contract designations under which service, as identified in column (b), is provided.
5. For requirements RQ purchases and any type of service involving demand charges imposed on a monnthly (or longer) basis, enter the monthly average billing demand in column (d), the average monthly non-coincident peak (NCP) demand in column (e), and the average monthly coincident peak (CP) demand in column (f). For all other types of service, enter NA in columns (d), (e) and (f). Monthly NCP demand is the maximum metered hourly (60-minute integration) demand in a month. Monthly CP demand is the metered demand during the hour (60-minute integration) in which the supplier's system reaches its monthly peak. Demand reported in columns (e) and (f) must be in megawatts. Footnote any demand not stated on a megawatt basis and explain.
6. Report in column (g) the megawatthours shown on bills rendered to the respondent. Report in columns (h) and (i) the megawatthours of power exchanges received and delivered, used as the basis for settlement. Do not report net exchange.
7. Report demand charges in column (j), energy charges in column (k), and the total of any other types of charges, including out-of-period adjustments, in column (l). Explain in a footnote all components of the amount shown in column (l). Report in column (m) the total charge shown on bills received as settlement by the respondent. For power exchanges, report in column (m) the settlement amount for the net receipt of energy. If more energy was delivered than received, enter a negative amount. If the settlement amount (l) include credits or charges other than incremental generation expenses, or (2) excludes certain credits or charges covered by the agreement, provide an explanatory footnote.
8. The data in column (g) through (m) must be totalled on the last line of the schedule. The total amount in column (g) must be reported as Purchases on Page 401, line 10. The total amount in column (h) must be reported as Exchange Received on Page 401, line 12. The total amount in column (i) must be reported as Exchange Delivered on Page 401, line 13.
9. Footnote entries as required and provide explanations following all required data.

MegaWatt Hours Purchased (g)	POWER EXCHANGES		COST/SETTLEMENT OF POWER				Line No.
	MegaWatt Hours Received (h)	MegaWatt Hours Delivered (i)	Demand Charges ($) (j)	Energy Charges ($) (k)	Other Charges ($) (l)	Total (j+k+l) of Settlement ($) (m)	
829,307				50		50	1
8,177				186,980		186,980	2
11,901				1,416,280		1,416,280	3
70				3,689		3,689	4
101				1,499		1,499	5
137,921				7,985,602		7,985,602	6
8,215				215,573		215,573	7
2,893				100,057		100,057	8
26,970				1,483,366		1,483,366	9
140				9,340		9,340	10
4,445				168,275		168,275	11
2,192				213,595		213,595	12
33,600				1,682,974		1,682,974	13
1,126				33,179		33,179	14
2,062,465	137,686	37,095		53,108,252	2,354,451	55,462,703	

Name of Respondent El Paso Electric Company	This Report Is: (1) [X] An Original (2) [ ] A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2019/Q4

PURCHASED POWER (Account 555)
(Including power exchanges)

1. Report all power purchases made during the year. Also report exchanges of electricity (i.e., transactions involving a balancing of debits and credits for energy, capacity, etc.) and any settlements for imbalanced exchanges.
2. Enter the name of the seller or other party in an exchange transaction in column (a). Do not abbreviate or truncate the name or use acronyms. Explain in a footnote any ownership interest or affiliation the respondent has with the seller.
3. In column (b), enter a Statistical Classification Code based on the original contractual terms and conditions of the service as follows:

RQ - for requirements service. Requirements service is service which the supplier plans to provide on an ongoing basis (i.e., the supplier includes projects load for this service in its system resource planning). In addition, the reliability of requirement service must be the same as, or second only to, the supplier's service to its own ultimate consumers.

LF - for long-term firm service. "Long-term" means five years or longer and "firm" means that service cannot be interrupted for economic reasons and is intended to remain reliable even under adverse conditions (e.g., the supplier must attempt to buy emergency energy from third parties to maintain deliveries of LF service). This category should not be used for long-term firm service firm service which meets the definition of RQ service. For all transaction identified as LF, provide in a footnote the termination date of the contract defined as the earliest date that either buyer or seller can unilaterally get out of the contract.

IF - for intermediate-term firm service. The same as LF service expect that "intermediate-term" means longer than one year but less than five years.

SF - for short-term service. Use this category for all firm services, where the duration of each period of commitment for service is one year or less.

LU - for long-term service from a designated generating unit. "Long-term" means five years or longer. The availability and reliability of service, aside from transmission constraints, must match the availability and reliability of the designated unit.

IU - for intermediate-term service from a designated generating unit. The same as LU service expect that "intermediate-term" means longer than one year but less than five years.

EX - For exchanges of electricity. Use this category for transactions involving a balancing of debits and credits for energy, capacity, etc. and any settlements for imbalanced exchanges.

OS - for other service. Use this category only for those services which cannot be placed in the above-defined categories, such as all non-firm service regardless of the Length of the contract and service from designated units of Less than one year. Describe the nature of the service in a footnote for each adjustment.

Line No.	Name of Company or Public Authority (Footnote Affiliations) (a)	Statistical Classification (b)	FERC Rate Schedule or Tariff Number (c)	Average Monthly Billing Demand (MW) (d)	Actual Demand (MW) Average Monthly NCP Demand (e)	Actual Demand (MW) Average Monthly CP Demand (f)
1	Rainbow Energy Marketing Corp	OS	MBR	N/A	N/A	N/A
2	Rainbow Energy Marketing Corp	SF	MBR	N/A	N/A	N/A
3	Salt River Project Agricultural Improv	OS	MBR	N/A	N/A	N/A
4	Salt River Project Agricultural Improv	SF	MBR	N/A	N/A	N/A
5	Shell Energy North America (U.S.), L.P	AD	MBR	N/A	N/A	N/A
6	Shell Energy North America (U.S.), L.P	OS	MBR	N/A	N/A	N/A
7	Shell Energy North America (U.S.), L.P	SF	MBR	N/A	N/A	N/A
8	Solar Roadrunner LLC	LU	MBR	N/A	N/A	N/A
9	Southwest Environmental Center	LU	MBR	N/A	N/A	N/A
10	SunE EPE 1 LLC	LU	MBR	N/A	N/A	N/A
11	SunE EPE 2 LLC	LU	MBR	N/A	N/A	N/A
12	Tenaska Power Services Co.	AD	MBR	N/A	N/A	N/A
13	Tenaska Power Services Co.	OS	MBR	N/A	N/A	N/A
14	Tenaska Power Services Co.	SF	MBR	N/A	N/A	N/A
	Total					

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
El Paso Electric Company	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2019/Q4

PURCHASED POWER(Account 555) (Continued)
(Including power exchanges)

AD - for out-of-period adjustment. Use this code for any accounting adjustments or "true-ups" for service provided in prior reporting years. Provide an explanation in a footnote for each adjustment.

4. In column (c), identify the FERC Rate Schedule Number or Tariff, or, for non-FERC jurisdictional sellers, include an appropriate designation for the contract. On separate lines, list all FERC rate schedules, tariffs or contract designations under which service, as identified in column (b), is provided.
5. For requirements RQ purchases and any type of service involving demand charges imposed on a monnthly (or longer) basis, enter the monthly average billing demand in column (d), the average monthly non-coincident peak (NCP) demand in column (e), and the average monthly coincident peak (CP) demand in column (f). For all other types of service, enter NA in columns (d), (e) and (f). Monthly NCP demand is the maximum metered hourly (60-minute integration) demand in a month. Monthly CP demand is the metered demand during the hour (60-minute integration) in which the supplier's system reaches its monthly peak. Demand reported in columns (e) and (f) must be in megawatts. Footnote any demand not stated on a megawatt basis and explain.
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7. Report demand charges in column (j), energy charges in column (k), and the total of any other types of charges, including out-of-period adjustments, in column (l). Explain in a footnote all components of the amount shown in column (l). Report in column (m) the total charge shown on bills received as settlement by the respondent. For power exchanges, report in column (m) the settlement amount for the net receipt of energy. If more energy was delivered than received, enter a negative amount. If the settlement amount (l) include credits or charges other than incremental generation expenses, or (2) excludes certain credits or charges covered by the agreement, provide an explanatory footnote.
8. The data in column (g) through (m) must be totalled on the last line of the schedule. The total amount in column (g) must be reported as Purchases on Page 401, line 10. The total amount in column (h) must be reported as Exchange Received on Page 401, line 12. The total amount in column (i) must be reported as Exchange Delivered on Page 401, line 13.
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MegaWatt Hours Purchased (g)	POWER EXCHANGES		COST/SETTLEMENT OF POWER				Line No.
	MegaWatt Hours Received (h)	MegaWatt Hours Delivered (i)	Demand Charges ($) (j)	Energy Charges ($) (k)	Other Charges ($) (l)	Total (j+k+l) of Settlement ($) (m)	
3,453				49,921		49,921	1
21,910				967,529		967,529	2
2,155				93,645	4,125	97,770	3
5,267				266,443		266,443	4
62				4,104		4,104	5
350				19,950		19,950	6
3,390				58,353		58,353	7
51,119				6,466,370		6,466,370	8
6				592		592	9
25,436				2,646,499		2,646,499	10
29,036				3,045,542		3,045,542	11
390				10,200		10,200	12
580				13,639		13,639	13
695,336				20,401,901		20,401,901	14
2,062,465	137,686	37,095		53,108,252	2,354,451	55,462,703	

PURCHASED POWER (Account 555)
(Including power exchanges)

1. Report all power purchases made during the year. Also report exchanges of electricity (i.e., transactions involving a balancing of debits and credits for energy, capacity, etc.) and any settlements for imbalanced exchanges.
2. Enter the name of the seller or other party in an exchange transaction in column (a). Do not abbreviate or truncate the name or use acronyms. Explain in a footnote any ownership interest or affiliation the respondent has with the seller.
3. In column (b), enter a Statistical Classification Code based on the original contractual terms and conditions of the service as follows:

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LF - for long-term firm service. "Long-term" means five years or longer and "firm" means that service cannot be interrupted for economic reasons and is intended to remain reliable even under adverse conditions (e.g., the supplier must attempt to buy emergency energy from third parties to maintain deliveries of LF service). This category should not be used for long-term firm service firm service which meets the definition of RQ service. For all transaction identified as LF, provide in a footnote the termination date of the contract defined as the earliest date that either buyer or seller can unilaterally get out of the contract.

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Line No.	Name of Company or Public Authority (Footnote Affiliations) (a)	Statistical Classification (b)	FERC Rate Schedule or Tariff Number (c)	Average Monthly Billing Demand (MW) (d)	Actual Demand (MW) Average Monthly NCP Demand (e)	Actual Demand (MW) Average Monthly CP Demand (f)
1	TransAlta Energy Marketing (U.S.) Inc.	SF	MBR	N/A	N/A	N/A
2	Tri State G & T Association, Inc.	OS	MBR	N/A	N/A	N/A
3	Tri State G & T Association, Inc.	SF	MBR	N/A	N/A	N/A
4	Tucson Electric Power Company	SF	MBR	N/A	N/A	N/A
5	UNS Electric Inc.	SF	MBR	N/A	N/A	N/A
6	Westar Energy, Inc.	SF	MBR	N/A	N/A	N/A
7	Arizona Electric Power Cooperative	SF	SRSG	N/A	N/A	N/A
8	Arizona Public Service Company	SF	SRSG	N/A	N/A	N/A
9	Farmington	SF	SRSG	N/A	N/A	N/A
10	Public Service Company of New Mexico	SF	SRSG	N/A	N/A	N/A
11	Salt River Project	SF	SRSG	N/A	N/A	N/A
12	Tucson Electric Power Company	SF	SRSG	N/A	N/A	N/A
13	TRI-STATE	SF	SRSG	N/A	N/A	N/A
14	Arizona Electric Power Cooperative	OS	OATT	N/A	N/A	N/A
	Total					

PURCHASED POWER(Account 555) (Continued)
(Including power exchanges)

AD - for out-of-period adjustment. Use this code for any accounting adjustments or "true-ups" for service provided in prior reporting years. Provide an explanation in a footnote for each adjustment.

4. In column (c), identify the FERC Rate Schedule Number or Tariff, or, for non-FERC jurisdictional sellers, include an appropriate designation for the contract. On separate lines, list all FERC rate schedules, tariffs or contract designations under which service, as identified in column (b), is provided.
5. For requirements RQ purchases and any type of service involving demand charges imposed on a monnthly (or longer) basis, enter the monthly average billing demand in column (d), the average monthly non-coincident peak (NCP) demand in column (e), and the average monthly coincident peak (CP) demand in column (f). For all other types of service, enter NA in columns (d), (e) and (f). Monthly NCP demand is the maximum metered hourly (60-minute integration) demand in a month. Monthly CP demand is the metered demand during the hour (60-minute integration) in which the supplier's system reaches its monthly peak. Demand reported in columns (e) and (f) must be in megawatts. Footnote any demand not stated on a megawatt basis and explain.
6. Report in column (g) the megawatthours shown on bills rendered to the respondent. Report in columns (h) and (i) the megawatthours of power exchanges received and delivered, used as the basis for settlement. Do not report net exchange.
7. Report demand charges in column (j), energy charges in column (k), and the total of any other types of charges, including out-of-period adjustments, in column (l). Explain in a footnote all components of the amount shown in column (l). Report in column (m) the total charge shown on bills received as settlement by the respondent. For power exchanges, report in column (m) the settlement amount for the net receipt of energy. If more energy was delivered than received, enter a negative amount. If the settlement amount (l) include credits or charges other than incremental generation expenses, or (2) excludes certain credits or charges covered by the agreement, provide an explanatory footnote.
8. The data in column (g) through (m) must be totalled on the last line of the schedule. The total amount in column (g) must be reported as Purchases on Page 401, line 10. The total amount in column (h) must be reported as Exchange Received on Page 401, line 12. The total amount in column (i) must be reported as Exchange Delivered on Page 401, line 13.
9. Footnote entries as required and provide explanations following all required data.

MegaWatt Hours Purchased (g)	POWER EXCHANGES		COST/SETTLEMENT OF POWER				Line No.
	MegaWatt Hours Received (h)	MegaWatt Hours Delivered (i)	Demand Charges ($) (j)	Energy Charges ($) (k)	Other Charges ($) (l)	Total (j+k+l) of Settlement ($) (m)	
9,161				373,897		373,897	1
1,160				70,160		70,160	2
10,183				449,992		449,992	3
12,011				599,902		599,902	4
147				6,565		6,565	5
40,525				1,785,535		1,785,535	6
93				2,353		2,353	7
391				12,784		12,784	8
6				269		269	9
152				5,202		5,202	10
69				2,327		2,327	11
590				14,772		14,772	12
69				1,593		1,593	13
	3,183						14
2,062,465	137,686	37,095		53,108,252	2,354,451	55,462,703	

PURCHASED POWER (Account 555)
(Including power exchanges)

1. Report all power purchases made during the year. Also report exchanges of electricity (i.e., transactions involving a balancing of debits and credits for energy, capacity, etc.) and any settlements for imbalanced exchanges.
2. Enter the name of the seller or other party in an exchange transaction in column (a). Do not abbreviate or truncate the name or use acronyms. Explain in a footnote any ownership interest or affiliation the respondent has with the seller.
3. In column (b), enter a Statistical Classification Code based on the original contractual terms and conditions of the service as follows:

RQ - for requirements service. Requirements service is service which the supplier plans to provide on an ongoing basis (i.e., the supplier includes projects load for this service in its system resource planning). In addition, the reliability of requirement service must be the same as, or second only to, the supplier's service to its own ultimate consumers.

LF - for long-term firm service. "Long-term" means five years or longer and "firm" means that service cannot be interrupted for economic reasons and is intended to remain reliable even under adverse conditions (e.g., the supplier must attempt to buy emergency energy from third parties to maintain deliveries of LF service). This category should not be used for long-term firm service firm service which meets the definition of RQ service. For all transaction identified as LF, provide in a footnote the termination date of the contract defined as the earliest date that either buyer or seller can unilaterally get out of the contract.

IF - for intermediate-term firm service. The same as LF service expect that "intermediate-term" means longer than one year but less than five years.

SF - for short-term service. Use this category for all firm services, where the duration of each period of commitment for service is one year or less.

LU - for long-term service from a designated generating unit. "Long-term" means five years or longer. The availability and reliability of service, aside from transmission constraints, must match the availability and reliability of the designated unit.

IU - for intermediate-term service from a designated generating unit. The same as LU service expect that "intermediate-term" means longer than one year but less than five years.

EX - For exchanges of electricity. Use this category for transactions involving a balancing of debits and credits for energy, capacity, etc. and any settlements for imbalanced exchanges.

OS - for other service. Use this category only for those services which cannot be placed in the above-defined categories, such as all non-firm service regardless of the Length of the contract and service from designated units of Less than one year. Describe the nature of the service in a footnote for each adjustment.

Line No.	Name of Company or Public Authority (Footnote Affiliations) (a)	Statistical Classification (b)	FERC Rate Schedule or Tariff Number (c)	Average Monthly Billing Demand (MW) (d)	Actual Demand (MW) Average Monthly NCP Demand (e)	Actual Demand (MW) Average Monthly CP Demand (f)
1	Coral (Shell)	OS	OATT	N/A	N/A	N/A
2	Public Service Company of New Mexico	OS	OATT	N/A	N/A	N/A
3	Salt River Project	OS	OATT	N/A	N/A	N/A
4	Tri State G&T Association, Inc.	OS	OATT	N/A	N/A	N/A
5	Tucson Electric Power Company	OS	OATT	N/A	N/A	N/A
6	Western Area Power Administration	OS	OATT	N/A	N/A	N/A
7	Inadvertent			N/A	N/A	N/A
8	NM Net Mtr PP	OS	16	N/A	N/A	N/A
9	NM Net Mtr RECs	OS	33	N/A	N/A	N/A
10	TX Non Firm PP	OS	48	N/A	N/A	N/A
11						
12						
13						
14						
	Total					

PURCHASED POWER(Account 555) (Continued)
(Including power exchanges)

AD - for out-of-period adjustment. Use this code for any accounting adjustments or "true-ups" for service provided in prior reporting years. Provide an explanation in a footnote for each adjustment.

4. In column (c), identify the FERC Rate Schedule Number or Tariff, or, for non-FERC jurisdictional sellers, include an appropriate designation for the contract. On separate lines, list all FERC rate schedules, tariffs or contract designations under which service, as identified in column (b), is provided.
5. For requirements RQ purchases and any type of service involving demand charges imposed on a monnthly (or longer) basis, enter the monthly average billing demand in column (d), the average monthly non-coincident peak (NCP) demand in column (e), and the average monthly coincident peak (CP) demand in column (f). For all other types of service, enter NA in columns (d), (e) and (f). Monthly NCP demand is the maximum metered hourly (60-minute integration) demand in a month. Monthly CP demand is the metered demand during the hour (60-minute integration) in which the supplier's system reaches its monthly peak. Demand reported in columns (e) and (f) must be in megawatts. Footnote any demand not stated on a megawatt basis and explain.
6. Report in column (g) the megawatthours shown on bills rendered to the respondent. Report in columns (h) and (i) the megawatthours of power exchanges received and delivered, used as the basis for settlement. Do not report net exchange.
7. Report demand charges in column (j), energy charges in column (k), and the total of any other types of charges, including out-of-period adjustments, in column (l). Explain in a footnote all components of the amount shown in column (l). Report in column (m) the total charge shown on bills received as settlement by the respondent. For power exchanges, report in column (m) the settlement amount for the net receipt of energy. If more energy was delivered than received, enter a negative amount. If the settlement amount (l) include credits or charges other than incremental generation expenses, or (2) excludes certain credits or charges covered by the agreement, provide an explanatory footnote.
8. The data in column (g) through (m) must be totalled on the last line of the schedule. The total amount in column (g) must be reported as Purchases on Page 401, line 10. The total amount in column (h) must be reported as Exchange Received on Page 401, line 12. The total amount in column (i) must be reported as Exchange Delivered on Page 401, line 13.
9. Footnote entries as required and provide explanations following all required data.

MegaWatt Hours Purchased (g)	POWER EXCHANGES		COST/SETTLEMENT OF POWER				Line No.
	MegaWatt Hours Received (h)	MegaWatt Hours Delivered (i)	Demand Charges ($) (j)	Energy Charges ($) (k)	Other Charges ($) (l)	Total (j+k+l) of Settlement ($) (m)	
	489						1
	39,642						2
		11,738					3
	26,267						4
	67,403						5
	254						6
	448	25,357					7
4,951					183,589	183,589	8
					1,664,518	1,664,518	9
5,805					69,406	69,406	10
							11
							12
							13
							14
2,062,465	137,686	37,095		53,108,252	2,354,451	55,462,703	

Schedule Page: 326 Line No.: 1 Column: c

MBR = market-based rate
Seller sold power to the Company pursuant to the WSPP Agreement, an individually negotiated Edison Electric Institute Agreement, or an individually negotiated Purchased Power Agreement.

Schedule Page: 326 Line No.: 6 Column: b

Contingent purchases.

Schedule Page: 326 Line No.: 8 Column: b

Contingent purchases.

Schedule Page: 326 Line No.: 10 Column: b

Prior year adjustment.

Schedule Page: 326 Line No.: 12 Column: b

Non-Firm energy purchases.

Schedule Page: 326 Line No.: 14 Column: b

Interconnection Agreement and Contract for Power Service between the Company and Four Peaks Energy Inc. Contract is an evergreen contract.

Schedule Page: 326 Line No.: 14 Column: l

Payment of charges related to NMPRC Final Order No. 09-00259-UT.

Schedule Page: 326.1 Line No.: 1 Column: g

The 829,307 MWhs relate to purchases from Freeport-McMoran Copper & Gold Energy Services LLC ("Freeport") related to the Company's Power Purchase and Sales Agreement with Freeport dated December 16, 2005.

Schedule Page: 326.1 Line No.: 3 Column: b

Renewable Purchase Power Agreement between Hatch Solar Energy Center 1, LLC and the Company effective August 31, 2010, and continues for twenty-five years following the date of commercial operation in 2011.

Schedule Page: 326.1 Line No.: 6 Column: b

Renewable Purchase Power Agreement between Macho Springs Solar, LLC and the Company effective October 25, 2012, and continues for twenty years following the date of commercial operation in 2014.

Schedule Page: 326.1 Line No.: 9 Column: b

Renewable Purchase Power Agreement between PSEG El Paso Solar Energy Center and the Company effective September 5, 2013, and continues for thirty years following the date of commercial operation in 2014.

Schedule Page: 326.1 Line No.: 10 Column: b

Prior year adjustment.

Schedule Page: 326.2 Line No.: 1 Column: b

Contingent purchases.

Schedule Page: 326.2 Line No.: 3 Column: b

Contingent and spinning reserve purchases.

Schedule Page: 326.2 Line No.: 3 Column: l

Spinning reserve purchases.

Schedule Page: 326.2 Line No.: 5 Column: b

Prior year adjustment.

Schedule Page: 326.2 Line No.: 6 Column: b

Contingent purchases.

Schedule Page: 326.2 Line No.: 8 Column: b

Renewable Purchase Power Agreement between Clearway Energy Group and the Company dated June 4, 2010, and continues for twenty years following the date of commercial operation in 2011.

Schedule Page: 326.2 Line No.: 9 Column: b

Renewable Purchase Power Agreement between Southwest Environmental Center and the Company. Contract terminated effective October 1, 2019.

Schedule Page: 326.2 Line No.: 10 Column: b

Renewable Purchase Power Agreement between SunE1 EPE, LCC and the Company dated November 8, 2010, and continues for twenty-five years following the date of commercial operation in 2012.

Schedule Page: 326.2 Line No.: 11 Column: b

Renewable Purchase Power Agreement between SunE2 EPE, LLC and the Company dated November 8, 2010, and continues for twenty-five years following the date of commercial operation in 2012.

Schedule Page: 326.2 Line No.: 12 Column: b

Prior year adjustment.

Schedule Page: 326.2 Line No.: 13 Column: b

Contingent purchases.

Schedule Page: 326.3 Line No.: 2 Column: b

Contingent purchases.

Schedule Page: 326.3 Line No.: 7 Column: c

SRSG = Southwest Reserve Sharing Group Participation Agreement.

Schedule Page: 326.3 Line No.: 14 Column: c

OATT = Open Access Transmission Tariff.

Schedule Page: 326.4 Line No.: 8 Column: c

New Mexico Rate No. 16.

Schedule Page: 326.4 Line No.: 8 Column: l

Represents amount paid to various New Mexico customers for excess renewable energy generated by customers and bought by the Company.

Schedule Page: 326.4 Line No.: 9 Column: c

New Mexico Rate No. 33.

Schedule Page: 326.4 Line No.: 9 Column: l

Represents amount paid for renewable energy certificates related to renewable energy generated by various New Mexico customers.

Schedule Page: 326.4 Line No.: 10 Column: c

Texas Rate No. 48.

Schedule Page: 326.4 Line No.: 10 Column: l

Represents amount paid to various retail Texas customers for excess distributed renewable energy generated by customers and bought by the Company.

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
El Paso Electric Company	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2019/Q4

TRANSMISSION OF ELECTRICITY FOR OTHERS (Account 456.1)
(Including transactions referred to as 'wheeling')

1. Report all transmission of electricity, i.e., wheeling, provided for other electric utilities, cooperatives, other public authorities, qualifying facilities, non-traditional utility suppliers and ultimate customers for the quarter.
2. Use a separate line of data for each distinct type of transmission service involving the entities listed in column (a), (b) and (c).
3. Report in column (a) the company or public authority that paid for the transmission service. Report in column (b) the company or public authority that the energy was received from and in column (c) the company or public authority that the energy was delivered to. Provide the full name of each company or public authority. Do not abbreviate or truncate name or use acronyms. Explain in a footnote any ownership interest in or affiliation the respondent has with the entities listed in columns (a), (b) or (c)
4. In column (d) enter a Statistical Classification code based on the original contractual terms and conditions of the service as follows: FNO - Firm Network Service for Others, FNS - Firm Network Transmission Service for Self, LFP - "Long-Term Firm Point to Point Transmission Service, OLF - Other Long-Term Firm Transmission Service, SFP - Short-Term Firm Point to Point Transmission Reservation, NF - non-firm transmission service, OS - Other Transmission Service and AD - Out-of-Period Adjustments. Use this code for any accounting adjustments or "true-ups" for service provided in prior reporting periods. Provide an explanation in a footnote for each adjustment. See General Instruction for definitions of codes.

Line No.	Payment By (Company of Public Authority) (Footnote Affiliation) (a)	Energy Received From (Company of Public Authority) (Footnote Affiliation) (b)	Energy Delivered To (Company of Public Authority) (Footnote Affiliation) (c)	Statistical Classifi-cation (d)
1	El Paso Electric Marketing	Southwestern Public Service Compa	El Paso Electric Marketing	NF
2	El Paso Electric Marketing	El Paso Electric Marketing	Tucson Electric Power Company	NF
3	El Paso Electric Marketing	Tucson Electric Power Company	Public Service Company of New Mex	NF
4	El Paso Electric Marketing	Public Service Company of New Mex	El Paso Electric Marketing	NF
5	El Paso Electric Marketing	Tucson Electric Power Company	El Paso Electric Marketing	NF
6	El Paso Electric Marketing	Tucson Electric Power Company	Public Service Company of New Mex	NF
7	El Paso Electric Marketing	Public Service Company of New Mex	El Paso Electric Marketing	NF
8	El Paso Electric Marketing	El Paso Electric Marketing	Tucson Electric Power Company	SFP
9	Rio Grande Electric Co-Op	El Paso Electric Marketing	El Paso Electric Marketing	FNO
10	Arizona Electric Power Cooperative	Salt River Project	Arizona Public Service Company	LFP
11	Arizona Electric Power Cooperative	Salt River Project	Arizona Public Service Company	NF
12	Arizona Electric Power Cooperative	Tucson Electric Power Company	Tucson Electric Power Company	NF
13	Arizona Electric Power Cooperative	Arizona Public Service Company	Salt River Project	NF
14	Arizona Electric Power Cooperative	Salt River Project	Arizona Public Service Company	SFP
15	Arizona Electric Power Cooperative	Arizona Public Service Company	Salt River Project	SFP
16	Brookfield Energy Marketing LP	Salt River Project	Arizona Public Service Company	NF
17	Brookfield Energy Marketing LP	Salt River Project	Arizona Public Service Company	SFP
18	Brookfield Energy Marketing LP	Arizona Public Service Company	Salt River Project	SFP
19	Central Arizona Water Conservation District	Salt River Project	Arizona Public Service Company	NF
20	Central Arizona Water Conservation District	Salt River Project	Arizona Public Service Company	SFP
21	Central Arizona Water Conservation District	Salt River Project	Arizona Public Service Company	SFP
22	Central Arizona Water Conservation District	Arizona Public Service Company	Salt River Project	SFP
23	Coral Power	Salt River Project	Arizona Public Service Company	LFP
24	Coral Power	Southwestern Public Service Compa	Tucson Electric Power Company	NF
25	Coral Power	Salt River Project	Arizona Public Service Company	SFP
26	Coral Power	Arizona Public Service Company	Salt River Project	SFP
27	Eagle Energy Partners	Salt River Project	Arizona Public Service Company	NF
28	Eagle Energy Partners	Arizona Public Service Company	Salt River Project	NF
29	Eagle Energy Partners	Salt River Project	Arizona Public Service Company	SFP
30	Eagle Energy Partners	Arizona Public Service Company	Salt River Project	SFP
31	Exelon Generation LLC	Salt River Project	Arizona Public Service Company	NF
32	Exelon Generation LLC	Salt River Project	Arizona Public Service Company	SFP
33	Imperial Irrigation District	Salt River Project	Arizona Public Service Company	NF
34	Imperial Irrigation District	Salt River Project	Arizona Public Service Company	SFP
	TOTAL			

TRANSMISSION OF ELECTRICITY FOR OTHERS (Account 456)(Continued)
(Including transactions reffered to as 'wheeling')

5. In column (e), identify the FERC Rate Schedule or Tariff Number, On separate lines, list all FERC rate schedules or contract designations under which service, as identified in column (d), is provided.
6. Report receipt and delivery locations for all single contract path, "point to point" transmission service. In column (f), report the designation for the substation, or other appropriate identification for where energy was received as specified in the contract. In column (g) report the designation for the substation, or other appropriate identification for where energy was delivered as specified in the contract.
7. Report in column (h) the number of megawatts of billing demand that is specified in the firm transmission service contract. Demand reported in column (h) must be in megawatts. Footnote any demand not stated on a megawatts basis and explain.
8. Report in column (i) and (j) the total megawatthours received and delivered.

FERC Rate Schedule of Tariff Number (e)	Point of Receipt (Subsatation or Other Designation) (f)	Point of Delivery (Substation or Other Designation) (g)	Billing Demand (MW) (h)	TRANSFER OF ENERGY MegaWatt Hours Received (i)	TRANSFER OF ENERGY MegaWatt Hours Delivered (j)	Line No.
OATT	Eddy	EPE System		736	736	1
OATT	EPE System	Greenlee		4,530	4,530	2
OATT	Greenlee	Luna				3
OATT	Luna	EPE System		65	65	4
OATT	Springerville	EPE System		800	800	5
OATT	Springerville	Luna				6
OATT	Westmesa	EPE System		592	592	7
OATT	EPE System	Springerville		9,412	9,412	8
OATT	EPE System	Coyote/Farmer	9	61,816	61,816	9
OATT	Palo Verde	Westwing	125	208,880	208,880	10
OATT	Palo Verde	Westwing		10,578	10,578	11
OATT	Springerville	Greenlee		146	146	12
OATT	Westwing	Palo Verde		350	350	13
OATT	Palo Verde	Westwing		2,565	2,565	14
OATT	Westwing	Palo Verde		10,667	10,667	15
OATT	Palo Verde	Westwing		7,560	7,560	16
OATT	Palo Verde	Westwing		2,481	2,481	17
OATT	Westwing	Palo Verde		200	200	18
OATT	Palo Verde	Westwing		53,144	53,144	19
OATT	Palo Verde	Westwing	50	20,163	20,163	20
OATT	Palo Verde	Westwing		4,740	4,740	21
OATT	Westwing	Palo Verde		6,363	6,363	22
OATT	Palo Verde	Westwing	125	127,256	127,256	23
OATT	Eddy	Springerville		2,796	2,796	24
OATT	Palo Verde	Westwing		392	392	25
OATT	Westwing	Palo Verde		8	8	26
OATT	Palo Verde	Westwing		9,597	9,597	27
OATT	Westwing	Palo Verde		251	251	28
OATT	Palo Verde	Westwing		5,545	5,545	29
OATT	Westwing	Palo Verde		3,206	3,206	30
OATT	Palo Verde	Westwing		14,978	14,978	31
OATT	Palo Verde	Westwing		10,568	10,568	32
OATT	Palo Verde	Westwing		617	617	33
OATT	Palo Verde	Westwing		703	703	34
			978	**5,621,905**	**5,621,905**	

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
El Paso Electric Company	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2019/Q4

TRANSMISSION OF ELECTRICITY FOR OTHERS (Account 456) (Continued)
(Including transactions reffered to as 'wheeling')

9. In column (k) through (n), report the revenue amounts as shown on bills or vouchers. In column (k), provide revenues from demand charges related to the billing demand reported in column (h). In column (l), provide revenues from energy charges related to the amount of energy transferred. In column (m), provide the total revenues from all other charges on bills or vouchers rendered, including out of period adjustments. Explain in a footnote all components of the amount shown in column (m). Report in column (n) the total charge shown on bills rendered to the entity Listed in column (a). If no monetary settlement was made, enter zero (11011) in column (n). Provide a footnote explaining the nature of the non-monetary settlement, including the amount and type of energy or service rendered.
10. The total amounts in columns (i) and (j) must be reported as Transmission Received and Transmission Delivered for annual report purposes only on Page 401, Lines 16 and 17, respectively.
11. Footnote entries and provide explanations following all required data.

REVENUE FROM TRANSMISSION OF ELECTRICITY FOR OTHERS

Demand Charges ($) (k)	Energy Charges ($) (l)	(Other Charges) ($) (m)	Total Revenues ($) (k+l+m) (n)	Line No.
				1
				2
				3
				4
				5
				6
				7
				8
165,237			165,237	9
606,648			606,648	10
	9,205		9,205	11
	680		680	12
	317		317	13
	1,717		1,717	14
	9,422		9,422	15
	6,817		6,817	16
	2,268		2,268	17
	186		186	18
	42,579		42,579	19
20,500			20,500	20
	4,891		4,891	21
	5,222		5,222	22
606,797			606,797	23
	53,039		53,039	24
				25
	45		45	26
	9,773		9,773	27
	296		296	28
	7,804		7,804	29
	4,091		4,091	30
	11,099		11,099	31
	9,487		9,487	32
	757		757	33
	613		613	34
13,298,678	**9,321,960**	**0**	**22,620,638**	

Name of Respondent El Paso Electric Company	This Report Is: (1) [X] An Original (2) [ ] A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2019/Q4

TRANSMISSION OF ELECTRICITY FOR OTHERS (Account 456.1)
(Including transactions referred to as 'wheeling')

1. Report all transmission of electricity, i.e., wheeling, provided for other electric utilities, cooperatives, other public authorities, qualifying facilities, non-traditional utility suppliers and ultimate customers for the quarter.
2. Use a separate line of data for each distinct type of transmission service involving the entities listed in column (a), (b) and (c).
3. Report in column (a) the company or public authority that paid for the transmission service. Report in column (b) the company or public authority that the energy was received from and in column (c) the company or public authority that the energy was delivered to. Provide the full name of each company or public authority. Do not abbreviate or truncate name or use acronyms. Explain in a footnote any ownership interest in or affiliation the respondent has with the entities listed in columns (a), (b) or (c)
4. In column (d) enter a Statistical Classification code based on the original contractual terms and conditions of the service as follows: FNO - Firm Network Service for Others, FNS - Firm Network Transmission Service for Self, LFP - "Long-Term Firm Point to Point Transmission Service, OLF - Other Long-Term Firm Transmission Service, SFP - Short-Term Firm Point to Point Transmission Reservation, NF - non-firm transmission service, OS - Other Transmission Service and AD - Out-of-Period Adjustments. Use this code for any accounting adjustments or "true-ups" for service provided in prior reporting periods. Provide an explanation in a footnote for each adjustment. See General Instruction for definitions of codes.

Line No.	Payment By (Company of Public Authority) (Footnote Affiliation) (a)	Energy Received From (Company of Public Authority) (Footnote Affiliation) (b)	Energy Delivered To (Company of Public Authority) (Footnote Affiliation) (c)	Statistical Classifi-cation (d)
1	Macquarie Cook Power	Public Service Company of New Mex	Tucson Electric Power Company	NF
2	Macquarie Cook Power	Southwestern Public Service Compa	Tucson Electric Power Company	NF
3	Macquarie Cook Power	Salt River Project	Arizona Public Service Company	NF
4	Macquarie Cook Power	Arizona Public Service Company	Salt River Project	NF
5	Macquarie Cook Power	Public Service Company of New Mex	Tucson Electric Power Company	SFP
6	Macquarie Cook Power	Public Service Company of New Mex	Tucson Electric Power Company	SFP
7	Macquarie Cook Power	Salt River Project	Arizona Public Service Company	SFP
8	Macquarie Cook Power	Arizona Public Service Company	Salt River Project	SFP
9	MAG Energy Solutions	Southwestern Public Service Compa	Public Service Company of New Mex	NF
10	MAG Energy Solutions	Southwestern Public Service Compa	Tucson Electric Power Company	NF
11	MAG Energy Solutions	Public Service Company of New Mex	Public Service Company of New Mex	SFP
12	MAG Energy Solutions	Public Service Company of New Mex	Tucson Electric Power Company	SFP
13	Morgan Stanley	Salt River Project	Arizona Public Service Company	NF
14	Morgan Stanley	Salt River Project	Arizona Public Service Company	SFP
15	Morgan Stanley	Arizona Public Service Company	Salt River Project	SFP
16	Open Access Technology International, Inc.	Public Service Company of New Mex	Tucson Electric Power Company	AD
17	Open Access Technology International, Inc.	Public Service Company of New Mex	Tucson Electric Power Company	NF
18	Open Access Technology International, Inc.	Southwestern Public Service Compa	Tucson Electric Power Company	NF
19	Open Access Technology International, Inc.	Tucson Electric Power Company	Southwestern Public Service Compa	NF
20	Open Access Technology International, Inc.	Tucson Electric Power Company	Tucson Electric Power Company	NF
21	Open Access Technology International, Inc.	Tucson Electric Power Company	Public Service Company of New Mex	NF
22	Powerex	Salt River Project	Arizona Public Service Company	NF
23	Powerex	Salt River Project	Arizona Public Service Company	SFP
24	Powerex	Arizona Public Service Company	Salt River Project	SFP
25	Public Service Company of Colorado	Southwestern Public Service Compa	Tucson Electric Power Company	NF
26	Public Service Company of New Mexico	Public Service Company of New Mex	Tucson Electric Power Company	LFP
27	Public Service Company of New Mexico	Public Service Company of New Mex	Public Service Company of New Mex	LFP
28	Public Service Company of New Mexico	Public Service Company of New Mex	Tucson Electric Power Company	LFP
29	Public Service Company of New Mexico	Public Service Company of New Mex	Public Service Company of New Mex	LFP
30	Public Service Company of New Mexico	Public Service Company of New Mex	Public Service Company of New Mex	NF
31	Public Service Company of New Mexico	Public Service Company of New Mex	Public Service Company of New Mex	NF
32	Public Service Company of New Mexico	Public Service Company of New Mex	Public Service Company of New Mex	NF
33	Public Service Company of New Mexico	Public Service Company of New Mex	Public Service Company of New Mex	NF
34	Public Service Company of New Mexico	Public Service Company of New Mex	Tucson Electric Power Company	NF
	TOTAL			

Name of Respondent El Paso Electric Company	This Report Is: (1) [X] An Original (2) [ ] A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2019/Q4

TRANSMISSION OF ELECTRICITY FOR OTHERS (Account 456)(Continued)
(Including transactions reffered to as 'wheeling')

5. In column (e), identify the FERC Rate Schedule or Tariff Number, On separate lines, list all FERC rate schedules or contract designations under which service, as identified in column (d), is provided.
6. Report receipt and delivery locations for all single contract path, "point to point" transmission service. In column (f), report the designation for the substation, or other appropriate identification for where energy was received as specified in the contract. In column (g) report the designation for the substation, or other appropriate identification for where energy was delivered as specified in the contract.
7. Report in column (h) the number of megawatts of billing demand that is specified in the firm transmission service contract. Demand reported in column (h) must be in megawatts. Footnote any demand not stated on a megawatts basis and explain.
8. Report in column (i) and (j) the total megawatthours received and delivered.

FERC Rate Schedule of Tariff Number (e)	Point of Receipt (Subsatation or Other Designation) (f)	Point of Delivery (Substation or Other Designation) (g)	Billing Demand (MW) (h)	TRANSFER OF ENERGY MegaWatt Hours Received (i)	TRANSFER OF ENERGY MegaWatt Hours Delivered (j)	Line No.
OATT	Amrad	Springerville		1,219	1,219	1
OATT	Eddy	Springerville		7,835	7,835	2
OATT	Palo Verde	Westwing		83,475	83,475	3
OATT	Westwing	Palo Verde		837	837	4
OATT	Amrad	Springerville	65	9,465	9,465	5
OATT	Amrad	Springerville		2,026	2,026	6
OATT	Palo Verde	Westwing		85,337	85,337	7
OATT	Westwing	Palo Verde		4,667	4,667	8
OATT	Eddy	Amrad		172	172	9
OATT	Eddy	Springerville		14,753	14,753	10
OATT	Amrad	Amrad		172	172	11
OATT	Amrad	Springerville		12,012	12,012	12
OATT	Palo Verde	Westwing		142,823	142,823	13
OATT	Palo Verde	Westwing		769	769	14
OATT	Westwing	Palo Verde		3,830	3,830	15
OATT	Amrad	Springerville				16
OATT	Amrad	Springerville		496	496	17
OATT	Eddy	Springerville		1,075	1,075	18
OATT	Springerville	Eddy		206	206	19
OATT	Springerville	Greenlee		13	13	20
OATT	Springerville	Hidalgo				21
OATT	Palo Verde	Westwing		73,762	73,762	22
OATT	Palo Verde	Westwing		9,508	9,508	23
OATT	Westwing	Palo Verde		1,111	1,111	24
OATT	Eddy	Springerville		61	61	25
OATT	Afton	Springerville	94	230,203	230,203	26
OATT	Afton	Westmesa	141	364,551	364,551	27
OATT	Luna	Springerville	60	200,464	200,464	28
OATT	Westmesa	Amrad	25	76,579	76,579	29
OATT	Afton	Amrad		29	29	30
OATT	Afton	Luna		11,351	11,351	31
OATT	Afton	Westmesa		2,087	2,087	32
OATT	Hidalgo	Afton		810	810	33
OATT	Hidalgo	Springerville				34
			978	**5,621,905**	**5,621,905**	

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
El Paso Electric Company	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2019/Q4

TRANSMISSION OF ELECTRICITY FOR OTHERS (Account 456) (Continued)
(Including transactions reffered to as 'wheeling')

9. In column (k) through (n), report the revenue amounts as shown on bills or vouchers. In column (k), provide revenues from demand charges related to the billing demand reported in column (h). In column (I), provide revenues from energy charges related to the amount of energy transferred. In column (m), provide the total revenues from all other charges on bills or vouchers rendered, including out of period adjustments. Explain in a footnote all components of the amount shown in column (m). Report in column (n) the total charge shown on bills rendered to the entity Listed in column (a). If no monetary settlement was made, enter zero (11011) in column (n). Provide a footnote explaining the nature of the non-monetary settlement, including the amount and type of energy or service rendered.
10. The total amounts in columns (i) and (j) must be reported as Transmission Received and Transmission Delivered for annual report purposes only on Page 401, Lines 16 and 17, respectively.
11. Footnote entries and provide explanations following all required data.

REVENUE FROM TRANSMISSION OF ELECTRICITY FOR OTHERS

Demand Charges ($) (k)	Energy Charges ($) (l)	(Other Charges) ($) (m)	Total Revenues ($) (k+l+m) (n)	Line No.
	7,021		7,021	1
	68,202		68,202	2
	75,983		75,983	3
	786		786	4
472,680			472,680	5
	63,612		63,612	6
	66,313		66,313	7
	4,185		4,185	8
	1,034		1,034	9
	94,107		94,107	10
	1,034		1,034	11
	77,159		77,159	12
	119,633		119,633	13
	785		785	14
	3,454		3,454	15
	-102		-102	16
	1,990		1,990	17
	5,229		5,229	18
	961		961	19
	151		151	20
	117		117	21
	64,551		64,551	22
	7,688		7,688	23
	1,217		1,217	24
	6,970		6,970	25
2,493,921			2,493,921	26
2,543,728			2,543,728	27
1,479,374			1,479,374	28
628,225			628,225	29
	143		143	30
	69,991		69,991	31
	22,579		22,579	32
	142,379		142,379	33
	6,389		6,389	34
13,298,678	**9,321,960**	**0**	**22,620,638**	

Name of Respondent El Paso Electric Company	This Report Is: (1) [X] An Original (2) [ ] A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2019/Q4

TRANSMISSION OF ELECTRICITY FOR OTHERS (Account 456.1)
(Including transactions referred to as 'wheeling')

1. Report all transmission of electricity, i.e., wheeling, provided for other electric utilities, cooperatives, other public authorities, qualifying facilities, non-traditional utility suppliers and ultimate customers for the quarter.
2. Use a separate line of data for each distinct type of transmission service involving the entities listed in column (a), (b) and (c).
3. Report in column (a) the company or public authority that paid for the transmission service. Report in column (b) the company or public authority that the energy was received from and in column (c) the company or public authority that the energy was delivered to. Provide the full name of each company or public authority. Do not abbreviate or truncate name or use acronyms. Explain in a footnote any ownership interest in or affiliation the respondent has with the entities listed in columns (a), (b) or (c)
4. In column (d) enter a Statistical Classification code based on the original contractual terms and conditions of the service as follows: FNO - Firm Network Service for Others, FNS - Firm Network Transmission Service for Self, LFP - "Long-Term Firm Point to Point Transmission Service, OLF - Other Long-Term Firm Transmission Service, SFP - Short-Term Firm Point to Point Transmission Reservation, NF - non-firm transmission service, OS - Other Transmission Service and AD - Out-of-Period Adjustments. Use this code for any accounting adjustments or "true-ups" for service provided in prior reporting periods. Provide an explanation in a footnote for each adjustment. See General Instruction for definitions of codes.

Line No.	Payment By (Company of Public Authority) (Footnote Affiliation) (a)	Energy Received From (Company of Public Authority) (Footnote Affiliation) (b)	Energy Delivered To (Company of Public Authority) (Footnote Affiliation) (c)	Statistical Classifi-cation (d)
1	Public Service Company of New Mexico	Public Service Company of New Mex	Tucson Electric Power Company	NF
2	Public Service Company of New Mexico	Tucson Electric Power Company	Public Service Company of New Mex	NF
3	Public Service Company of New Mexico	Public Service Company of New Mex	Public Service Company of New Mex	NF
4	Public Service Company of New Mexico	Public Service Company of New Mex	Public Service Company of New Mex	NF
5	Public Service Company of New Mexico	Public Service Company of New Mex	Public Service Company of New Mex	SFP
6	Public Service Company of New Mexico	Public Service Company of New Mex	Public Service Company of New Mex	SFP
7	Public Service Company of New Mexico	Public Service Company of New Mex	Tucson Electric Power Company	SFP
8	Public Service Company of New Mexico	Public Service Company of New Mex	Public Service Company of New Mex	SFP
9	Public Service Company of New Mexico	Tucson Electric Power Company	Public Service Company of New Mex	SFP
10	Public Service Company of New Mexico	Public Service Company of New Mex	Public Service Company of New Mex	SFP
11	Public Service Company of New Mexico	Public Service Company of New Mex	Public Service Company of New Mex	SFP
12	Public Service Company of New Mexico	Public Service Company of New Mex	Tucson Electric Power Company	SFP
13	Public Service Company of New Mexico	Salt River Project	Arizona Public Service Company	SFP
14	Public Service Company of New Mexico	Tucson Electric Power Company	Public Service Company of New Mex	SFP
15	Public Service Company of New Mexico	Public Service Company of New Mex	Public Service Company of New Mex	SFP
16	Public Service Company of New Mexico	Public Service Company of New Mex	Public Service Company of New Mex	SFP
17	Public Service Company of New Mexico	Arizona Public Service Company	Salt River Project	SFP
18	Rainbow Energy Marketing Corp	Southwestern Public Service Compa	Tucson Electric Power Company	NF
19	Tenaska Power Services Company	Public Service Company of New Mex	Tucson Electric Power Company	SFP
20	Tenaska Power Services Company	Salt River Project	Arizona Public Service Company	SFP
21	Tenaska Power Services Company	Arizona Public Service Company	Salt River Project	SFP
22	The Energy Authority	Salt River Project	Arizona Public Service Company	SFP
23	Transalta	Southwestern Public Service Compa	Tucson Electric Power Company	NF
24	Transalta	Salt River Project	Arizona Public Service Company	NF
25	Transalta	Tucson Electric Power Company	Southwestern Public Service Compa	NF
26	Transalta	Arizona Public Service Company	Salt River Project	NF
27	Transalta	Salt River Project	Arizona Public Service Company	SFP
28	Transalta	Arizona Public Service Company	Salt River Project	SFP
29	Tristate Generating and Transmission Coop	Tucson Electric Power Company	Public Service Company of New Mex	LFP
30	Tristate Generating and Transmission Coop	Public Service Company of New Mex	Tucson Electric Power Company	NF
31	Tristate Generating and Transmission Coop	Public Service Company of New Mex	Public Service Company of New Mex	NF
32	Tristate Generating and Transmission Coop	Public Service Company of New Mex	Tucson Electric Power Company	SFP
33	Tristate Generating and Transmission Coop	Tucson Electric Power Company	Public Service Company of New Mex	SFP
34	Tristate Power Marketing	Tucson Electric Power Company	Public Service Company of New Mex	NF
	TOTAL			

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
El Paso Electric Company	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2019/Q4

TRANSMISSION OF ELECTRICITY FOR OTHERS (Account 456)(Continued)
(Including transactions reffered to as 'wheeling')

5. In column (e), identify the FERC Rate Schedule or Tariff Number, On separate lines, list all FERC rate schedules or contract designations under which service, as identified in column (d), is provided.
6. Report receipt and delivery locations for all single contract path, "point to point" transmission service. In column (f), report the designation for the substation, or other appropriate identification for where energy was received as specified in the contract. In column (g) report the designation for the substation, or other appropriate identification for where energy was delivered as specified in the contract.
7. Report in column (h) the number of megawatts of billing demand that is specified in the firm transmission service contract. Demand reported in column (h) must be in megawatts. Footnote any demand not stated on a megawatts basis and explain.
8. Report in column (i) and (j) the total megawatthours received and delivered.

FERC Rate Schedule of Tariff Number (e)	Point of Receipt (Subsatation or Other Designation) (f)	Point of Delivery (Substation or Other Designation) (g)	Billing Demand (MW) (h)	TRANSFER OF ENERGY MegaWatt Hours Received (i)	TRANSFER OF ENERGY MegaWatt Hours Delivered (j)	Line No.
OATT	Luna	Springerville		31	31	1
OATT	Springerville	Luna		1,870	1,870	2
OATT	Westmesa	Amrad		6,365	6,365	3
OATT	Westmesa	Las Cruces		15,174	15,174	4
OATT	Afton	Amrad		111,645	111,645	5
OATT	Afton	Luna		102,626	102,626	6
OATT	Afton	Springerville		52,264	52,264	7
OATT	Afton	Westmesa		44,386	44,386	8
OATT	Greenlee	Luna		1,021	1,021	9
OATT	Luna	Afton		69	69	10
OATT	Luna	Amrad		2,441	2,441	11
OATT	Luna	Springerville		41,894	41,894	12
OATT	Palo Verde	Westwing				13
OATT	Springerville	Luna		6,193	6,193	14
OATT	Westmesa	Amrad		25,062	25,062	15
OATT	Westmesa	Las Cruces		810	810	16
OATT	Westwing	Palo Verde		150	150	17
OATT	Eddy	Springerville		175	175	18
OATT	Amrad	Springerville		391	391	19
OATT	Palo Verde	Westwing		50	50	20
OATT	Westwing	Palo Verde		35	35	21
OATT	Palo Verde	Westwing		5	5	22
OATT	Eddy	Springerville		1,828	1,828	23
OATT	Palo Verde	Westwing		6,211	6,211	24
OATT	Springerville	Eddy		327	327	25
OATT	Westwing	Palo Verde		75	75	26
OATT	Palo Verde	Westwing		618	618	27
OATT	Westwing	Palo Verde		407	407	28
80	Springerville	Las Cruces/Orogrande	50	342,675	342,675	29
OATT	Hidalgo	Springerville				30
OATT	Westmesa	Las Cruces/Orogrande		8,400	8,400	31
OATT	Hidalgo	Springerville				32
OATT	Springerville	Las Cruces/Orogrande		14,496	14,496	33
OATT	Springerville	Las Cruces		2,128	2,128	34
			978	**5,621,905**	**5,621,905**	

TRANSMISSION OF ELECTRICITY FOR OTHERS (Account 456) (Continued)
(Including transactions reffered to as 'wheeling')

9. In column (k) through (n), report the revenue amounts as shown on bills or vouchers. In column (k), provide revenues from demand charges related to the billing demand reported in column (h). In column (l), provide revenues from energy charges related to the amount of energy transferred. In column (m), provide the total revenues from all other charges on bills or vouchers rendered, including out of period adjustments. Explain in a footnote all components of the amount shown in column (m). Report in column (n) the total charge shown on bills rendered to the entity Listed in column (a). If no monetary settlement was made, enter zero (11011) in column (n). Provide a footnote explaining the nature of the non-monetary settlement, including the amount and type of energy or service rendered.
10. The total amounts in columns (i) and (j) must be reported as Transmission Received and Transmission Delivered for annual report purposes only on Page 401, Lines 16 and 17, respectively.
11. Footnote entries and provide explanations following all required data.

REVENUE FROM TRANSMISSION OF ELECTRICITY FOR OTHERS

Demand Charges ($) (k)	Energy Charges ($) (l)	(Other Charges) ($) (m)	Total Revenues ($) (k+l+m) (n)	Line No.
	1,933		1,933	1
	18,294		18,294	2
	46,298		46,298	3
	155,157		155,157	4
	529,413		529,413	5
	545,259		545,259	6
	184,203		184,203	7
	314,978		314,978	8
	8,866		8,866	9
	339		339	10
	29,887		29,887	11
	2,070,098		2,070,098	12
	5		5	13
	45,601		45,601	14
	150,375		150,375	15
	4,226		4,226	16
	83		83	17
	1,035		1,035	18
	2,739		2,739	19
	47		47	20
	32		32	21
	5		5	22
	10,141		10,141	23
	5,753		5,753	24
	2,063		2,063	25
	70		70	26
	591		591	27
	495		495	28
1,386,000			1,386,000	29
	29		29	30
				31
	232		232	32
				33
				34
13,298,678	**9,321,960**	**0**	**22,620,638**	

TRANSMISSION OF ELECTRICITY FOR OTHERS (Account 456.1)
(Including transactions referred to as 'wheeling')

1. Report all transmission of electricity, i.e., wheeling, provided for other electric utilities, cooperatives, other public authorities, qualifying facilities, non-traditional utility suppliers and ultimate customers for the quarter.
2. Use a separate line of data for each distinct type of transmission service involving the entities listed in column (a), (b) and (c).
3. Report in column (a) the company or public authority that paid for the transmission service. Report in column (b) the company or public authority that the energy was received from and in column (c) the company or public authority that the energy was delivered to. Provide the full name of each company or public authority. Do not abbreviate or truncate name or use acronyms. Explain in a footnote any ownership interest in or affiliation the respondent has with the entities listed in columns (a), (b) or (c)
4. In column (d) enter a Statistical Classification code based on the original contractual terms and conditions of the service as follows: FNO - Firm Network Service for Others, FNS - Firm Network Transmission Service for Self, LFP - "Long-Term Firm Point to Point Transmission Service, OLF - Other Long-Term Firm Transmission Service, SFP - Short-Term Firm Point to Point Transmission Reservation, NF - non-firm transmission service, OS - Other Transmission Service and AD - Out-of-Period Adjustments. Use this code for any accounting adjustments or "true-ups" for service provided in prior reporting periods. Provide an explanation in a footnote for each adjustment. See General Instruction for definitions of codes.

Line No.	Payment By (Company of Public Authority) (Footnote Affiliation) (a)	Energy Received From (Company of Public Authority) (Footnote Affiliation) (b)	Energy Delivered To (Company of Public Authority) (Footnote Affiliation) (c)	Statistical Classifi-cation (d)
1	Tristate Power Marketing	Public Service Company of New Mex	Public Service Company of New Mex	NF
2	Tucson Electric Power Company	Salt River Project	Salt River Project	LFP
3	Tucson Electric Power Company	Public Service Company of New Mex	Tucson Electric Power Company	LFP
4	Tucson Electric Power Company	Public Service Company of New Mex	Tucson Electric Power Company	LFP
5	Tucson Electric Power Company	Tucson Electric Power Company	Public Service Company of New Mex	NF
6	Tucson Electric Power Company	Salt River Project	Salt River Project	NF
7	Tucson Electric Power Company	Salt River Project	Salt River Project	NF
8	Tucson Electric Power Company	Salt River Project	Arizona Public Service Company	NF
9	Tucson Electric Power Company	Public Service Company of New Mex	Tucson Electric Power Company	NF
10	Tucson Electric Power Company	Public Service Company of New Mex	Tucson Electric Power Company	NF
11	Tucson Electric Power Company	Public Service Company of New Mex	Tucson Electric Power Company	NF
12	Tucson Electric Power Company	Public Service Company of New Mex	Tucson Electric Power Company	NF
13	Tucson Electric Power Company	Public Service Company of New Mex	Tucson Electric Power Company	NF
14	Tucson Electric Power Company	Public Service Company of New Mex	Tucson Electric Power Company	NF
15	Tucson Electric Power Company	Public Service Company of New Mex	Tucson Electric Power Company	NF
16	Tucson Electric Power Company	Tucson Electric Power Company	Tucson Electric Power Company	NF
17	Tucson Electric Power Company	Tucson Electric Power Company	Public Service Company of New Mex	NF
18	Tucson Electric Power Company	Tucson Electric Power Company	Tucson Electric Power Company	NF
19	Tucson Electric Power Company	Salt River Project	Salt River Project	NF
20	Tucson Electric Power Company	Salt River Project	Arizona Public Service Company	NF
21	Tucson Electric Power Company	Tucson Electric Power Company	Tucson Electric Power Company	NF
22	Tucson Electric Power Company	Tucson Electric Power Company	Public Service Company of New Mex	NF
23	Tucson Electric Power Company	Tucson Electric Power Company	Public Service Company of New Mex	NF
24	Tucson Electric Power Company	Arizona Public Service Company	Salt River Project	NF
25	Tucson Electric Power Company	Salt River Project	Salt River Project	SFP
26	Tucson Electric Power Company	Salt River Project	Salt River Project	SFP
27	Tucson Electric Power Company	Salt River Project	Arizona Public Service Company	SFP
28	Tucson Electric Power Company	Public Service Company of New Mex	Tucson Electric Power Company	SFP
29	Tucson Electric Power Company	Public Service Company of New Mex	Tucson Electric Power Company	SFP
30	Tucson Electric Power Company	Tucson Electric Power Company	Tucson Electric Power Company	SFP
31	Tucson Electric Power Company	Tucson Electric Power Company	Tucson Electric Power Company	SFP
32	Tucson Electric Power Company	Salt River Project	Salt River Project	SFP
33	Tucson Electric Power Company	Salt River Project	Arizona Public Service Company	SFP
34	UniSource Energy Services	Salt River Project	Salt River Project	NF
	TOTAL			

TRANSMISSION OF ELECTRICITY FOR OTHERS (Account 456)(Continued)
(Including transactions reffered to as 'wheeling')

5. In column (e), identify the FERC Rate Schedule or Tariff Number, On separate lines, list all FERC rate schedules or contract designations under which service, as identified in column (d), is provided.
6. Report receipt and delivery locations for all single contract path, "point to point" transmission service. In column (f), report the designation for the substation, or other appropriate identification for where energy was received as specified in the contract. In column (g) report the designation for the substation, or other appropriate identification for where energy was delivered as specified in the contract.
7. Report in column (h) the number of megawatts of billing demand that is specified in the firm transmission service contract. Demand reported in column (h) must be in megawatts. Footnote any demand not stated on a megawatts basis and explain.
8. Report in column (i) and (j) the total megawatthours received and delivered.

FERC Rate Schedule of Tariff Number (e)	Point of Receipt (Subsatation or Other Designation) (f)	Point of Delivery (Substation or Other Designation) (g)	Billing Demand (MW) (h)	TRANSFER OF ENERGY MegaWatt Hours Received (i)	TRANSFER OF ENERGY MegaWatt Hours Delivered (j)	Line No.
OATT	Westmesa	Las Cruces/Orogrande		2,144	2,144	1
OATT	Jojoba	Kyrene	142	575,650	575,650	2
OATT	Luna	Greenlee	30	160,312	160,312	3
OATT	Luna	Springerville	10			4
OATT	Greenlee	Luna		272	272	5
OATT	Jojoba	Kyrene		2,513	2,513	6
OATT	Jojoba	Palo Verde		24,050	24,050	7
OATT	Jojoba	Westwing		15,791	15,791	8
OATT	Luna	Greenlee	15	2,101	2,101	9
OATT	Luna	Greenlee	6	740	740	10
OATT	Luna	Greenlee	7	1,050	1,050	11
OATT	Luna	Greenlee	8	1,206	1,206	12
OATT	Luna	Greenlee	4	518	518	13
OATT	Luna	Greenlee		9,034	9,034	14
OATT	Luna	Springerville		456	456	15
OATT	Macho Springs	Greenlee		1,426	1,426	16
OATT	Macho Springs	Luna		358	358	17
OATT	Macho Springs	Springerville		1,469	1,469	18
OATT	Palo Verde	Jojoba		17	17	19
OATT	Palo Verde	Westwing		81,088	81,088	20
OATT	Springerville	Greenlee		30,927	30,927	21
OATT	Springerville	Hidalgo		47	47	22
OATT	Springerville	Luna		9,908	9,908	23
OATT	Westwing	Palo Verde		526	526	24
OATT	Jojoba	Kyrene		2,049	2,049	25
OATT	Jojoba	Palo Verde		1,548,618	1,548,618	26
OATT	Jojoba	Westwing		291	291	27
OATT	Luna	Greenlee		6,781	6,781	28
OATT	Luna	Springerville		3,910	3,910	29
OATT	Macho Springs	Springerville		22,503	22,503	30
OATT	Macho Springs	Springerville	10	39,000	39,000	31
OATT	Palo Verde	Jojoba				32
OATT	Palo Verde	Westwing		21,251	21,251	33
OATT	Jojoba	Palo Verde		211	211	34
			978	**5,621,905**	**5,621,905**	

TRANSMISSION OF ELECTRICITY FOR OTHERS (Account 456) (Continued)
(Including transactions reffered to as 'wheeling')

9. In column (k) through (n), report the revenue amounts as shown on bills or vouchers. In column (k), provide revenues from demand charges related to the billing demand reported in column (h). In column (l), provide revenues from energy charges related to the amount of energy transferred. In column (m), provide the total revenues from all other charges on bills or vouchers rendered, including out of period adjustments. Explain in a footnote all components of the amount shown in column (m). Report in column (n) the total charge shown on bills rendered to the entity Listed in column (a). If no monetary settlement was made, enter zero (11011) in column (n). Provide a footnote explaining the nature of the non-monetary settlement, including the amount and type of energy or service rendered.
10. The total amounts in columns (i) and (j) must be reported as Transmission Received and Transmission Delivered for annual report purposes only on Page 401, Lines 16 and 17, respectively.
11. Footnote entries and provide explanations following all required data.

REVENUE FROM TRANSMISSION OF ELECTRICITY FOR OTHERS

Demand Charges ($) (k)	Energy Charges ($) (l)	(Other Charges) ($) (m)	Total Revenues ($) (k+l+m) (n)	Line No.
	6,840		6,840	1
1,589,293			1,589,293	2
872,732			872,732	3
11,730			11,730	4
	1,370		1,370	5
	4,868		4,868	6
	48,885		48,885	7
	68,550		68,550	8
36,360			36,360	9
14,544			14,544	10
16,968			16,968	11
19,392			19,392	12
9,696			9,696	13
	266,201		266,201	14
	3,999		3,999	15
	13,664		13,664	16
	3,492		3,492	17
	18,918		18,918	18
	74		74	19
	68,735		68,735	20
	142,541		142,541	21
	149		149	22
	50,244		50,244	23
	292		292	24
				25
	2,774,480		2,774,480	26
	1,253		1,253	27
				28
	38,324		38,324	29
	287,902		287,902	30
266,669			266,669	31
	1,227		1,227	32
	17,218		17,218	33
	462		462	34
13,298,678	**9,321,960**	**0**	**22,620,638**	

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
El Paso Electric Company	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2019/Q4

TRANSMISSION OF ELECTRICITY FOR OTHERS (Account 456.1)
(Including transactions referred to as 'wheeling')

1. Report all transmission of electricity, i.e., wheeling, provided for other electric utilities, cooperatives, other public authorities, qualifying facilities, non-traditional utility suppliers and ultimate customers for the quarter.
2. Use a separate line of data for each distinct type of transmission service involving the entities listed in column (a), (b) and (c).
3. Report in column (a) the company or public authority that paid for the transmission service. Report in column (b) the company or public authority that the energy was received from and in column (c) the company or public authority that the energy was delivered to. Provide the full name of each company or public authority. Do not abbreviate or truncate name or use acronyms. Explain in a footnote any ownership interest in or affiliation the respondent has with the entities listed in columns (a), (b) or (c)
4. In column (d) enter a Statistical Classification code based on the original contractual terms and conditions of the service as follows: FNO - Firm Network Service for Others, FNS - Firm Network Transmission Service for Self, LFP - "Long-Term Firm Point to Point Transmission Service, OLF - Other Long-Term Firm Transmission Service, SFP - Short-Term Firm Point to Point Transmission Reservation, NF - non-firm transmission service, OS - Other Transmission Service and AD - Out-of-Period Adjustments. Use this code for any accounting adjustments or "true-ups" for service provided in prior reporting periods. Provide an explanation in a footnote for each adjustment. See General Instruction for definitions of codes.

Line No.	Payment By (Company of Public Authority) (Footnote Affiliation) (a)	Energy Received From (Company of Public Authority) (Footnote Affiliation) (b)	Energy Delivered To (Company of Public Authority) (Footnote Affiliation) (c)	Statistical Classifi-cation (d)
1	UniSource Energy Services	Salt River Project	Arizona Public Service Company	NF
2	UniSource Energy Services	Salt River Project	Arizona Public Service Company	NF
3	UniSource Energy Services	Salt River Project	Salt River Project	SFP
4	UniSource Energy Services	Salt River Project	Arizona Public Service Company	SFP
5	UniSource Energy Services	Salt River Project	Arizona Public Service Company	SFP
6	Western Area Power Admin	Public Service Company of New Mex	El Paso Electric Company	LFP
7	Western Area Power Admin	Tucson Electric Power Company	El Paso Electric Company	NF
8	Western Area Power Admin	Public Service Company of New Mex	El Paso Electric Company	SFP
9	Western Area Power Admin - DSW	Salt River Project	Arizona Public Service Company	NF
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				
	TOTAL			

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
El Paso Electric Company	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2019/Q4

TRANSMISSION OF ELECTRICITY FOR OTHERS (Account 456)(Continued)
(Including transactions reffered to as 'wheeling')

5. In column (e), identify the FERC Rate Schedule or Tariff Number, On separate lines, list all FERC rate schedules or contract designations under which service, as identified in column (d), is provided.
6. Report receipt and delivery locations for all single contract path, "point to point" transmission service. In column (f), report the designation for the substation, or other appropriate identification for where energy was received as specified in the contract. In column (g) report the designation for the substation, or other appropriate identification for where energy was delivered as specified in the contract.
7. Report in column (h) the number of megawatts of billing demand that is specified in the firm transmission service contract. Demand reported in column (h) must be in megawatts. Footnote any demand not stated on a megawatts basis and explain.
8. Report in column (i) and (j) the total megawatthours received and delivered.

FERC Rate Schedule of Tariff Number (e)	Point of Receipt (Subsatation or Other Designation) (f)	Point of Delivery (Substation or Other Designation) (g)	Billing Demand (MW) (h)	TRANSFER OF ENERGY MegaWatt Hours Received (i)	TRANSFER OF ENERGY MegaWatt Hours Delivered (j)	Line No.
OATT	Jojoba	Westwing		482	482	1
OATT	Palo Verde	Westwing		335,444	335,444	2
OATT	Jojoba	Palo Verde		12	12	3
OATT	Jojoba	Westwing		120	120	4
OATT	Palo Verde	Westwing		18	18	5
OATT	Westmesa	Holloman	2	6,050	6,050	6
OATT	Springerville	Holloman		6	6	7
OATT	Westmesa	Holloman		256	256	8
OATT	Palo Verde	Westwing		75	75	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
			978	**5,621,905**	**5,621,905**	

TRANSMISSION OF ELECTRICITY FOR OTHERS (Account 456) (Continued)
(Including transactions reffered to as 'wheeling')

9. In column (k) through (n), report the revenue amounts as shown on bills or vouchers. In column (k), provide revenues from demand charges related to the billing demand reported in column (h). In column (I), provide revenues from energy charges related to the amount of energy transferred. In column (m), provide the total revenues from all other charges on bills or vouchers rendered, including out of period adjustments. Explain in a footnote all components of the amount shown in column (m). Report in column (n) the total charge shown on bills rendered to the entity Listed in column (a). If no monetary settlement was made, enter zero (11011) in column (n). Provide a footnote explaining the nature of the non-monetary settlement, including the amount and type of energy or service rendered.
10. The total amounts in columns (i) and (j) must be reported as Transmission Received and Transmission Delivered for annual report purposes only on Page 401, Lines 16 and 17, respectively.
11. Footnote entries and provide explanations following all required data.

REVENUE FROM TRANSMISSION OF ELECTRICITY FOR OTHERS

Demand Charges ($) (k)	Energy Charges ($) (l)	(Other Charges) ($) (m)	Total Revenues ($) (k+l+m) (n)	Line No.
	1,713		1,713	1
	277,504		277,504	2
	304		304	3
	494		494	4
	16		16	5
58,184			58,184	6
	53		53	7
				8
	72		72	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
13,298,678	**9,321,960**	**0**	**22,620,638**	

Schedule Page: 328 Line No.: 1 Column: a
El Paso Electric Marketing refers to El Paso Electric Company's Resource Management Department.

Schedule Page: 328 Line No.: 1 Column: c
El Paso Electric Marketing refers to El Paso Electric Company's Resource Management Department.

Schedule Page: 328 Line No.: 1 Column: e
OATT = Open Access Transmission Tariff.

Schedule Page: 328 Line No.: 2 Column: a
El Paso Electric Marketing refers to El Paso Electric Company's Resource Management Department.

Schedule Page: 328 Line No.: 2 Column: b
El Paso Electric Marketing refers to El Paso Electric Company's Resource Management Department.

Schedule Page: 328 Line No.: 3 Column: a
El Paso Electric Marketing refers to El Paso Electric Company's Resource Management Department.

Schedule Page: 328 Line No.: 4 Column: a
El Paso Electric Marketing refers to El Paso Electric Company's Resource Management Department.

Schedule Page: 328 Line No.: 4 Column: c
El Paso Electric Marketing refers to El Paso Electric Company's Resource Management Department.

Schedule Page: 328 Line No.: 5 Column: a
El Paso Electric Marketing refers to El Paso Electric Company's Resource Management Department.

Schedule Page: 328 Line No.: 5 Column: c
El Paso Electric Marketing refers to El Paso Electric Company's Resource Management Department.

Schedule Page: 328 Line No.: 6 Column: a
El Paso Electric Marketing refers to El Paso Electric Company's Resource Management Department.

Schedule Page: 328 Line No.: 7 Column: a
El Paso Electric Marketing refers to El Paso Electric Company's Resource Management Department.

Schedule Page: 328 Line No.: 7 Column: c
El Paso Electric Marketing refers to El Paso Electric Company's Resource Management Department.

Schedule Page: 328 Line No.: 8 Column: a
El Paso Electric Marketing refers to El Paso Electric Company's Resource Management Department.

Schedule Page: 328 Line No.: 8 Column: b
El Paso Electric Marketing refers to El Paso Electric Company's Resource Management Department.

Schedule Page: 328 Line No.: 9 Column: b
El Paso Electric Marketing refers to El Paso Electric Company's Resource Management Department.

Schedule Page: 328 Line No.: 9 Column: c
El Paso Electric Marketing refers to El Paso Electric Company's Resource Management Department.

Schedule Page: 328 Line No.: 9 Column: d
Network Integration Transmission Service. Evergreen contract may expire on March 31st of the applicable year with a prior two year notice.

Schedule Page: 328 Line No.: 10 Column: d

Firm transmission contracts of 17, 23, 35 and 50 MW, expiration January 1, 2021. Service was partially redirected to hourly services.

Schedule Page: 328 Line No.: 23 Column: d

Firm transmission contracts of 25 and 100 MW, expiration January 1, 2021. Service was partially redirected to hourly services.

Schedule Page: 328 Line No.: 25 Column: i

Losses associated with the energy wheeled on transmission purchases that are paid back in kind.

Schedule Page: 328.1 Line No.: 16 Column: d

Adjustment related to December 2018 WestConnect Non-Firm Point-to-Point Tariff activity.

Schedule Page: 328.1 Line No.: 26 Column: d

Firm transmission contract, expiration August 1, 2024. Service was partially redirected to daily and hourly services.

Schedule Page: 328.1 Line No.: 27 Column: d

Firm transmission contracts of 111 and 30 MW, expiration January 1, 2024. Includes 111 MW generation dependent firm transmission service per executed service agreement. Service was partially redirected to daily and hourly services.

Schedule Page: 328.1 Line No.: 28 Column: d

Firm transmission contract, expiration January 1, 2025. Service was partially redirected to daily and hourly services.

Schedule Page: 328.1 Line No.: 29 Column: d

Firm transmission contract, expiration July 1, 2023. Service was partially redirected to daily and hourly services.

Schedule Page: 328.2 Line No.: 9 Column: i

Losses billed to PNM under the FERC approved Operating Procedure 10.

Schedule Page: 328.2 Line No.: 29 Column: d

Firm grandfathered transmission contract, expiration January 1, 2026.

Schedule Page: 328.2 Line No.: 31 Column: i

Transmission provided in conjunction with the 2005 New Mexico Transmission System Operating Procedures, Section 8 Usable SNMIC ("NMTOP").

Schedule Page: 328.2 Line No.: 33 Column: i

Losses associated with the energy wheeled on transmission purchases that are paid back in kind.

Schedule Page: 328.2 Line No.: 34 Column: i

Transmission provided in conjunction with the 2005 NMTOP.

Schedule Page: 328.3 Line No.: 2 Column: d

Firm transmission contract, expiration January 1, 2025. Service was partially redirected to hourly services.

Schedule Page: 328.3 Line No.: 3 Column: d

Firm transmission contract, expiration November 1, 2029.

Schedule Page: 328.3 Line No.: 4 Column: d

Firm transmission contract, expiration November 1, 2029. Service was redirected to monthly and daily services.

Schedule Page: 328.3 Line No.: 25 Column: i

Losses associated with the energy wheeled on transmission purchases that are paid back in kind.

Schedule Page: 328.3 Line No.: 28 Column: i

Losses associated with the energy wheeled on transmission purchases that are paid back in kind.

Schedule Page: 328.4 Line No.: 6 Column: d

Firm transmission contract, expiration October 1, 2024.

Schedule Page: 328.4 Line No.: 8 Column: i

Losses associated with the energy wheeled on transmission purchases that are paid back in kind.

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
El Paso Electric Company	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2019/Q4

TRANSMISSION OF ELECTRICITY BY OTHERS (Account 565)
(Including transactions referred to as "wheeling")

1. Report all transmission, i.e. wheeling or electricity provided by other electric utilities, cooperatives, municipalities, other public authorities, qualifying facilities, and others for the quarter.
2. In column (a) report each company or public authority that provided transmission service. Provide the full name of the company, abbreviate if necessary, but do not truncate name or use acronyms. Explain in a footnote any ownership interest in or affiliation with the transmission service provider. Use additional columns as necessary to report all companies or public authorities that provided transmission service for the quarter reported.
3. In column (b) enter a Statistical Classification code based on the original contractual terms and conditions of the service as follows: FNS - Firm Network Transmission Service for Self, LFP - Long-Term Firm Point-to-Point Transmission Reservations. OLF - Other Long-Term Firm Transmission Service, SFP - Short-Term Firm Point-to- Point Transmission Reservations, NF - Non-Firm Transmission Service, and OS - Other Transmission Service. See General Instructions for definitions of statistical classifications.
4. Report in column (c) and (d) the total megawatt hours received and delivered by the provider of the transmission service.
5. Report in column (e), (f) and (g) expenses as shown on bills or vouchers rendered to the respondent. In column (e) report the demand charges and in column (f) energy charges related to the amount of energy transferred. On column (g) report the total of all other charges on bills or vouchers rendered to the respondent, including any out of period adjustments. Explain in a footnote all components of the amount shown in column (g). Report in column (h) the total charge shown on bills rendered to the respondent. If no monetary settlement was made, enter zero in column (h). Provide a footnote explaining the nature of the non-monetary settlement, including the amount and type of energy or service rendered.
6. Enter "TOTAL" in column (a) as the last line.
7. Footnote entries and provide explanations following all required data.

Line No.	Name of Company or Public Authority (Footnote Affiliations) (a)	Statistical Classification (b)	TRANSFER OF ENERGY: Magawatt-hours Received (c)	TRANSFER OF ENERGY: Magawatt-hours Delivered (d)	EXPENSES FOR TRANSMISSION OF ELECTRICITY BY OTHERS: Demand Charges ($) (e)	Energy Charges ($) (f)	Other Charges ($) (g)	Total Cost of Transmission ($) (h)
1	Arizona Public Service	SFP	1,730	1,730		15,284		15,284
2	Arizona Public Service	AD					-438	-438
3	Public Serv. Co. of NM	LFP	760,769	760,769	3,817,562			3,817,562
4	Public Serv. Co. of NM	LFP	16,616	16,616	619,938			619,938
5	Public Serv. Co. of NM	SFP	49,294	49,294				
6	Public Serv. Co. of NM	NF	6,244	6,244		50,673		50,673
7	Public Serv. Co. of NM	AD				-151,342		-151,342
8	Salt River Project	NF	300	300		2,593		2,593
9	Salt River Project	SFP	305	305		2,614		2,614
10	Salt River Project	OLF	76,472	76,472	1,751,430			1,751,430
11	Tucson Electric Power	OLF	135,203	135,203				
12	Tucson Electric Power	SFP	984	984		5,616		5,616
13	Tucson Electric Power	NF	1,476	1,476		10,829		10,829
14	Tucson Electric Power	AD				-1,570		-1,570
15								
16								
	TOTAL		1,049,393	1,049,393	6,188,930	-65,303	-438	6,123,189

Schedule Page: 332 Line No.: 1 Column: c
Amounts shown based on transmission reservations.
Schedule Page: 332 Line No.: 1 Column: d
Amounts shown based on transmission reservations.
Schedule Page: 332 Line No.: 1 Column: f
Amounts shown include short term transmission reservations, related ancillary and losses.
Schedule Page: 332 Line No.: 2 Column: g
Credit on losses for August 2018 activity due to CAISO pricing adjustments.
Schedule Page: 332 Line No.: 3 Column: b
Contract terminates July 1, 2022.
Schedule Page: 332 Line No.: 3 Column: c
Amounts shown based on actual energy flows.
Schedule Page: 332 Line No.: 3 Column: d
Amounts shown based on actual energy flows.
Schedule Page: 332 Line No.: 4 Column: b
Contract terminated June 1, 2019, and was extended through June 1, 2024.
Schedule Page: 332 Line No.: 4 Column: c
Amounts shown based on actual energy flows.
Schedule Page: 332 Line No.: 4 Column: d
Amounts shown based on actual energy flows.
Schedule Page: 332 Line No.: 5 Column: c
Amounts shown based on actual energy flows.
Schedule Page: 332 Line No.: 5 Column: d
Amounts shown based on actual energy flows.
Schedule Page: 332 Line No.: 6 Column: c
Amounts shown based on transmission reservations.
Schedule Page: 332 Line No.: 6 Column: d
Amounts shown based on transmission reservations.
Schedule Page: 332 Line No.: 6 Column: f
Amounts shown include short term transmission reservations, related ancillary and losses.
Schedule Page: 332 Line No.: 7 Column: b
Prior year adjustment related to PNM Annual Transmission Revenue Requirement recalculation for June 2018 - December 2018.
Schedule Page: 332 Line No.: 7 Column: f
Prior year adjustment related to PNM Annual Transmission Revenue Requirement recalculation for June 2018 - December 2018.
Schedule Page: 332 Line No.: 8 Column: c
Amounts shown based on transmission reservations.
Schedule Page: 332 Line No.: 8 Column: d
Amounts shown based on transmission reservations.
Schedule Page: 332 Line No.: 8 Column: f
Amounts shown include short term transmission reservations, related ancillary and losses.
Schedule Page: 332 Line No.: 9 Column: c
Amounts shown based on transmission reservations.
Schedule Page: 332 Line No.: 9 Column: d
Amounts shown based on transmission reservations.
Schedule Page: 332 Line No.: 9 Column: f
Amounts shown include short term transmission reservations, related ancillary and losses.
Schedule Page: 332 Line No.: 10 Column: b
Contract expires concurrent with the ANPP Participation Agreement.
Schedule Page: 332 Line No.: 10 Column: c
Amounts shown based on actual energy flows.
Schedule Page: 332 Line No.: 10 Column: d

Amounts shown based on actual energy flows.

Schedule Page: 332 Line No.: 11 Column: b

Service Schedule C terminates on the date of retirement of the last generating unit at Palo Verde, subject to twelve-month notice of termination by the Company.

Schedule Page: 332 Line No.: 11 Column: c

Amounts shown based on actual energy flows.

Schedule Page: 332 Line No.: 11 Column: d

Amounts shown based on actual energy flows.

Schedule Page: 332 Line No.: 11 Column: e

Under a pre-order 888/889 agreement, the Company was assigned rights as part of the Power Exchange and Transmission Agreement.

Schedule Page: 332 Line No.: 12 Column: c

Amounts shown based on transmission reservations.

Schedule Page: 332 Line No.: 12 Column: d

Amounts shown based on transmission reservations.

Schedule Page: 332 Line No.: 12 Column: f

Amounts shown include short term transmission reservations, related ancillary and losses.

Schedule Page: 332 Line No.: 13 Column: c

Amounts shown based on transmission reservations.

Schedule Page: 332 Line No.: 13 Column: d

Amounts shown based on transmission reservations.

Schedule Page: 332 Line No.: 13 Column: f

Amounts shown include short term transmission reservations, related ancillary and losses.

Schedule Page: 332 Line No.: 14 Column: f

Tax Reform FERC Transmission Refund.

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
El Paso Electric Company	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2019/Q4

MISCELLANEOUS GENERAL EXPENSES (Account 930.2) (ELECTRIC)

Line No.	Description (a)	Amount (b)
1	Industry Association Dues	571,043
2	Nuclear Power Research Expenses	
3	Other Experimental and General Research Expenses	
4	Pub & Dist Info to Stkhldrs...expn servicing outstanding Securities	854,519
5	Oth Expn >=5,000 show purpose, recipient, amount. Group if < $5,000	13,618
6	Palo Verde General Expenses	12,136,404
7	Palo Verde Transmission Line Cost	56,969
8	Director's Fees and Expenses	2,402,915
9	Economic Development	373,500
10	Promotional Materials	120,873
11		
12		
13		
14		
15		
16		
17		
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44		
45		
46	TOTAL	16,529,841

Schedule Page: 335 Line No.: 9 Column: b

Primarily consists of contributions to promote economic development to: (a) Borderplex Bi National Economic Alliance of $250,000; (b) Mesilla Valley Economic Development Alliance of $40,000; (c) El Paso Community Foundation of $30,000; and (d) Texas Economic Development Corporation of $25,000.

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
El Paso Electric Company	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2019/Q4

DEPRECIATION AND AMORTIZATION OF ELECTRIC PLANT (Account 403, 404, 405)
(Except amortization of aquisition adjustments)

1. Report in section A for the year the amounts for : (b) Depreciation Expense (Account 403; (c) Depreciation Expense for Asset Retirement Costs (Account 403.1; (d) Amortization of Limited-Term Electric Plant (Account 404); and (e) Amortization of Other Electric Plant (Account 405).
2. Report in Section 8 the rates used to compute amortization charges for electric plant (Accounts 404 and 405). State the basis used to compute charges and whether any changes have been made in the basis or rates used from the preceding report year.
3. Report all available information called for in Section C every fifth year beginning with report year 1971, reporting annually only changes to columns (c) through (g) from the complete report of the preceding year.

Unless composite depreciation accounting for total depreciable plant is followed, list numerically in column (a) each plant subaccount, account or functional classification, as appropriate, to which a rate is applied. Identify at the bottom of Section C the type of plant included in any sub-account used.

In column (b) report all depreciable plant balances to which rates are applied showing subtotals by functional Classifications and showing composite total. Indicate at the bottom of section C the manner in which column balances are obtained. If average balances, state the method of averaging used.

For columns (c), (d), and (e) report available information for each plant subaccount, account or functional classification Listed in column (a). If plant mortality studies are prepared to assist in estimating average service Lives, show in column (f) the type mortality curve selected as most appropriate for the account and in column (g), if available, the weighted average remaining life of surviving plant. If composite depreciation accounting is used, report available information called for in columns (b) through (g) on this basis.

4. If provisions for depreciation were made during the year in addition to depreciation provided by application of reported rates, state at the bottom of section C the amounts and nature of the provisions and the plant items to which related.

A. Summary of Depreciation and Amortization Charges

Line No.	Functional Classification (a)	Depreciation Expense (Account 403) (b)	Depreciation Expense for Asset Retirement Costs (Account 403.1) (c)	Amortization of Limited Term Electric Plant (Account 404) (d)	Amortization of Other Electric Plant (Acc 405) (e)	Total (f)
1	Intangible Plant			8,167,451		8,167,451
2	Steam Production Plant	11,879,434	-23,144			11,856,290
3	Nuclear Production Plant	28,076,462	-1,317,163			26,759,299
4	Hydraulic Production Plant-Conventional					
5	Hydraulic Production Plant-Pumped Storage					
6	Other Production Plant	12,354,035	6,088			12,360,123
7	Transmission Plant	7,390,435				7,390,435
8	Distribution Plant	23,086,836				23,086,836
9	Regional Transmission and Market Operation					
10	General Plant	11,168,876	6,635			11,175,511
11	Common Plant-Electric					
12	TOTAL	93,956,078	-1,327,584	8,167,451		100,795,945

B. Basis for Amortization Charges

Asset	Term	Basis	Amort Exp	Method
Computer Software	3 -15 years	$114,289,638	$8,167,451	Straight Line

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
El Paso Electric Company	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2019/Q4

REGULATORY COMMISSION EXPENSES

1. Report particulars (details) of regulatory commission expenses incurred during the current year (or incurred in previous years, if being amortized) relating to format cases before a regulatory body, or cases in which such a body was a party.
2. Report in columns (b) and (c), only the current year's expenses that are not deferred and the current year's amortization of amounts deferred in previous years.

Line No.	Description (Furnish name of regulatory commission or body the docket or case number and a description of the case) (a)	Assessed by Regulatory Commission (b)	Expenses of Utility (c)	Total Expense for Current Year (b) + (c) (d)	Deferred in Account 182.3 at Beginning of Year (e)
1	Federal Energy Regulatory Commission				
2	FERC General and Other		61,113	61,113	
3	FERC Annual Fee		344,617	344,617	
4	FERC Audit 2019		162,793	162,793	
5					
6	Public Utility Commission of Texas				
7	Texas 2015 Rate Case Costs		369,120	369,120	747,156
8	Texas 2017 Rate Case Costs		1,130,196	1,130,196	2,634,141
9	Texas Newman 6 CCN		52,288	52,288	
10	Texas Community Solar		98,372	98,372	
11	Texas 2019 Fuel Reconciliation		145,695	145,695	
12	Texas Energy Efficiency		4,128,116	4,128,116	
13	Texas General and Other		227,709	227,709	
14					
15	New Mexico Public Regulation Commission				
16	New Mexico Procurement and IRP Plans		120,904	120,904	
17	New Mexico 2015 Rate Case Costs		214,720	214,720	214,720
18	New Mexico Church Rate Investigation		31,967	31,967	
19	New Mexico Newman Unit 6 CCN		46,859	46,859	
20	New Mexico General and Other		96,173	96,173	
21	New Mexico Energy Efficiency		5,378,493	5,378,493	
22					
23	Nuclear Regulatory Commission				
24	PVNGS Unit 1 Fees		1,100,846	1,100,846	
25	PVNGS Unit 2 Fees		795,402	795,402	
26	PVNGS Unit 3 Fees		908,427	908,427	
27					
28	Other		16,100	16,100	
29					
30					
31					
32					
33					
34					
35					
36					
37					
38					
39					
40					
41					
42					
43					
44					
45					
46	TOTAL		15,429,910	15,429,910	3,596,017

REGULATORY COMMISSION EXPENSES (Continued)

3. Show in column (k) any expenses incurred in prior years which are being amortized. List in column (a) the period of amortization.
4. List in column (f), (g), and (h) expenses incurred during year which were charged currently to income, plant, or other accounts.
5. Minor items (less than $25,000) may be grouped.

EXPENSES INCURRED DURING YEAR				AMORTIZED DURING YEAR			
CURRENTLY CHARGED TO							
Department (f)	Account No. (g)	Amount (h)	Deferred to Account 182.3 (i)	Contra Account (j)	Amount (k)	Deferred in Account 182.3 End of Year (l)	Line No.
							1
	928	61,113					2
	928	344,617					3
	928	162,793					4
							5
							6
	928	369,120		182.3	-369,120	378,036	7
	928	1,130,196		182.3	-1,129,880	1,504,261	8
	928	52,288					9
	928	98,372					10
	928	145,695					11
	928	4,128,116					12
	928	227,709					13
							14
							15
	928	120,904					16
	928	214,720		182.3	-214,720		17
	928	31,967					18
	928	46,859					19
	928	96,173					20
	928	5,378,493					21
							22
							23
	928	1,100,846					24
	928	795,402					25
	928	908,427					26
							27
	928	16,100					28
							29
							30
							31
							32
							33
							34
							35
							36
							37
							38
							39
							40
							41
							42
							43
							44
							45
		15,429,910			-1,713,720	1,882,297	46

Schedule Page: 350 Line No.: 7 Column: e

Represents Texas rate case costs related to Docket No. 44941 which the Company filed with the PUCT in August 2015. Per the Final Order in Docket No. 44941, these costs were being amortized over two years beginning in October 2016. Per the Final Order in the 2017 Texas rate case Docket 46831, the unamortized costs began amortizing in January 2018 for next three years.

Schedule Page: 350 Line No.: 8 Column: e

Represents Texas rate case costs related to Docket No. 46831 which the Company filed with the PUCT in February 2017. These costs began amortizing in January 2018 over three years.

Schedule Page: 350 Line No.: 17 Column: e

Represents New Mexico rate case costs related to NMPRC Case No. 15-00127-UT which the Company filed with the NMPRC in May 2015. Amortization for these costs began in July 2016 over three years and are fully amortized as of December 2019.

DISTRIBUTION OF SALARIES AND WAGES

Report below the distribution of total salaries and wages for the year. Segregate amounts originally charged to clearing accounts to Utility Departments, Construction, Plant Removals, and Other Accounts, and enter such amounts in the appropriate lines and columns provided. In determining this segregation of salaries and wages originally charged to clearing accounts, a method of approximation giving substantially correct results may be used.

Line No.	Classification (a)	Direct Payroll Distribution (b)	Allocation of Payroll charged for Clearing Accounts (c)	Total (d)
1	Electric			
2	Operation			
3	Production	9,169,760		
4	Transmission	8,309,583		
5	Regional Market			
6	Distribution	10,226,795		
7	Customer Accounts	8,762,133		
8	Customer Service and Informational			
9	Sales			
10	Administrative and General	33,921,691		
11	TOTAL Operation (Enter Total of lines 3 thru 10)	70,389,962		
12	Maintenance			
13	Production	7,267,982		
14	Transmission	686,997		
15	Regional Market			
16	Distribution	4,418,479		
17	Administrative and General	302,643		
18	TOTAL Maintenance (Total of lines 13 thru 17)	12,676,101		
19	Total Operation and Maintenance			
20	Production (Enter Total of lines 3 and 13)	16,437,742		
21	Transmission (Enter Total of lines 4 and 14)	8,996,580		
22	Regional Market (Enter Total of Lines 5 and 15)			
23	Distribution (Enter Total of lines 6 and 16)	14,645,274		
24	Customer Accounts (Transcribe from line 7)	8,762,133		
25	Customer Service and Informational (Transcribe from line 8)			
26	Sales (Transcribe from line 9)			
27	Administrative and General (Enter Total of lines 10 and 17)	34,224,334		
28	TOTAL Oper. and Maint. (Total of lines 20 thru 27)	83,066,063	1,798,615	84,864,678
29	Gas			
30	Operation			
31	Production-Manufactured Gas			
32	Production-Nat. Gas (Including Expl. and Dev.)			
33	Other Gas Supply			
34	Storage, LNG Terminaling and Processing			
35	Transmission			
36	Distribution			
37	Customer Accounts			
38	Customer Service and Informational			
39	Sales			
40	Administrative and General			
41	TOTAL Operation (Enter Total of lines 31 thru 40)			
42	Maintenance			
43	Production-Manufactured Gas			
44	Production-Natural Gas (Including Exploration and Development)			
45	Other Gas Supply			
46	Storage, LNG Terminaling and Processing			
47	Transmission			

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
El Paso Electric Company	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2019/Q4

DISTRIBUTION OF SALARIES AND WAGES (Continued)

.

Line No.	Classification (a)	Direct Payroll Distribution (b)	Allocation of Payroll charged for Clearing Accounts (c)	Total (d)
48	Distribution			
49	Administrative and General			
50	TOTAL Maint. (Enter Total of lines 43 thru 49)			
51	Total Operation and Maintenance			
52	Production-Manufactured Gas (Enter Total of lines 31 and 43)			
53	Production-Natural Gas (Including Expl. and Dev.) (Total lines 32,			
54	Other Gas Supply (Enter Total of lines 33 and 45)			
55	Storage, LNG Terminaling and Processing (Total of lines 31 thru 47)			
56	Transmission (Lines 35 and 47)			
57	Distribution (Lines 36 and 48)			
58	Customer Accounts (Line 37)			
59	Customer Service and Informational (Line 38)			
60	Sales (Line 39)			
61	Administrative and General (Lines 40 and 49)			
62	TOTAL Operation and Maint. (Total of lines 52 thru 61)			
63	Other Utility Departments			
64	Operation and Maintenance			
65	TOTAL All Utility Dept. (Total of lines 28, 62, and 64)	83,066,063	1,798,615	84,864,678
66	Utility Plant			
67	Construction (By Utility Departments)			
68	Electric Plant	27,551,615	1,836,428	29,388,043
69	Gas Plant			
70	Other (provide details in footnote):			
71	TOTAL Construction (Total of lines 68 thru 70)	27,551,615	1,836,428	29,388,043
72	Plant Removal (By Utility Departments)			
73	Electric Plant	62,479	7,809	70,288
74	Gas Plant			
75	Other (provide details in footnote):			
76	TOTAL Plant Removal (Total of lines 73 thru 75)	62,479	7,809	70,288
77	Other Accounts (Specify, provide details in footnote):			
78	Strategic Transaction Costs	3,102,712		3,102,712
79	Costs and Exp. of Merchandising Job. & Contract Work	211,719	21,494	233,213
80	In-Kind Donations and Exp. for Certain Civic, Political & Rel	211,081	484	211,565
81	Prepayment and Other	49,367	123,466	172,833
82	Plant Materials and Operating Supplies		342,398	342,398
83				
84				
85				
86				
87				
88				
89				
90				
91				
92				
93				
94				
95	TOTAL Other Accounts	3,574,879	487,842	4,062,721
96	TOTAL SALARIES AND WAGES	114,255,036	4,130,694	118,385,730

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
El Paso Electric Company	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2019/Q4

PURCHASES AND SALES OF ANCILLARY SERVICES

Report the amounts for each type of ancillary service shown in column (a) for the year as specified in Order No. 888 and defined in the respondents Open Access Transmission Tariff.

In columns for usage, report usage-related billing determinant and the unit of measure.

(1) On line 1 columns (b), (c), (d), (e), (f) and (g) report the amount of ancillary services purchased and sold during the year.

(2) On line 2 columns (b) (c), (d), (e), (f), and (g) report the amount of reactive supply and voltage control services purchased and sold during the year.

(3) On line 3 columns (b) (c), (d), (e), (f), and (g) report the amount of regulation and frequency response services purchased and sold during the year.

(4) On line 4 columns (b), (c), (d), (e), (f), and (g) report the amount of energy imbalance services purchased and sold during the year.

(5) On lines 5 and 6, columns (b), (c), (d), (e), (f), and (g) report the amount of operating reserve spinning and supplement services purchased and sold during the period.

(6) On line 7 columns (b), (c), (d), (e), (f), and (g) report the total amount of all other types ancillary services purchased or sold during the year. Include in a footnote and specify the amount for each type of other ancillary service provided.

		Amount Purchased for the Year			Amount Sold for the Year		
		Usage - Related Billing Determinant			Usage - Related Billing Determinant		
Line No.	Type of Ancillary Service (a)	Number of Units (b)	Unit of Measure (c)	Dollars (d)	Number of Units (e)	Unit of Measure (f)	Dollars (g)
1	Scheduling, System Control and Dispatch	8,532,859	MWh	819,154	4,247,560	MWh	989,157
2	Reactive Supply and Voltage	8,532,859	MWh	511,972	1,623,789	MWh	245,363
3	Regulation and Frequency Response						
4	Energy Imbalance						
5	Operating Reserve - Spinning						
6	Operating Reserve - Supplement						
7	Other						
8	Total (Lines 1 thru 7)	17,065,718		1,331,126	5,871,349		1,234,520

Schedule Page: 398 Line No.: 1 Column: b

Ancillary Services Purchased represents service to Native Load that the Company self-provides from its own facilities. The dollar values are imputed as though the Company took these services under its own tariff.

Schedule Page: 398 Line No.: 1 Column: d

Ancillary Services Purchased represents service to Native Load that the Company self-provides from its own facilities. The dollar values are imputed as though the Company took these services under its own tariff.

Schedule Page: 398 Line No.: 1 Column: e

The Number of Units includes 3,388,552 MWh from hourly services (of which 18,168 MWh were sold to El Paso Electric Marketing (the Company’s Resource Management Department)); 25,568 MWh from daily services (of which 12 MWh were sold to El Paso Electric Marketing (the Company’s Resource Management Department)); 395 MWh from monthly services; 268 MWh from weekly services and 832,777 MWh from yearly contracts, (of which 61,816 MWh were sold to Rio Grande Electric Cooperative, a network customer of the Company).

Schedule Page: 398 Line No.: 1 Column: g

$328,351 pertains to hourly services (of which $1,744 pertains to El Paso Electric Marketing (the Company’s Resource Management Department)). $59,120 pertains to daily services (of which $28 pertains to El Paso Electric Marketing (the Company’s Resource Management Department)). $27,677 pertains to monthly services. $4,342 pertains to weekly services and $569,667 pertains to yearly contracts (of which $7,496 pertains to Rio Grande Electric Cooperative, a network customer of the Company).

Schedule Page: 398 Line No.: 2 Column: b

Ancillary Services Purchased represents service to Native Load that the Company self-provides from its own facilities. The dollar values are imputed as though the Company took these services under its own tariff.

Schedule Page: 398 Line No.: 2 Column: d

Ancillary Services Purchased represents service to Native Load that the Company self-provides from its own facilities. The dollar values are imputed as though the Company took these services under its own tariff.

Schedule Page: 398 Line No.: 2 Column: e

The Number of Units includes 785,837 MWh from hourly services (of which 18,168 MWh were sold to El Paso Electric Marketing (the Company’s Resource Management Department)); 20,565 MWh from daily services (of which 12 MWh were sold to El Paso Electric Marketing (the Company’s Resource Management Department)); 345 MWh from monthly services; 118 MWh from weekly services and 816,924 MWh from yearly contracts (of which 61,816 MWh were sold to Rio Grande Electric Cooperative, a network customer of the Company).

Schedule Page: 398 Line No.: 2 Column: g

$47,522 pertains to hourly services (of which $1,090 pertains to El Paso Electric Marketing (the Company’s Resource Management Department)). $29,967 pertains to daily services (of which $17 pertains to El Paso Electric Marketing (the Company’s Resource Management Department)). $15,180 pertains to monthly services. $1,204 pertains to weekly services and $151,490 pertains to yearly contracts (of which $4,695 pertains to Rio Grande Electric Cooperative, a network customer of the Company).

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
El Paso Electric Company	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2019/Q4

MONTHLY TRANSMISSION SYSTEM PEAK LOAD

(1) Report the monthly peak load on the respondent's transmission system. If the respondent has two or more power systems which are not physically integrated, furnish the required information for each non-integrated system.
(2) Report on Column (b) by month the transmission system's peak load.
(3) Report on Columns (c) and (d) the specified information for each monthly transmission - system peak load reported on Column (b).
(4) Report on Columns (e) through (j) by month the system' monthly maximum megawatt load by statistical classifications. See General Instruction for the definition of each statistical classification.

NAME OF SYSTEM:

Line No.	Month (a)	Monthly Peak MW - Total (b)	Day of Monthly Peak (c)	Hour of Monthly Peak (d)	Firm Network Service for Self (e)	Firm Network Service for Others (f)	Long-Term Firm Point-to-point Reservations (g)	Other Long-Term Firm Service (h)	Short-Term Firm Point-to-point Reservation (i)	Other Service (j)
1	January	1,140	2	2000		5	648	50	106	
2	February	1,057	19	2000		6	658	50	96	
3	March	1,033	28	1700		9	685	50	69	
4	Total for Quarter 1					20	1,991	150	271	
5	April	1,262	29	1600		8	650	50	104	
6	May	1,460	16	1600		10	674	50	80	
7	June	1,856	27	1600		14	674	50	145	
8	Total for Quarter 2					32	1,998	150	329	
9	July	1,885	16	1600		13	666	50	153	
10	August	1,985	26	1600		14	679	50	140	
11	September	1,775	3	1600		13	683	50	71	
12	Total for Quarter 3					40	2,028	150	364	
13	October	1,373	3	1500		4	672	50	82	
14	November	1,062	12	1900		5	631	50	173	
15	December	1,109	18	2000		6	684	50	70	
16	Total for Quarter 4					15	1,987	150	325	
17	Total Year to Date/Year					107	8,004	600	1,289	

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
El Paso Electric Company	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2019/Q4

ELECTRIC ENERGY ACCOUNT

Report below the information called for concerning the disposition of electric energy generated, purchased, exchanged and wheeled during the year.

Line No.	Item (a)	MegaWatt Hours (b)	Line No.	Item (a)	MegaWatt Hours (b)
1	SOURCES OF ENERGY		21	DISPOSITION OF ENERGY	
2	Generation (Excluding Station Use):		22	Sales to Ultimate Consumers (Including Interdepartmental Sales)	8,001,660
3	Steam	3,825,165	23	Requirements Sales for Resale (See instruction 4, page 311.)	61,815
4	Nuclear	5,044,394	24	Non-Requirements Sales for Resale (See instruction 4, page 311.)	3,817,128
5	Hydro-Conventional		25	Energy Furnished Without Charge	
6	Hydro-Pumped Storage		26	Energy Used by the Company (Electric Dept Only, Excluding Station Use)	14,522
7	Other	1,376,160	27	Total Energy Losses	513,650
8	Less Energy for Pumping		28	TOTAL (Enter Total of Lines 22 Through 27) (MUST EQUAL LINE 20)	12,408,775
9	Net Generation (Enter Total of lines 3 through 8)	10,245,719			
10	Purchases	2,062,465			
11	Power Exchanges:				
12	Received	137,686			
13	Delivered	37,095			
14	Net Exchanges (Line 12 minus line 13)	100,591			
15	Transmission For Other (Wheeling)				
16	Received	5,621,905			
17	Delivered	5,621,905			
18	Net Transmission for Other (Line 16 minus line 17)				
19	Transmission By Others Losses				
20	TOTAL (Enter Total of lines 9, 10, 14, 18 and 19)	12,408,775			

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
El Paso Electric Company	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2019/Q4

MONTHLY PEAKS AND OUTPUT

1. Report the monthly peak load and energy output. If the respondent has two or more power which are not physically integrated, furnish the required information for each non- integrated system.
2. Report in column (b) by month the system's output in Megawatt hours for each month.
3. Report in column (c) by month the non-requirements sales for resale. Include in the monthly amounts any energy losses associated with the sales.
4. Report in column (d) by month the system's monthly maximum megawatt load (60 minute integration) associated with the system.
5. Report in column (e) and (f) the specified information for each monthly peak load reported in column (d).

NAME OF SYSTEM:

Line No.	Month	Total Monthly Energy	Monthly Non-Requirments Sales for Resale & Associated Losses	MONTHLY PEAK		
				Megawatts (See Instr. 4)	Day of Month	Hour
	(a)	(b)	(c)	(d)	(e)	(f)
29	January	949,535	312,402	1,140	2	2000
30	February	934,455	384,954	1,057	19	2000
31	March	895,293	315,190	1,033	28	1700
32	April	738,105	140,102	1,262	29	1600
33	May	1,051,772	359,053	1,460	16	1600
34	June	1,217,096	390,188	1,856	27	1600
35	July	1,274,550	295,263	1,885	16	1600
36	August	1,273,110	257,083	1,985	26	1600
37	September	1,175,933	336,644	1,775	3	1600
38	October	977,401	322,826	1,373	3	1500
39	November	864,297	283,877	1,062	12	1900
40	December	1,057,228	419,546	1,109	18	2000
41	TOTAL	12,408,775	3,817,128			

Schedule Page: 401 Line No.: 10 Column: b
Includes 829,307 MWhs related to the Company's Power Purchase and Sales Agreement with Freeport-McMoRan dated December 16, 2005.

Schedule Page: 401 Line No.: 20 Column: b
Includes 829,307 MWhs related to the Company's Power Purchase and Sales Agreement with Freeport-McMoRan dated December 16, 2005.

Schedule Page: 401 Line No.: 24 Column: b
Includes 829,307 MWhs related to the Company's Power Purchase and Sales Agreement with Freeport-McMoRan dated December 16, 2005.

Schedule Page: 401 Line No.: 28 Column: b
Includes 829,307 MWhs related to the Company's Power Purchase and Sales Agreement with Freeport-McMoRan dated December 16, 2005.

Schedule Page: 401 Line No.: 29 Column: b
Includes 92,177 MWhs related to the Company's Power Purchase and Sales Agreement with Freeport-McMoRan dated December 16, 2005.

Schedule Page: 401 Line No.: 29 Column: c
Includes 92,177 MWhs related to the Company's Power Purchase and Sales Agreement with Freeport-McMoRan dated December 16, 2005.

Schedule Page: 401 Line No.: 30 Column: b
Includes 83,207 MWhs related to the Company's Power Purchase and Sales Agreement with Freeport-McMoRan dated December 16, 2005.

Schedule Page: 401 Line No.: 30 Column: c
Includes 83,207 MWhs related to the Company's Power Purchase and Sales Agreement with Freeport-McMoRan dated December 16, 2005.

Schedule Page: 401 Line No.: 32 Column: b
Includes 3,200 MWhs related to the Company's Power Purchase and Sales Agreement with Freeport-McMoRan dated December 16, 2005.

Schedule Page: 401 Line No.: 32 Column: c
Includes 3,200 MWhs related to the Company's Power Purchase and Sales Agreement with Freeport-McMoRan dated December 16, 2005.

Schedule Page: 401 Line No.: 33 Column: b
Includes 69,515 MWhs related to the Company's Power Purchase and Sales Agreement with Freeport-McMoRan dated December 16, 2005.

Schedule Page: 401 Line No.: 33 Column: c
Includes 69,515 MWhs related to the Company's Power Purchase and Sales Agreement with Freeport-McMoRan dated December 16, 2005.

Schedule Page: 401 Line No.: 34 Column: b
Includes 88,783 MWhs related to the Company's Power Purchase and Sales Agreement with Freeport-McMoRan dated December 16, 2005.

Schedule Page: 401 Line No.: 34 Column: c
Includes 88,783 MWhs related to the Company's Power Purchase and Sales Agreement with Freeport-McMoRan dated December 16, 2005.

Schedule Page: 401 Line No.: 35 Column: b
Includes 91,295 MWhs related to the Company's Power Purchase and Sales Agreement with Freeport-McMoRan dated December 16, 2005.

Schedule Page: 401 Line No.: 35 Column: c
Includes 91,295 MWhs related to the Company's Power Purchase and Sales Agreement with Freeport-McMoRan dated December 16, 2005.

Schedule Page: 401 Line No.: 36 Column: b
Includes 90,446 MWhs related to the Company's Power Purchase and Sales Agreement with Freeport-McMoRan dated December 16, 2005.

Schedule Page: 401 Line No.: 36 Column: c
Includes 90,446 MWhs related to the Company's Power Purchase and Sales Agreement with Freeport-McMoRan dated December 16, 2005.

Schedule Page: 401 Line No.: 37 Column: b

Includes 88,504 MWhs related to the Company's Power Purchase and Sales Agreement with Freeport-McMoRan dated December 16, 2005.

Schedule Page: 401 Line No.: 37 Column: c

Includes 88,504 MWhs related to the Company's Power Purchase and Sales Agreement with Freeport-McMoRan dated December 16, 2005.

Schedule Page: 401 Line No.: 38 Column: b

Includes 73,300 MWhs related to the Company's Power Purchase and Sales Agreement with Freeport-McMoRan dated December 16, 2005.

Schedule Page: 401 Line No.: 38 Column: c

Includes 73,300 MWhs related to the Company's Power Purchase and Sales Agreement with Freeport-McMoRan dated December 16, 2005.

Schedule Page: 401 Line No.: 39 Column: b

Includes 57,624 MWhs related to the Company's Power Purchase and Sales Agreement with Freeport-McMoRan dated December 16, 2005.

Schedule Page: 401 Line No.: 39 Column: c

Includes 57,624 MWhs related to the Company's Power Purchase and Sales Agreement with Freeport-McMoRan dated December 16, 2005.

Schedule Page: 401 Line No.: 40 Column: b

Includes 91,256 MWhs related to the Company's Power Purchase and Sales Agreement with Freeport-McMoRan dated December 16, 2005.

Schedule Page: 401 Line No.: 40 Column: c

Includes 91,256 MWhs related to the Company's Power Purchase and Sales Agreement with Freeport-McMoRan dated December 16, 2005.

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
El Paso Electric Company	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2019/Q4

STEAM-ELECTRIC GENERATING PLANT STATISTICS (Large Plants)

1. Report data for plant in Service only. 2. Large plants are steam plants with installed capacity (name plate rating) of 25,000 Kw or more. Report in this page gas-turbine and internal combustion plants of 10,000 Kw or more, and nuclear plants. 3. Indicate by a footnote any plant leased or operated as a joint facility. 4. If net peak demand for 60 minutes is not available, give data which is available, specifying period. 5. If any employees attend more than one plant, report on line 11 the approximate average number of employees assignable to each plant. 6. If gas is used and purchased on a therm basis report the Btu content or the gas and the quantity of fuel burned converted to Mct. 7. Quantities of fuel burned (Line 38) and average cost per unit of fuel burned (Line 41) must be consistent with charges to expense accounts 501 and 547 (Line 42) as show on Line 20. 8. If more than one fuel is burned in a plant furnish only the composite heat rate for all fuels burned.

Line No.	Item (a)	Plant Name: *Rio Grande* (b)			Plant Name: *Rio Grande Unit 9* (c)		
1	Kind of Plant (Internal Comb, Gas Turb, Nuclear	Steam			Gas Turbine		
2	Type of Constr (Conventional, Outdoor, Boiler, etc)	Indoor and Outdoor			Outdoor		
3	Year Originally Constructed	1929			2013		
4	Year Last Unit was Installed	1972			2013		
5	Total Installed Cap (Max Gen Name Plate Ratings-MW)	266.50			131.80		
6	Net Peak Demand on Plant - MW (60 minutes)	255			92		
7	Plant Hours Connected to Load	8120			3735		
8	Net Continuous Plant Capability (Megawatts)	235			88		
9	When Not Limited by Condenser Water	245			90		
10	When Limited by Condenser Water	235			88		
11	Average Number of Employees	51			0		
12	Net Generation, Exclusive of Plant Use - KWh	662275000			263806000		
13	Cost of Plant: Land and Land Rights	100946			0		
14	Structures and Improvements	9305422			22158131		
15	Equipment Costs	63043122			77341084		
16	Asset Retirement Costs	76983			0		
17	Total Cost	72526473			99499215		
18	Cost per KW of Installed Capacity (line 17/5) Including	272.1444			754.9258		
19	Production Expenses: Oper, Supv, & Engr	734991			458832		
20	Fuel	8735489			2937799		
21	Coolants and Water (Nuclear Plants Only)	0			0		
22	Steam Expenses	1441691			0		
23	Steam From Other Sources	0			0		
24	Steam Transferred (Cr)	0			0		
25	Electric Expenses	241757			0		
26	Misc Steam (or Nuclear) Power Expenses	1097548			7177		
27	Rents	0			0		
28	Allowances	0			0		
29	Maintenance Supervision and Engineering	680597			43131		
30	Maintenance of Structures	281825			24487		
31	Maintenance of Boiler (or reactor) Plant	1405798			0		
32	Maintenance of Electric Plant	2154875			1180908		
33	Maintenance of Misc Steam (or Nuclear) Plant	869252			77118		
34	Total Production Expenses	17643823			4729452		
35	Expenses per Net KWh	0.0266			0.0179		
36	Fuel: Kind (Coal, Gas, Oil, or Nuclear)	Gas	Oil		Gas	Oil	
37	Unit (Coal-tons/Oil-barrel/Gas-mcf/Nuclear-indicate)	Mcf	BBL		Mcf	BBL	
38	Quantity (Units) of Fuel Burned	7749087	0	0	2515044	0	0
39	Avg Heat Cont - Fuel Burned (btu/indicate if nuclear)	1036600	0	0	1036500	0	0
40	Avg Cost of Fuel/unit, as Delvd f.o.b. during year	1.127	0.000	0.000	1.168	0.000	0.000
41	Average Cost of Fuel per Unit Burned	1.127	0.000	0.000	1.168	0.000	0.000
42	Average Cost of Fuel Burned per Million BTU	1.088	0.000	0.000	1.127	0.000	0.000
43	Average Cost of Fuel Burned per KWh Net Gen	0.013	0.000	0.000	0.011	0.000	0.000
44	Average BTU per KWh Net Generation	12128.000	0.000	0.000	9881.000	0.000	0.000

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
El Paso Electric Company	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2019/Q4

STEAM-ELECTRIC GENERATING PLANT STATISTICS (Large Plants) *(Continued)*

9. Items under Cost of Plant are based on U. S. of A. Accounts. Production expenses do not include Purchased Power, System Control and Load Dispatching, and Other Expenses Classified as Other Power Supply Expenses. 10. For IC and GT plants, report Operating Expenses, Account Nos. 547 and 549 on Line 25 "Electric Expenses," and Maintenance Account Nos. 553 and 554 on Line 32, "Maintenance of Electric Plant." Indicate plants designed for peak load service. Designate automatically operated plants. 11. For a plant equipped with combinations of fossil fuel steam, nuclear steam, hydro, internal combustion or gas-turbine equipment, report each as a separate plant. However, if a gas-turbine unit functions in a combined cycle operation with a conventional steam unit, include the gas-turbine with the steam plant. 12. If a nuclear power generating plant, briefly explain by footnote (a) accounting method for cost of power generated including any excess costs attributed to research and development; (b) types of cost units used for the various components of fuel cost; and (c) any other informative data concerning plant type fuel used, fuel enrichment type and quantity for the report period and other physical and operating characteristics of plant.

Plant Name: *Newman* (d)	Plant Name: *Montana* (e)	Plant Name: *Copper* (f)	Line No.
Steam	Gas Turbine	Gas Turbine	1
Indoor and Outdoor	Outdoor	Outdoor	2
1959	2015	1979	3
2011	2016	1980	4
882.00	527.20	86.90	5
635	374	80	6
8760	6660	1232	7
736	352	63	8
758	360	64	9
736	352	63	10
71	19	0	11
3162890000	1051680000	39534000	12
181900	2459070	10000	13
64083983	19024807	791864	14
430167936	379900116	17358567	15
-325470	240402	15479	16
494108349	401624395	18175910	17
560.2135	761.8065	209.1589	18
1175581	563347	0	19
50402187	15099657	1437090	20
0	0	0	21
1364349	332472	0	22
0	0	0	23
0	0	0	24
3771388	0	0	25
1970012	1896323	61275	26
526589	94043	1353	27
41058	0	0	28
1796684	58787	150	29
1061750	101163	3848	30
4603216	0	0	31
9406715	3005267	423206	32
1912603	659451	25289	33
78032132	21810510	1952211	34
0.0247	0.0207	0.0494	35

(d) Fuel 1	(d) Fuel 2	(d) Fuel 3	(e) Fuel 1	(e) Fuel 2	(e) Fuel 3	(f) Fuel 1	(f) Fuel 2	(f) Fuel 3	Line No.
Gas	Oil		Gas	Oil		Gas	Oil		36
Mcf	BBL		Mcf	BBL		Mcf	BBL		37
29541527	0	0	9625200	0	0	665265	0	0	38
1041100	0	0	1032500	0	0	1035700	0	0	39
1.706	0.000	0.000	1.569	0.000	0.000	2.160	0.000	0.000	40
1.706	0.000	0.000	1.569	0.000	0.000	2.160	0.000	0.000	41
1.639	0.000	0.000	1.519	0.000	0.000	2.086	0.000	0.000	42
0.016	0.000	0.000	0.014	0.000	0.000	0.036	0.000	0.000	43
9724.000	0.000	0.000	9450.000	0.000	0.000	17428.000	0.000	0.000	44

STEAM-ELECTRIC GENERATING PLANT STATISTICS (Large Plants) *(Continued)*

1. Report data for plant in Service only. 2. Large plants are steam plants with installed capacity (name plate rating) of 25,000 Kw or more. Report in this page gas-turbine and internal combustion plants of 10,000 Kw or more, and nuclear plants. 3. Indicate by a footnote any plant leased or operated as a joint facility. 4. If net peak demand for 60 minutes is not available, give data which is available, specifying period. 5. If any employees attend more than one plant, report on line 11 the approximate average number of employees assignable to each plant. 6. If gas is used and purchased on a therm basis report the Btu content or the gas and the quantity of fuel burned converted to Mct. 7. Quantities of fuel burned (Line 38) and average cost per unit of fuel burned (Line 41) must be consistent with charges to expense accounts 501 and 547 (Line 42) as show on Line 20. 8. If more than one fuel is burned in a plant furnish only the composite heat rate for all fuels burned.

Line No.	Item (a)	Plant Name: *Palo Verde* (b)	Plant Name: (c)
1	Kind of Plant (Internal Comb, Gas Turb, Nuclear	Nuclear	
2	Type of Constr (Conventional, Outdoor, Boiler, etc)	Under 50% Outdoor	
3	Year Originally Constructed	1986	
4	Year Last Unit was Installed	1988	
5	Total Installed Cap (Max Gen Name Plate Ratings-MW)	665.10	0.00
6	Net Peak Demand on Plant - MW (60 minutes)	634	0
7	Plant Hours Connected to Load	8760	0
8	Net Continuous Plant Capability (Megawatts)	622	0
9	When Not Limited by Condenser Water	622	0
10	When Limited by Condenser Water	622	0
11	Average Number of Employees	322	0
12	Net Generation, Exclusive of Plant Use - KWh	5044394000	0
13	Cost of Plant: Land and Land Rights	2347713	0
14	Structures and Improvements	546454001	0
15	Equipment Costs	1377844138	0
16	Asset Retirement Costs	-38768493	0
17	Total Cost	1887877359	0
18	Cost per KW of Installed Capacity (line 17/5) Including	2838.4865	0
19	Production Expenses: Oper, Supv, & Engr	11575929	0
20	Fuel	42467706	0
21	Coolants and Water (Nuclear Plants Only)	7525415	0
22	Steam Expenses	5207635	0
23	Steam From Other Sources	0	0
24	Steam Transferred (Cr)	0	0
25	Electric Expenses	6305449	0
26	Misc Steam (or Nuclear) Power Expenses	23458605	0
27	Rents	0	0
28	Allowances	0	0
29	Maintenance Supervision and Engineering	2722532	0
30	Maintenance of Structures	1208913	0
31	Maintenance of Boiler (or reactor) Plant	6899627	0
32	Maintenance of Electric Plant	6106305	0
33	Maintenance of Misc Steam (or Nuclear) Plant	2001185	0
34	Total Production Expenses	115479301	0
35	Expenses per Net KWh	0.0229	0.0000

Line No.	Item (a)	(b)			(c)		
36	Fuel: Kind (Coal, Gas, Oil, or Nuclear)	Nuclear					
37	Unit (Coal-tons/Oil-barrel/Gas-mcf/Nuclear-indicate)	MMbtu					
38	Quantity (Units) of Fuel Burned	51842520	0	0	0	0	0
39	Avg Heat Cont - Fuel Burned (btu/indicate if nuclear)	0	0	0	0	0	0
40	Avg Cost of Fuel/unit, as Delvd f.o.b. during year	0.815	0.000	0.000	0.000	0.000	0.000
41	Average Cost of Fuel per Unit Burned	0.815	0.000	0.000	0.000	0.000	0.000
42	Average Cost of Fuel Burned per Million BTU	0.815	0.000	0.000	0.000	0.000	0.000
43	Average Cost of Fuel Burned per KWh Net Gen	0.008	0.000	0.000	0.000	0.000	0.000
44	Average BTU per KWh Net Generation	10277.000	0.000	0.000	0.000	0.000	0.000

Schedule Page: 402 Line No.: 7 Column: b

Line 7 (applies to Rio Grande, Rio Grande Unit 9, Newman, MPS, and Copper plants) is reported as any hour in which a unit at a plant was connected to load. Partial hours are rounded up to a full hour.

Schedule Page: 402 Line No.: 11 Column: c

Average number of employees for Rio Grande Unit 9 is included in the average number of employees for Rio Grande plant.

Schedule Page: 403 Line No.: 11 Column: f

Average number of employees for Copper is included in the average number of employees for Newman plant.

Schedule Page: 402.1 Line No.: 1 Column: b

The Company owns a 15.8% interest in each of the three nuclear generating units and common facilities at Palo Verde. The Palo Verde participants include Arizona Public Service Company which serves as operating agent for Palo Verde, Southern California Edison Company, Public Service Company of New Mexico, Southern California Public Power Authority, Salt River Project Agricultural Improvement and Power District and the Los Angeles Department of Water and Power. The Company is entitled to 15.8% of the energy generated by Palo Verde.

Schedule Page: 402.1 Line No.: 5 Column: b

Data on lines 5,6,8,9,10,11 and 12 represents the Company's 15.8% share of Palo Verde.

Schedule Page: 402.1 Line No.: 20 Column: b

Excludes a DOE refund of $1,062,642.

GENERATING PLANT STATISTICS (Small Plants)

1. Small generating plants are steam plants of, less than 25,000 Kw; internal combustion and gas turbine-plants, conventional hydro plants and pumped storage plants of less than 10,000 Kw installed capacity (name plate rating). 2. Designate any plant leased from others, operated under a license from the Federal Energy Regulatory Commission, or operated as a joint facility, and give a concise statement of the facts in a footnote. If licensed project, give project number in footnote.

Line No.	Name of Plant (a)	Year Orig. Const. (b)	Installed Capacity Name Plate Rating (In MW) (c)	Net Peak Demand MW (60 min.) (d)	Net Generation Excluding Plant Use (e)	Cost of Plant (f)
1	Solar Plants					
2	Newman PV System	2009	0.06		108	388,498
3	Rio Grande PV System	2009	0.06		105	168,882
4	Wrangler CPV System	2011	0.05		21	418,730
5	Stanton PV System	2012	0.03		64	273,687
6	El Paso Community College PV System	2012	0.02		30	97,020
7	Van Horn PV System	2013	0.02		34	99,675
8	Montana Solar	2017	3.00		8,385	7,447,099
9	Holloman Air Force Base (HAFB)	2018	5.00		12,391	12,599,068
10	Total Solar		8.24		21,138	21,492,659
11						
12						
13						
14						
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Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
El Paso Electric Company	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2019/Q4

GENERATING PLANT STATISTICS (Small Plants) (Continued)

3. List plants appropriately under subheadings for steam, hydro, nuclear, internal combustion and gas turbine plants. For nuclear, see instruction 11, Page 403. 4. If net peak demand for 60 minutes is not available, give the which is available, specifying period. 5. If any plant is equipped with combinations of steam, hydro internal combustion or gas turbine equipment, report each as a separate plant. However, if the exhaust heat from the gas turbine is utilized in a steam turbine regenerative feed water cycle, or for preheated combustion air in a boiler, report as one plant.

Plant Cost (Incl Asset Retire. Costs) Per MW (g)	Operation Exc'l. Fuel (h)	Production Expenses Fuel (i)	Production Expenses Maintenance (j)	Kind of Fuel (k)	Fuel Costs (in cents (per Million Btu) (l)	Line No.
						1
8,983,900						2
9,266,767						3
8,374,600			233			4
9,122,900						5
4,851,000						6
4,983,750						7
2,482,366			30,370			8
2,519,814			15,284			9
50,585,097			45,886			10
						11
						12
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						46

Schedule Page: 410 Line No.: 2 Column: f

Includes credits of $150,536 recovered through the Voluntary Renewable Energy ("VRE") Program.

Schedule Page: 410 Line No.: 2 Column: g

Excludes credits of $150,536 recovered through the VRE Program.

Schedule Page: 410 Line No.: 3 Column: f

Includes credits of $387,124 recovered through the VRE Program.

Schedule Page: 410 Line No.: 3 Column: g

Excludes credits of $387,124 recovered through the VRE Program.

Name of Respondent El Paso Electric Company	This Report Is: (1) [X] An Original (2) [ ] A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2019/Q4

TRANSMISSION LINE STATISTICS

1. Report information concerning transmission lines, cost of lines, and expenses for year. List each transmission line having nominal voltage of 132 kilovolts or greater. Report transmission lines below these voltages in group totals only for each voltage.
2. Transmission lines include all lines covered by the definition of transmission system plant as given in the Uniform System of Accounts. Do not report substation costs and expenses on this page.
3. Report data by individual lines for all voltages if so required by a State commission.
4. Exclude from this page any transmission lines for which plant costs are included in Account 121, Nonutility Property.
5. Indicate whether the type of supporting structure reported in column (e) is: (1) single pole wood or steel; (2) H-frame wood, or steel poles; (3) tower; or (4) underground construction If a transmission line has more than one type of supporting structure, indicate the mileage of each type of construction by the use of brackets and extra lines. Minor portions of a transmission line of a different type of construction need not be distinguished from the remainder of the line.
6. Report in columns (f) and (g) the total pole miles of each transmission line. Show in column (f) the pole miles of line on structures the cost of which is reported for the line designated; conversely, show in column (g) the pole miles of line on structures the cost of which is reported for another line. Report pole miles of line on leased or partly owned structures in column (g). In a footnote, explain the basis of such occupancy and state whether expenses with respect to such structures are included in the expenses reported for the line designated.

Line No.	DESIGNATION From (a)	DESIGNATION To (b)	VOLTAGE (KV) (Indicate where other than 60 cycle, 3 phase) Operating (c)	VOLTAGE (KV) Designed (d)	Type of Supporting Structure (e)	LENGTH (Pole miles) (In the case of underground lines report circuit miles) On Structure of Line Designated (f)	LENGTH On Structures of Another Line (g)	Number Of Circuits (h)
1	Palo Verde	Kyrene	500.00	500.00	(1),(3)		75.00	1
2	Palo Verde	Westwing	500.00	500.00	(3)		90.00	2
3								
4	Newman	Arroyo	345.00	345.00	(2)	30.31		1
5	Arroyo	West Mesa	345.00	345.00	(2)	201.75		1
6	Newman	Afton	345.00	345.00	(2)	29.88		1
7	Afton	Luna	345.00	345.00	(2)	57.26		1
8	Luna	Hidalgo	345.00	345.00	(2)		50.50	1
9	Hidalgo	Greenlee	345.00	345.00	(2)		59.95	1
10	Newman	Picante	345.00	345.00	(2)	16.20		1
11	Picante	Caliente	345.00	345.00	(2)	7.26		1
12	Caliente	Amrad	345.00	345.00	(2)	56.66		1
13	Amrad	Eddy	345.00	345.00	(2)		125.43	1
14	Diablo	Luna	345.00	345.00	(2)	84.90		1
15	Luna	Macho Springs	345.00	345.00	(2)	24.86		1
16	Macho Springs	Springerville	345.00	345.00	(2),(3)	201.38		1
17								
18								
19	Various 115kV Lines		115.00	115.00	(1),(2)	470.57	51.04	1
20	Various 69kV Lines		69.00	69.00	(1),(2)	194.43	21.55	1
21								
22								
23								
24								
25								
26								
27								
28								
29								
30								
31								
32								
33								
34								
35								
36					TOTAL	1,375.46	473.47	18

TRANSMISSION LINE STATISTICS (Continued)

7. Do not report the same transmission line structure twice. Report Lower voltage Lines and higher voltage lines as one line. Designate in a footnote if you do not include Lower voltage lines with higher voltage lines. If two or more transmission line structures support lines of the same voltage, report the pole miles of the primary structure in column (f) and the pole miles of the other line(s) in column (g)
8. Designate any transmission line or portion thereof for which the respondent is not the sole owner. If such property is leased from another company, give name of lessor, date and terms of Lease, and amount of rent for year. For any transmission line other than a leased line, or portion thereof, for which the respondent is not the sole owner but which the respondent operates or shares in the operation of, furnish a succinct statement explaining the arrangement and giving particulars (details) of such matters as percent ownership by respondent in the line, name of co-owner, basis of sharing expenses of the Line, and how the expenses borne by the respondent are accounted for, and accounts affected. Specify whether lessor, co-owner, or other party is an associated company.
9. Designate any transmission line leased to another company and give name of Lessee, date and terms of lease, annual rent for year, and how determined. Specify whether lessee is an associated company.
10. Base the plant cost figures called for in columns (j) to (l) on the book cost at end of year.

Size of Conductor and Material	COST OF LINE (Include in Column (j) Land, Land rights, and clearing right-of-way)			EXPENSES, EXCEPT DEPRECIATION AND TAXES				Line No.
(i)	Land (j)	Construction and Other Costs (k)	Total Cost (l)	Operation Expenses (m)	Maintenance Expenses (n)	Rents (o)	Total Expenses (p)	
1780 ACSR	1,559,234	7,027,603	8,586,837					1
1780 ACSR	1,210,842	5,457,364	6,668,206					2
								3
795 ACSR	154,388	2,498,320	2,652,708					4
795 ACSR	17,859,277	16,719,525	34,578,802					5
795 ACSR	1,073,978	11,517,827	12,591,805					6
795 ACSR	560,443	5,933,426	6,493,869					7
795 ACSR	39,536	394,125	433,661					8
795 ACSR	46,976	953,323	1,000,299					9
954 ACSR	223,544	1,867,887	2,091,431					10
954 ACSR	100,181	827,545	927,726					11
954 ACSR	781,851	6,525,781	7,307,632					12
795 ACSR T2	1,730,809	14,422,921	16,153,730					13
954 ACSR	1,748,171	12,568,358	14,316,529					14
954 ACSR	535,583	6,809,563	7,345,146					15
954 ACSR	4,333,351	55,095,557	59,428,908					16
								17
								18
Various	5,399,006	110,018,182	115,417,188					19
Various	310,581	32,338,328	32,648,909					20
								21
								22
								23
								24
								25
								26
								27
								28
								29
								30
								31
								32
								33
								34
								35
	37,667,751	290,975,635	328,643,386					36

Schedule Page: 422 Line No.: 1 Column: a

Line co-owned by Arizona Public Service Company (34.6%), Public Service Company of New Mexico (12.1%), and Salt River Project (34.6%). (The co-owners are not associated companies). The Company is not the operator. Each co-owner shares in the operating and maintenance expenses in proportion to its ownership interest.

Schedule Page: 422 Line No.: 1 Column: b

Line co-owned by Arizona Public Service Company (34.6%), Public Service Company of New Mexico (12.1%), and Salt River Project (34.6%). (The co-owners are not associated companies). The Company is not the operator. Each co-owner shares in the operating and maintenance expenses in proportion to its ownership interest.

Schedule Page: 422 Line No.: 2 Column: a

Line co-owned by Arizona Public Service Company (34.6%), Public Service Company of New Mexico (12.1%), and Salt River Project (34.6%). (The co-owners are not associated companies). The Company is not the operator. Each co-owner shares in the operating and maintenance expenses in proportion to its ownership interest.

Schedule Page: 422 Line No.: 2 Column: b

Line co-owned by Arizona Public Service Company (34.6%), Public Service Company of New Mexico (12.1%), and Salt River Project (34.6%). (The co-owners are not associated companies). The Company is not the operator. Each co-owner shares in the operating and maintenance expenses in proportion to its ownership interest.

Schedule Page: 422 Line No.: 8 Column: a

Public Service Company of New Mexico (not an associated company) co-owns this line with the Company. Public Service Company of New Mexico owns 42.8% of this line, the Company owns 57.2% of this line . Each co-owner shares in the operating and maintenance expenses in proportion to its ownership interest. The Company is the Operating Agent of this line.

Schedule Page: 422 Line No.: 8 Column: b

Public Service Company of New Mexico (not an associated company) co-owns this line with the Company. Public Service Company of New Mexico owns 42.8% of this line, the Company owns 57.2% of this line . Each co-owner shares in the operating and maintenance expenses in proportion to its ownership interest. The Company is the Operating Agent of this line.

Schedule Page: 422 Line No.: 9 Column: a

Public Service Company of New Mexico (not an associated company) co-owns this line with the Company. Public Service Company of New Mexico owns 60% of this line, the Company owns 40% of this line. Each co-owner shares in the operating and maintenance expenses in proportion to its ownership interest. The Company is the Operating Agent of this line.

Schedule Page: 422 Line No.: 9 Column: b

Public Service Company of New Mexico (not an associated company) co-owns this line with the Company. Public Service Company of New Mexico owns 60% of this line, the Company owns 40% of this line. Each co-owner shares in the operating and maintenance expenses in proportion to its ownership interest. The Company is the Operating Agent of this line.

Schedule Page: 422 Line No.: 13 Column: a

Public Service Company of New Mexico (not an associated company) co-owns this line with El Paso Electric Company. Public Service Company of New Mexico owns 33.3% of this line, the Company owns 66.7% of this line. Each co-owner shares in the operating and maintenance expenses in proportion to its ownership interest. The Company is the Operating Agent of this line.

Schedule Page: 422 Line No.: 13 Column: b

Public Service Company of New Mexico (not an associated company) co-owns this line with El Paso Electric Company. Public Service Company of New Mexico owns 33.3% of this line, the Company owns 66.7% of this line. Each co-owner shares in the operating and maintenance expenses in proportion to its ownership interest. The Company is the Operating Agent of this line.

Name of Respondent El Paso Electric Company	This Report Is: (1) [X] An Original (2) [ ] A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2019/Q4

SUBSTATIONS

1. Report below the information called for concerning substations of the respondent as of the end of the year.
2. Substations which serve only one industrial or street railway customer should not be listed below.
3. Substations with capacities of Less than 10 MVa except those serving customers with energy for resale, may be grouped according to functional character, but the number of such substations must be shown.
4. Indicate in column (b) the functional character of each substation, designating whether transmission or distribution and whether attended or unattended. At the end of the page, summarize according to function the capacities reported for the individual stations in column (f).

Line No.	Name and Location of Substation (a)	Character of Substation (b)	VOLTAGE (In MVa) Primary (c)	Secondary (d)	Tertiary (e)
1	10,000 kVA and Over				
2					
3	Afton - La Mesa, NM	Trans. UA			
4	Airport - Las Cruces, NM	Dist. UA	115.00	23.90	
5	Alamo - El Paso, TX	Dist. UA	69.00	23.90	
6	Altura - El Paso, TX	Dist. UA	13.80	4.16	
7	Americas - El Paso, TX	Dist. UA	69.00	13.80	
8	Amrad - Oro Grande, NM	Trans. UA	345.00	115.00	13.00
9	Anthony - Anthony, NM	Dist. UA	115.00	24.90	
10	Apollo - New Mexico	Dist. UA	69.00	23.90	
11	Arroyo - Las Cruces, NM	Trans. UA	345.00	345.00	
12	Arroyo - Las Cruces, NM	Trans. UA	345.00	115.00	13.80
13	Arroyo - Las Cruces, NM	Dist. UA	115.00	23.90	
14	Ascarate - El Paso, TX	Trans. UA	115.00	69.00	13.80
15	Ascarate - El Paso, TX	Dist. UA	69.00	13.80	
16	Ascarate - El Paso, TX	Dist. UA	69.00	4.16	
17	Austin - El Paso, TX	Dist. UA	115.00	13.80	
18	Austin - El Paso, TX	Dist. UA	69.00	4.16	
19	Biggs - Ft. Bliss, TX	Trans. UA			
20	Bliss Industrial - Ft. Bliss, TX	Trans. UA			
21	Border Steel - El Paso, TX	Dist. UA	115.00	13.80	
22	Butterfield - El Paso, TX	Dist. UA	115.00	13.80	
23	Caliente - El Paso, TX	Trans. UA	345.00	115.00	13.80
24	Caliente - El Paso, TX	Dist. UA	115.00	13.80	
25	Chaparral - Chaparral, NM	Dist. UA	115.00	13.80	
26	Clint - El Paso, TX	Dist. UA	69.00	13.80	
27	Copper - El Paso, TX	Dist. UA	115.00	13.80	
28	Cox - New Mexico	Trans. UA	115.00	69.00	
29	Coyote - El Paso, TX	Dist. UA	115.00	13.80	
30	Cromo - El Paso, TX	Dist. UA	115.00	13.80	
31	Dallas - El Paso, TX	Dist. UA	67.00	14.40	
32	Dallas - El Paso, TX	Dist. UA	66.00	13.80	
33	Diablo - Sunland Park, NM	Trans. UA	345.00	115.00	13.80
34	Diamond Head - El Paso, TX	Dist. UA	115.00	13.80	
35	Durazno - El Paso, TX	Dist. UA	115.00	13.80	
36	Dyer - El Paso, TX	Dist. UA	67.00	14.40	
37	Dyer - El Paso, TX	Dist. UA	115.00	69.00	
38	EMRLD - New Mexico	Dist. UA	115.00	13.80	
39	Farah - El Paso, TX	Dist. UA	69.00	13.80	
40	Felipe - El Paso, TX	Dist. UA	69.00	23.90	

SUBSTATIONS (Continued)

5. Show in columns (I), (j), and (k) special equipment such as rotary converters, rectifiers, condensers, etc. and auxiliary equipment for increasing capacity.
6. Designate substations or major items of equipment leased from others, jointly owned with others, or operated otherwise than by reason of sole ownership by the respondent. For any substation or equipment operated under lease, give name of lessor, date and period of lease, and annual rent. For any substation or equipment operated other than by reason of sole ownership or lease, give name of co-owner or other party, explain basis of sharing expenses or other accounting between the parties, and state amounts and accounts affected in respondent's books of account. Specify in each case whether lessor, co-owner, or other party is an associated company.

Capacity of Substation (In Service) (In MVa) (f)	Number of Transformers In Service (g)	Number of Spare Transformers (h)	CONVERSION APPARATUS AND SPECIAL EQUIPMENT Type of Equipment (i)	Number of Units (j)	Total Capacity (In MVa) (k)	Line No.
						1
						2
						3
30	1					4
30	1					5
13	2					6
30	1					7
260	1					8
80	2					9
30	1					10
357	1		Phase Shifting Trans			11
600	3					12
60	2					13
200	2					14
60	2					15
10	1					16
100	2					17
10	1					18
						19
						20
70	2					21
60	2					22
400	2					23
30	1					24
60	2					25
30	1					26
30	1					27
50	1					28
30	1					29
60	2					30
20	1					31
20	1					32
600	3					33
30	1					34
30	1					35
50	2					36
100	1					37
13	1					38
30	1					39
30	1					40

Name of Respondent El Paso Electric Company	This Report Is: (1) [X] An Original (2) [ ] A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2019/Q4

SUBSTATIONS

1. Report below the information called for concerning substations of the respondent as of the end of the year.
2. Substations which serve only one industrial or street railway customer should not be listed below.
3. Substations with capacities of Less than 10 MVa except those serving customers with energy for resale, may be grouped according to functional character, but the number of such substations must be shown.
4. Indicate in column (b) the functional character of each substation, designating whether transmission or distribution and whether attended or unattended. At the end of the page, summarize according to function the capacities reported for the individual stations in column (f).

Line No.	Name and Location of Substation (a)	Character of Substation (b)	VOLTAGE (In MVa) Primary (c)	Secondary (d)	Tertiary (e)
1	Fort Bliss - El Paso, TX	Dist. UA	115.00	13.80	
2	Fort Bliss - El Paso, TX	Dist. UA	115.00	13.20	
3	Central Temp - El Paso, TX	Dist. UA	115.00	13.80	
4	Global Reach - El Paso, TX	Dist. UA	115.00	13.80	
5	Hatch - New Mexico	Dist. UA	115.00	24.90	
6	Horizon - Horizon, TX	Dist. UA	115.00	13.80	
7	Jornada - Las Cruces, NM	Dist. UA	115.00	23.90	
8	Lane - El Paso, TX	Dist. UA	115.00	69.00	
9	Lane - El Paso, TX	Dist. UA	115.00	13.80	
10	Las Cruces - Las Cruces, NM	Dist. UA	115.00	23.90	
11	Leo East (LEA) - El Paso, TX	Dist. UA	115.00	13.80	
12	Liberty Substation - Ft. Bliss, TX	Trans. UA			
13	Mann - El Paso, TX	Dist. UA	69.00	13.80	
14	Mann - El Paso, TX	Dist. UA	67.00	14.40	
15	Marlow - El Paso, TX	Trans. UA			
16	Mesa - El Paso, TX	Dist. UA	115.00	13.80	
17	Milagro - El Paso, TX	Dist. UA	115.00	13.80	
18	Montana Pwr St - El Paso, TX	Trans. UA	115.00	13.80	
19	Montoya - El Paso, TX	Dist. UA	115.00	23.90	
20	Montoya - El Paso, TX	Dist. UA	115.00	24.90	
21	Montwood - El Paso, TX	Dist. UA	115.00	23.90	
22	Newman T-1 - El Paso, TX	Trans. UA	345.00	115.00	13.80
23	Newman T-2 - El Paso, TX	Dist. UA	115.00	13.80	
24	Newman T-6 - El Paso, TX	Dist. UA	115.00	13.80	
25	Newman T-8 - El Paso, TX	Dist. UA	115.00	13.80	
26	Newman T-9 - El Paso, TX	Dist. UA	115.00	13.80	
27	Newman T-11 - El Paso, TX	Dist. UA	115.00	13.80	
28	Newman T-13 - El Paso, TX	Dist. UA	115.00	13.80	
29	Newman T-14 - El Paso, TX	Dist. UA	115.00	13.80	
30	Newman T-15 - El Paso, TX	Dist. UA	115.00	13.80	
31	Newman T-16 - El Paso, TX	Dist. UA	115.00	13.80	
32	Nuway - Canutillo, TX	Dist. UA	115.00	23.90	
33	Patriot T-1 - El Paso, TX	Dist. UA	115.00	13.80	
34	Pendale - El Paso, TX	Dist. UA	115.00	13.80	
35	Phelps Dodge, El Paso, TX	Dist. UA	69.00	13.80	
36	Pellicano - El Paso, TX	Dist. UA	115.00	23.90	
37	Picacho - New Mexico	Dist. UA	115.00	23.90	
38	Picante T-1 - El Paso, TX	Trans. UA	345.00	115.00	13.80
39	Pipeline - El Paso, TX	Trans. UA			
40	Redeye - New Mexico	Dist. UA	115.00	13.80	

SUBSTATIONS (Continued)

5. Show in columns (I), (j), and (k) special equipment such as rotary converters, rectifiers, condensers, etc. and auxiliary equipment for increasing capacity.
6. Designate substations or major items of equipment leased from others, jointly owned with others, or operated otherwise than by reason of sole ownership by the respondent. For any substation or equipment operated under lease, give name of lessor, date and period of lease, and annual rent. For any substation or equipment operated other than by reason of sole ownership or lease, give name of co-owner or other party, explain basis of sharing expenses or other accounting between the parties, and state amounts and accounts affected in respondent's books of account. Specify in each case whether lessor, co-owner, or other party is an associated company.

Capacity of Substation (In Service) (In MVa) (f)	Number of Transformers In Service (g)	Number of Spare Transformers (h)	CONVERSION APPARATUS AND SPECIAL EQUIPMENT Type of Equipment (i)	Number of Units (j)	Total Capacity (In MVa) (k)	Line No.
50	1					1
25	1					2
30	1					3
80	2					4
30	1					5
30	1					6
80	2					7
100	1					8
30	1					9
120	2					10
60	2					11
						12
30	1					13
30	1					14
						15
60	2					16
90	3					17
500	4					18
100	2					19
30	1					20
130	3					21
230	1					22
112	1					23
112	1					24
112	1					25
112	1					26
112	1					27
112	1					28
175	1					29
117	1					30
117	1					31
100	2					32
30	1					33
80	2					34
10	1					35
100	2					36
50	1					37
200	1					38
						39
14	1					40

Name of Respondent El Paso Electric Company	This Report Is: (1) [X] An Original (2) [ ] A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2019/Q4

SUBSTATIONS

1. Report below the information called for concerning substations of the respondent as of the end of the year.
2. Substations which serve only one industrial or street railway customer should not be listed below.
3. Substations with capacities of Less than 10 MVa except those serving customers with energy for resale, may be grouped according to functional character, but the number of such substations must be shown.
4. Indicate in column (b) the functional character of each substation, designating whether transmission or distribution and whether attended or unattended. At the end of the page, summarize according to function the capacities reported for the individual stations in column (f).

Line No.	Name and Location of Substation (a)	Character of Substation (b)	VOLTAGE (In MVa) Primary (c)	Secondary (d)	Tertiary (e)
1	Rio Bosque - El Paso, TX	Dist. UA	69.00	13.80	
2	Rio Grande T1,T2 - Sunland Park, NM	Trans. UA	115.00	69.00	
3	Rio Grande T4 - Sunland Park, NM	Dist. UA	66.00	13.80	
4	Rio Grande T5 - Sunland Park, NM	Dist. UA	69.00	13.80	
5	Rio Grande T6 - Sunland Park, NM	Dist. UA	66.00	13.80	
6	Rio Grande T7 - Sunland Park, NM	Dist. UA	115.00	66.40	
7	Rio Grande T12 - Sunland Park, NM	Dist. UA	67.00	14.40	
8	Rio Grande T17 - Sunland Park, NM	Dist. UA	115.00	13.80	
9	Ripley - El Paso, TX	Dist. UA	115.00	13.80	
10	Salopek - Las Cruces, NM	Dist. UA	115.00	24.90	
11	Santa Fe - El Paso, TX	Dist. UA	69.00	13.80	
12	Santa Teresa - Santa Teresa, NM	Dist. UA	115.00	23.90	
13	Santa Teresa - Santa Teresa, NM	Dist. UA	115.00	24.90	
14	Scotsdale - El Paso, TX	Dist. UA	115.00	69.00	
15	Scotsdale - El Paso, TX	Dist. UA	115.00	13.80	
16	Shearman - El Paso, TX	Dist. UA	115.00	13.80	
17	Sierra Blanca - Sierra Blanca, NM	Dist. UA	69.00	23.90	
18	Socorro - El Paso, TX	Dist. UA	69.00	13.80	
19	Sol - El Paso, TX	Dist. UA	115.00	13.80	
20	Sparks - El Paso, TX	Dist. UA	115.00	13.80	
21	Sparks - El Paso, TX	Dist. UA	115.00	69.00	
22	Sunset - El Paso, TX	Dist. UA	69.00	13.80	
23	Sunset - El Paso, TX	Dist. UA	69.00	4.16	
24	Sunset North - El Paso, TX	Dist. UA	115.00	13.80	
25	Sunset North - El Paso, TX	Trans. UA	115.00	69.00	13.80
26	Talavera Temp T-1 - Las Cruces, NM	Dist. UA	115.00	23.90	
27	Thorn - El Paso, TX	Dist. UA	115.00	13.80	
28	Trowbridge - El Paso, TX	Trans. US			
29	Viscount - El Paso, TX	Dist. UA	67.00	14.40	
30	Vista - El Paso, TX	Dist. UA	115.00	13.80	
31	White Sands - New Mexico	Dist. UA	115.00	13.80	
32	Wrangler - El Paso, TX	Dist. UA	115.00	13.80	
33					
34	5,000 to 10,000 kVA				
35					
36	Amrad - Oro Grande, NM	Dist. UA	115.00	24.90	
37	Farmer - Van Horn, TX	Dist. UA	69.00	23.90	
38	Five Points - El Paso, TX	Dist. UA	13.80	4.16	
39	Hanes - New Mexico	Dist UA	22.90	4.16	
40	Midway - El Paso, TX	Dist. UA	13.80	4.16	

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
El Paso Electric Company	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2019/Q4

SUBSTATIONS (Continued)

5. Show in columns (I), (j), and (k) special equipment such as rotary converters, rectifiers, condensers, etc. and auxiliary equipment for increasing capacity.
6. Designate substations or major items of equipment leased from others, jointly owned with others, or operated otherwise than by reason of sole ownership by the respondent. For any substation or equipment operated under lease, give name of lessor, date and period of lease, and annual rent. For any substation or equipment operated other than by reason of sole ownership or lease, give name of co-owner or other party, explain basis of sharing expenses or other accounting between the parties, and state amounts and accounts affected in respondent's books of account. Specify in each case whether lessor, co-owner, or other party is an associated company.

Capacity of Substation (In Service) (In MVa) (f)	Number of Transformers In Service (g)	Number of Spare Transformers (h)	CONVERSION APPARATUS AND SPECIAL EQUIPMENT Type of Equipment (i)	Number of Units (j)	Total Capacity (In MVa) (k)	Line No.
30	1					1
200	2	1				2
50	1					3
60	1					4
60	1					5
150	1					6
25	1					7
132	1					8
80	2					9
75	3					10
30	1					11
30	1					12
30	1					13
100	1					14
100	2					15
30	1					16
18	1					17
30	1					18
60	2					19
80	2					20
89	1					21
60	2					22
10	3					23
60	2					24
100	1					25
13	1					26
60	2					27
						28
30	1					29
60	2					30
30	1					31
50	1					32
						33
						34
						35
8	1					36
10	1					37
6	3					38
6	1					39
6	1					40

Name of Respondent El Paso Electric Company	This Report Is: (1) [X] An Original (2) [ ] A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2019/Q4

SUBSTATIONS

1. Report below the information called for concerning substations of the respondent as of the end of the year.
2. Substations which serve only one industrial or street railway customer should not be listed below.
3. Substations with capacities of Less than 10 MVa except those serving customers with energy for resale, may be grouped according to functional character, but the number of such substations must be shown.
4. Indicate in column (b) the functional character of each substation, designating whether transmission or distribution and whether attended or unattended. At the end of the page, summarize according to function the capacities reported for the individual stations in column (f).

Line No.	Name and Location of Substation (a)	Character of Substation (b)	VOLTAGE (In MVa) Primary (c)	Secondary (d)	Tertiary (e)
1	Range - New Mexico	Dist. UA	24.90	13.20	
2	S.P. Pipeline - El Paso, TX	Dist. UA	13.80	2.40	
3	Valley - El Paso, TX	Dist. UA	67.00	14.40	
4	Amrad - Oro Grande, NM	Dist. UA	115.00	24.90	
5					
6	1,000 to 5,000 kVA				
7					
8	Coronado - El Paso, TX	Dist. UA	13.80	4.16	
9	Fabens - El Paso, TX	Dist. UA	67.00	4.16	
10	Fresno - El Paso, TX	Dist. UA	13.80	4.16	
11	Frontera - El Paso, TX	Dist. UA	13.80	4.16	
12	Grace - El Paso, TX	Dist. UA	14.40	4.16	
13	Hacienda - El Paso, TX	Dist. UA	13.80	4.16	
14	Hatch - New Mexico	Dist. UA	23.90	4.16	
15	Kemp - El Paso, TX	Dist. UA	13.80	4.16	
16	Latta - El Paso, TX	Dist. UA	13.80	4.16	
17	Melendres - Las Cruces, NM	Dist. UA	23.90	4.16	
18	Mission - El Paso, TX	Dist. UA	13.80	4.16	
19	Missouri - Las Cruces, NM	Dist. UA	23.90	4.16	
20	Newell - El Paso, TX	Dist. UA	13.80	4.16	
21	Octavia - El Paso, TX	Dist. UA	13.80	4.16	
22	Ranchland - El Paso, TX	Dist. UA	13.80	4.16	
23	Summit - El Paso, TX	Dist. UA	13.80	4.16	
24	UTEP - El Paso, TX	Dist. UA	13.80	4.16	
25	Westside - Las Cruces, NM	Dist. UA	24.90	4.16	
26	White - El Paso, TX	Dist. UA	13.80	4.16	
27	Diana - El Paso, TX	Dist. UA	13.80	4.16	
28	Mar - New Mexico	Dist. UA	24.90	4.16	
29	Sierra Blanca - Sierra Blanca, NM	Dist. UA	23.50	4.16	
30					
31	300 to 999 kVA				
32					
33	Fort Hancock - Hudspeth County, TX	Dist. UA	24.90	4.16	
34	La Mesa - New Mexico	Dist. UA	23.90	4.16	
35	Dallas - El Paso, TX	Dist. UA	13.80	4.16	
36	PORTABLE SUBSTATIONS				
37	(All sizes)				
38	Mobile Substation #354	Dist. UA	14.40	4.16	
39	Mobile Substation #355	Dist. UA	23.90	4.16	
40	Mobile Substation #356	Dist. UA	13.80	4.16	

Name of Respondent El Paso Electric Company	This Report Is: (1) [X] An Original (2) [ ] A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2019/Q4

SUBSTATIONS (Continued)

5. Show in columns (I), (j), and (k) special equipment such as rotary converters, rectifiers, condensers, etc. and auxiliary equipment for increasing capacity.
6. Designate substations or major items of equipment leased from others, jointly owned with others, or operated otherwise than by reason of sole ownership by the respondent. For any substation or equipment operated under lease, give name of lessor, date and period of lease, and annual rent. For any substation or equipment operated other than by reason of sole ownership or lease, give name of co-owner or other party, explain basis of sharing expenses or other accounting between the parties, and state amounts and accounts affected in respondent's books of account. Specify in each case whether lessor, co-owner, or other party is an associated company.

Capacity of Substation (In Service) (In MVa)	Number of Transformers In Service	Number of Spare Transformers	CONVERSION APPARATUS AND SPECIAL EQUIPMENT			Line No.
			Type of Equipment	Number of Units	Total Capacity (In MVa)	
(f)	(g)	(h)	(i)	(j)	(k)	
8	3					1
6	1					2
8	1					3
8	1					4
						5
						6
						7
3	1					8
3	3					9
2	1					10
2	1					11
2	1					12
5	1					13
1	1					14
2	1					15
2	1					16
3	3					17
5	1					18
3	1					19
3	1					20
2	1					21
4	2					22
3	2					23
4	1					24
3	1					25
2	1					26
3	1					27
4	1					28
1	1					29
						30
						31
						32
1	1					33
1	1					34
4	2					35
						36
						37
5	1					38
2	1					39
4	1					40

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
El Paso Electric Company	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2019/Q4

SUBSTATIONS

1. Report below the information called for concerning substations of the respondent as of the end of the year.
2. Substations which serve only one industrial or street railway customer should not be listed below.
3. Substations with capacities of Less than 10 MVa except those serving customers with energy for resale, may be grouped according to functional character, but the number of such substations must be shown.
4. Indicate in column (b) the functional character of each substation, designating whether transmission or distribution and whether attended or unattended. At the end of the page, summarize according to function the capacities reported for the individual stations in column (f).

Line No.	Name and Location of Substation (a)	Character of Substation (b)	VOLTAGE (In MVa) Primary (c)	Secondary (d)	Tertiary (e)
1	Mobile Substation #357	Dist. UA	115.00	24.90	
2	Mobile Substation #358	Dist. UA	115.00	23.90	
3	Mobile Substation #358	Dist. UA	69.00	13.80	
4	Mobile Substation #359	Dist. UA	13.80	4.16	
5	Mobile Substation #429	Dist. UA	115.00	13.80	
6					
7	SPARE TRANSFORMERS	N/A			
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					

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
El Paso Electric Company	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2019/Q4

SUBSTATIONS (Continued)

5. Show in columns (I), (j), and (k) special equipment such as rotary converters, rectifiers, condensers, etc. and auxiliary equipment for increasing capacity.
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Capacity of Substation (In Service) (In MVa)	Number of Transformers In Service	Number of Spare Transformers	CONVERSION APPARATUS AND SPECIAL EQUIPMENT			Line No.
			Type of Equipment	Number of Units	Total Capacity (In MVa)	
(f)	(g)	(h)	(i)	(j)	(k)	
24	1					1
30	1					2
30	1					3
10	1					4
24	1					5
						6
		19				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

Schedule Page: 426 Line No.: 3 Column: a

Afton Substation is a switching transmission substation. The Company does not own the transformers on site.

Schedule Page: 426 Line No.: 19 Column: a

Biggs Substation is a switching transmission substation. Ft. Bliss owns the transformers on site.

Schedule Page: 426 Line No.: 20 Column: a

Bliss Industrial Substation is a transmission substation. Ft. Bliss owns the transformers on site.

Schedule Page: 426.1 Line No.: 12 Column: a

Liberty Substation is a transmission substation. Ft. Bliss owns the transformers on site.

Schedule Page: 426.1 Line No.: 15 Column: a

Marlow Substation is a transmission substation. Marathon Refinery owns the transformers on site.

Schedule Page: 426.1 Line No.: 39 Column: a

Pipeline Substation is a transmission substation. Kinder Morgan owns the transformers on site.

Schedule Page: 426.2 Line No.: 28 Column: a

Trowbridge Substation is a transmission substation. Marathon Refinery owns the transformers on site.

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