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

Form 1 Approved
OMB No.1902-0021
(Expires 12/31/2019)
Form 1-F Approved
OMB No.1902-0029
(Expires 12/31/2019)
Form 3-Q Approved
OMB No.1902-0205
(Expires 12/31/2019)

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 2018/Q4

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	02 Year/Period of Report
El Paso Electric Company	End of 2018/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	06 Title of Contact Person
Russell G. Gibson	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	03/27/2019
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.

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 2018/Q4

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 2018/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 2018/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	724,039
2	Senior Vice President and Chief Financial Officer	Nathan T. Hirschi	399,327
3	Senior Vice President and Chief Administrative Officer	Elaina L. Ball	207,692
4	Senior Vice President, Operations	Steven T. Buraczyk	344,808
5	Senior Vice President, Corporate Development and		
6	Chief Compliance Officer	Rocky R. Miracle	334,808
7	Senior Vice President, General Counsel and		
8	Assistant Secretary	Adrian J. Rodriguez	359,327
9	Senior Vice President and Chief Human Resources		
10	Officer	William A. Stiller	258,173
11	Vice President, Transmission and Distribution	Robert C. Doyle	257,904
12	Vice President, Controller	Russell G. Gibson	249,865
13	Vice President, Strategic Communications, Customer and		
14	Community Engagement	Eduardo Gutierrez	219,846
15	Vice President, Generation, System Planning		
16	and Dispatch	David C. Hawkins	244,865
17	Vice President, Customer Care	Kerry B. Lore	115,212
18	Vice President, Power Generation	Andres R. Ramirez	50,673
19	Vice President, Governmental Affairs	Patrick V. Reinhart	193,603
20	Vice President, Human Resources	Victor F. Rueda	210,000
21	Vice President, Regulatory Affairs	James A. Schichtl	235,000
22	Vice President, Community Outreach	Guillermo Silva, Jr.	87,750
23	Vice President, Compliance and Chief Risk Officer	Henry W. Soza	237,885
24	Vice President, Business Development	Richard E. Turner	214,846
25	Corporate Secretary	Jessica M. Goldman	143,125
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Schedule Page: 104 Line No.: 3 Column: b

On April 16, 2018, Elaina L. Ball was appointed Senior Vice President and Chief Administrative Officer. Ms. Ball served as Chief Operating Officer of Austin Energy, City of Austin, Texas, from 2016 until April 2018.

Schedule Page: 104 Line No.: 10 Column: b

On February 1, 2019, William A. Stiller, Senior Vice President, retired from the Company. Prior to his retirement, on April 16, 2018, William A. Stiller was appointed Senior Vice President and Chief Human Resources Officer. Formerly, Mr. Stiller served as Senior Vice President of Public and Customer Affairs and Chief Human Resources Officer from December 2015 to April 2018.

Schedule Page: 104 Line No.: 14 Column: b

On October 29, 2018, Eduardo Gutierrez, formerly Vice President, Public, Government and Customer Affairs, was appointed Vice President, Strategic Communications, Customer and Community Engagement.

Schedule Page: 104 Line No.: 16 Column: b

On February 5, 2018, David C. Hawkins, formerly Vice President, System Operations, Resource Planning and Management, was appointed Vice President, Generation, System Planning and Dispatch.

Schedule Page: 104 Line No.: 17 Column: b

On July 1, 2018, Kerry B. Lore, Vice President, Customer Care, retired from the Company.

Schedule Page: 104 Line No.: 18 Column: b

On March 1, 2018, Andres R. Ramirez, Vice President, Power Generation, retired from the Company.

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

On October 29, 2018, Patrick V. Reinhart, formerly Assistant Vice President, External Affairs, was appointed Vice President, Governmental Affairs.

Schedule Page: 104 Line No.: 20 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. Mr. Rueda served as Vice President of Human Resources of Andeavor (formerly Western Refining, Inc.) from 2006 until 2017.

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

On July 1, 2018, Guillermo Silva, Jr., Vice President, Community Outreach, retired from the Company.

Schedule Page: 104 Line No.: 24 Column: b

On January 21, 2019, Richard E. Turner, formerly Vice President, Renewables Development, was appointed Vice President, Business Development.

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 2018/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 - 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***	El Paso Electric Company
9		100 North Stanton Street
10		El Paso, Texas 79901
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	James W. Harris - Former Director	OP Food Products, LLC and
17		Harris Financial Advisors, LLC
18		Post Office Box 38
19		Manns Harbor, North Carolina 27953
20		
21	Woodley L. Hunt - Former Director	Hunt Companies, Inc.
22		4401 North Mesa Street
23		El Paso, Texas 79902
24		
25	Mary E. Kipp - Director and President and CEO	El Paso Electric Company
26		100 North Stanton Street
27		El Paso, Texas 79901
28		
29	Raymond Palacios, Jr. - Director	Bravo Cadillac
30		6555 Montana Avenue
31		El Paso, Texas 79925
32		
33	Eric B. Siegel - Director**	11100 Santa Monica Boulevard, Suite 2000
34		Los Angeles, California 90025
35		
36	Stephen N. Wertheimer - Director***	W Capital Partners
37		400 Park Avenue, Suite 910
38		New York, New York 10022
39		
40		
41	Charles A. Yamarone - Director and Chairman of the Board***	Houlihan Lokey
42		10250 Constellation Boulevard, 5th Floor
43		Los Angeles, California 90067
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Schedule Page: 105 Line No.: 16 Column: a

On May 24, 2018, James W. Harris retired from the Board of Directors.

Schedule Page: 105 Line No.: 21 Column: a

On May 24, 2018, Woodley L. Hunt retired from the Board of Directors.

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 2018/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 2018/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	20180912-5039	09/12/2018	ER08-742	2018 Annual Update Filing	18
2		09/12/2018			
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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 2018/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 2018 annual update is to the cost-based formula rate included in the Power Sales Agreement under ER08-742.

Name of Respondent	This Report Is:	Date of Report	Year/Period of Report
El Paso Electric Company	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2018/Q4

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:

On March 20, 2018, the City of El Paso, Texas, passed an ordinance amending its existing franchise agreement with the Company. The amendment increased the supplemental fee reserved for economic development by an additional 1.00%, increasing the total franchise fee to 5.00% of gross revenues, and extended the expiration date of the franchise agreement by 30 years to July 31, 2060. The 2018 amendment became effective October 1, 2018.

On September 11, 2018, the Village of Hatch, New Mexico, passed an ordinance approving a franchise agreement with the Company. The franchise agreement has a term of 25 years and requires the Company to pay a franchise fee of 3% of gross revenues. The franchise agreement became effective January 1, 2019.

2. Acquisition of Ownership in Other Companies:

None.

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:

On July 12, 2018, the Company placed into commercial operation the Global Reach T2 and switchgear feeders in its Texas territory, which adds 2.18 circuit miles to the distribution system. Customers were moved from existing circuits to the new facilities.

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

Issuance of Long-Term Debt, Securities Financing, and Guarantee of Debt. On October 7, 2015, the Company received approval in New Mexico Public Regulation Commission ("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. 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"), 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 and the $37.1 million 2009 Series B 7.25% Pollution Control Bonds, which have optional redemptions beginning in 2019. The NMPRC approval to issue $350.0 million in long-term debt supersedes its prior approval.

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% Pollution Control Bonds and the $37.1 million 2009 Series B 7.25% Pollution Control Bonds, which have optional redemptions beginning in 2019. 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 is effective from November 15, 2017, through November 14, 2019, and supersedes prior FERC approvals.

Under these authorizations, 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 as further described below. 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 as further described below.

Additionally, the Company is preparing for potential transactions related to the 2009 Series A and Series B PCBs. On February 1, 2019, the Company purchased in lieu of redemption all the $63.5 million 2009 Series A 7.25% PCBs. The bonds were purchased utilizing funds borrowed under the RCF. The Company is currently holding the bonds and may remarket them or replace them with debt instruments of equivalent value at a future date depending on the Company's financing needs and market conditions and in accordance with FERC action expected in March 2019 in response to the Company's most recent FERC application.

On January 30, 2019, the Company submitted applications with the NMPRC and the 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 a hearing occurred on March 15, 2019. The Hearing Examiner issued a Recommended Decision approving the Company's request, which is subject to adoption, modification or rejection by the NMPRC. Included in the FERC application, the Company also requested various debt-related authorizations: to utilize the existing 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% 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. If approved, the FERC authorization would supersede its prior approvals.

$125 Million Senior Notes. On June 28, 2018, the Company entered into a note purchase agreement with several institutional purchasers under which the Company issued and sold $125 million aggregate principal amount of its 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 will pay 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 note purchase agreement requires compliance with certain covenants, including a total debt to capitalization ratio. The Company was in compliance with these requirements throughout 2018. 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 ("Securities Act").

$65 Million RGRT Senior Guaranteed Notes. On June 28, 2018, the RGRT, a Texas grantor trust through which the Company finances its portion of nuclear fuel for Palo Verde Generating Station ("Palo Verde"), and the Company entered into a note purchase agreement with several institutional purchasers under which the RGRT issued and sold $65 million aggregate principal amount of its 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. 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. The obligations arising from the guarantee of the RGRT Senior Notes are reported in obligations under capital leases of nuclear fuel. The RGRT pays interest on the RGRT Senior Notes on February 15 and August 15 of each year until maturity, beginning on February 15, 2019. RGRT may redeem the RGRT 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. The note purchase agreement requires compliance with certain covenants, including a total debt to capitalization ratio. The Company and RGRT were in compliance with these requirements throughout 2018.

Revolving Credit Facility. 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 million RCF with a $50 million subfacility for the issuance of letters of credit, and the Company extended the term of the Company's existing $350 million revolving credit agreement from January 14, 2020 to September 13, 2023 ("Maturity Date"). The Company may increase the RCF by up to $50 million (to a total of $400 million) during the term of the RCF Agreement, upon the satisfaction of certain conditions more fully set forth in the RCF Agreement, including obtaining commitments from lenders or third party financial institutions. In addition, the Company may extend the Maturity Date up to two times, in each case for an additional one-year period, 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. The RCF Agreement requires compliance with certain covenants, including a total debt to capitalization ratio. The Company is in compliance with these requirements throughout 2018. On February 1, 2019, the Company purchased in lieu of redemption all of the 7.25% 2009 Series A PCBs with a principal amount of $63.5 million utilizing funds borrowed under the RCF. The Company is currently holding the 7.25% 2009 Series A PCBs and may remarket them or replace them with debt instruments of equivalent value at a future date depending on the Company's financing needs and market conditions. As of December 31, 2018, the total amount borrowed by the RGRT was $28.4 million for nuclear fuel under the RCF. As of December 31, 2018, $23.0 million of borrowings were outstanding under the RCF for working capital and general corporate purposes. The weighted average interest rate on the RCF was 3.8% as of December 31, 2018.

Also, see Notes D and J 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 in January 2018 compared to 2017 through the 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% effective in September 2018 compared to the previous level. The annual effect of this increase was approximately $1.0 million.

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, K, and L of "Notes to Financial Statements."

10. Materially Important Transactions:

None.

11. Reserved

12. Important changes during the year:

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 Public Utility Commission of Texas ("PUCT") in Docket No. 46831, a request for an increase in non-fuel base revenues ("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 for the 2017 Texas Retail Rate Case.

On December 18, 2017, the PUCT issued the PUCT 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 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, which expired on January 9, 2019, with a reconciliation of any over- or under-charge to be addressed in a separate proceeding.

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.

For financial reporting purposes, the Company deferred any recognition of the Company's request in its 2017 Texas Retail Rate Case until it received the 2017 PUCT Final Order on December 18, 2017. Accordingly, it reported in the fourth quarter of 2017 the cumulative effect of the 2017 PUCT Final Order, which related back to July 18, 2017.

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 rate case. Following the enactment of the federal legislation commonly referred to as the federal Tax Cuts and Jobs Act ("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 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 change 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 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 expires March 31, 2019. The filing was assigned PUCT Docket No. 49251.

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 ("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. The Company cannot predict the outcome of this filing at this time.

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 February 23, 2018, the Company responded to a NMPRC Staff inquiry regarding the proceeding. 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 during the quarter ended December 31, 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.

Federal Energy Regulatory Commission 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 (1) propose revisions to their transmission rates under their open access transmission tariffs or transmission owner tariffs on file with the FERC, or (2) 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, the 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 the third quarter of 2019.

Notice of Proposed Rulemaking on Public Utility Transmission Changes to Address Accumulated Deferred Income Taxes. On November 15, 2018, the FERC issued a Notice of Proposed Rulemaking ("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 Docket No. RM19-5-000. The Company is currently evaluating the impact of this proposed rulemaking.

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 February 5, 2018, David C. Hawkins was appointed Vice President, Generation, System Planning and Dispatch. Formerly, Mr. Hawkins served as Vice President, System Operations, Resource Planning and Management, from June 2014 to February 2018.

On March 1, 2018, Andres R. Ramirez, Vice President, retired from the Company.

On April 16, 2018, Elaina L. Ball was appointed Senior Vice President and Chief Administrative Officer. Ms. Ball served as Chief Operating Officer of Austin Energy, City of Austin, Texas, from 2016 until April 2018.

On May 24, 2018, Woodley L. Hunt and James W. Harris retired from the Board of Directors of the Company.

On July 1, 2018, Kerry B. Lore, Vice President, retired from the Company.

On July 1, 2018, Guillermo Silva, Jr., Vice President, retired from the Company.

On October 29, 2018, Patrick V. Reinhart was appointed Vice President, Governmental Affairs. Formerly, Mr. Reinhart served as Assistant Vice President, External Affairs, from December 2011 to October 2018.

On October 29, 2018, Eduardo Gutierrez was appointed Vice President, Strategic Communications, Customer and Community Engagement. Formerly, Mr. Gutierrez served as Vice President, Public, Government and Customer Affairs, from December 2015 to October 2018.

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. Prior to his retirement, on April 16, 2018, William A. Stiller was appointed Senior Vice President and Chief Human Resources Officer. Formerly, Mr. Stiller served as Senior Vice President, Public and Customer Affairs and Chief Human Resources Officer, from December 2015 to April 2018.

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. Mr. Rueda served as Vice President of Human Resources of Andeavor (formerly Western Refining, Inc.) from 2006 until 2017.

During the reporting period, the shares of El Paso Electric Company common stock owned by Vanguard Group, Inc. increased to a total ownership above 11% of the outstanding shares of El Paso Electric Company common stock. On March 12, 2018, Vanguard Group, Inc. reported to the U.S. Securities and Exchange Commission ("SEC") as Amendment No. 8 to Schedule 13G that it owns 10.02% of the outstanding shares of El Paso Electric Company common stock. On February 11, 2019, Vanguard Group, Inc. reported to the SEC as Amendment No. 9 to Schedule 13G that it owns 11.03% of the outstanding shares of El Paso Electric Company common stock.

During the reporting period, the shares of El Paso Electric Company common stock owned by BlackRock, Inc. increased to a total ownership above 15% of the outstanding shares of El Paso Electric Company common stock. On January 19, 2018, BlackRock, Inc. reported to the SEC as Amendment No. 9 to Schedule 13G that it owns 13.4% of the outstanding shares of El Paso Electric Company common stock. On January 28, 2019, BlackRock, Inc. reported to the SEC as Amendment No. 10 to Schedule 13G that it owns 15.2% of the outstanding shares of El Paso Electric Company common stock.

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 2018/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	5,112,940,123	4,912,424,556
3	Construction Work in Progress (107)	200-201	169,327,229	146,057,827
4	TOTAL Utility Plant (Enter Total of lines 2 and 3)		5,282,267,352	5,058,482,383
5	(Less) Accum. Prov. for Depr. Amort. Depl. (108, 110, 111, 115)	200-201	2,312,681,378	2,240,335,407
6	Net Utility Plant (Enter Total of line 4 less 5)		2,969,585,974	2,818,146,976
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)		199,843,869	195,938,084
12	(Less) Accum. Prov. for Amort. of Nucl. Fuel Assemblies (120.5)	202-203	73,742,663	74,727,129
13	Net Nuclear Fuel (Enter Total of lines 7-11 less 12)		126,101,206	121,210,955
14	Net Utility Plant (Enter Total of lines 6 and 13)		3,095,687,180	2,939,357,931
15	Utility Plant Adjustments (116)		0	0
16	Gas Stored Underground - Noncurrent (117)		0	0
17	**OTHER PROPERTY AND INVESTMENTS**			
18	Nonutility Property (121)		709,446	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)		1,674,825	1,764,256
25	Sinking Funds (125)		0	0
26	Depreciation Fund (126)		0	0
27	Amortization Fund - Federal (127)		0	0
28	Other Special Funds (128)		282,609,818	293,016,062
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)		284,994,089	295,489,764
33	**CURRENT AND ACCRUED ASSETS**			
34	Cash and Working Funds (Non-major Only) (130)		0	0
35	Cash (131)		12,376,736	6,701,768
36	Special Deposits (132-134)		0	0
37	Working Fund (135)		235,646	66,552
38	Temporary Cash Investments (136)		287,686	221,525
39	Notes Receivable (141)		0	0
40	Customer Accounts Receivable (142)		52,718,629	54,852,721
41	Other Accounts Receivable (143)		5,548,422	13,880,761
42	(Less) Accum. Prov. for Uncollectible Acct.-Credit (144)		2,070,446	2,336,990
43	Notes Receivable from Associated Companies (145)		0	0
44	Accounts Receivable from Assoc. Companies (146)		0	0
45	Fuel Stock (151)	227	2,063,056	2,071,842
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	53,303,101	48,791,808
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	56,642	40,560

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	8,692	6,086
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)		20,325,683	10,297,791
58	Advances for Gas (166-167)		0	0
59	Interest and Dividends Receivable (171)		10,442	3,459
60	Rents Receivable (172)		0	0
61	Accrued Utility Revenues (173)		21,648,000	22,185,000
62	Miscellaneous Current and Accrued Assets (174)		29,654	-19,103
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)		166,541,943	156,763,780
68	**DEFERRED DEBITS**			
69	Unamortized Debt Expenses (181)		14,117,290	12,843,774
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	82,334,508	96,746,932
73	Prelim. Survey and Investigation Charges (Electric) (183)		1,922,855	955,259
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)		6,771	-71,727
77	Temporary Facilities (185)		0	0
78	Miscellaneous Deferred Debits (186)	233	6,345,712	5,815,807
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)		14,801,314	15,687,238
82	Accumulated Deferred Income Taxes (190)	234	196,918,075	191,950,416
83	Unrecovered Purchased Gas Costs (191)		0	0
84	Total Deferred Debits (lines 69 through 83)		316,446,525	323,927,699
85	TOTAL ASSETS (lines 14-16, 32, 67, and 84)		3,863,669,737	3,715,539,174

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 2018/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	65,828,688	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	312,697,384
7	Other Paid-In Capital (208-211)	253	8,780,977	3,390,298
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	1,256,673,995	1,188,438,459
12	Unappropriated Undistributed Subsidiary Earnings (216.1)	118-119	0	0
13	(Less) Reaquired Capital Stock (217)	250-251	418,893,400	420,505,805
14	Noncorporate Proprietorship (Non-major only) (218)		0	0
15	Accumulated Other Comprehensive Income (219)	122(a)(b)	-38,590,880	11,058,360
16	Total Proprietary Capital (lines 2 through 15)		1,183,128,311	1,160,566,445
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	1,000,000,000
22	Unamortized Premium on Long-Term Debt (225)		6,685,375	6,813,217
23	(Less) Unamortized Discount on Long-Term Debt-Debit (226)		3,498,999	3,623,116
24	Total Long-Term Debt (lines 18 through 23)		1,288,021,376	1,163,025,101
25	OTHER NONCURRENT LIABILITIES			
26	Obligations Under Capital Leases - Noncurrent (227)		110,000,000	45,000,000
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)		111,834,117	110,254,454
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)		101,107,983	93,028,714
35	Total Other Noncurrent Liabilities (lines 26 through 34)		322,942,100	248,283,168
36	CURRENT AND ACCRUED LIABILITIES			
37	Notes Payable (231)		23,000,000	85,000,000
38	Accounts Payable (232)		58,149,845	59,270,210
39	Notes Payable to Associated Companies (233)		0	0
40	Accounts Payable to Associated Companies (234)		0	0
41	Customer Deposits (235)		11,749,096	7,013,549
42	Taxes Accrued (236)	262-263	33,791,152	32,817,188
43	Interest Accrued (237)		14,276,392	11,613,171
44	Dividends Declared (238)		0	0
45	Matured Long-Term Debt (239)		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 2018/Q4

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)		1,645,278	1,647,615
48	Miscellaneous Current and Accrued Liabilities (242)		25,502,259	20,406,508
49	Obligations Under Capital Leases-Current (243)		28,408,157	89,389,759
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)		196,522,179	307,158,000
55	DEFERRED CREDITS			
56	Customer Advances for Construction (252)		24,045,722	20,559,598
57	Accumulated Deferred Investment Tax Credits (255)	266-267	22,578,998	20,392,372
58	Deferred Gains from Disposition of Utility Plant (256)		0	0
59	Other Deferred Credits (253)	269	4,472,978	4,433,668
60	Other Regulatory Liabilities (254)	278	303,645,252	297,855,890
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)		500,140,517	482,460,890
64	Accum. Deferred Income Taxes-Other (283)		18,172,304	10,804,042
65	Total Deferred Credits (lines 56 through 64)		873,055,771	836,506,460
66	TOTAL LIABILITIES AND STOCKHOLDER EQUITY (lines 16, 24, 35, 54 and 65)		3,863,669,737	3,715,539,174

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 2018/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	903,602,606	916,796,846		
3	Operating Expenses					
4	Operation Expenses (401)	320-323	469,467,984	480,804,299		
5	Maintenance Expenses (402)	320-323	74,706,241	69,458,396		
6	Depreciation Expense (403)	336-337	89,201,977	84,170,742		
7	Depreciation Expense for Asset Retirement Costs (403.1)	336-337	-1,327,570	-1,137,735		
8	Amort. & Depl. of Utility Plant (404-405)	336-337	7,297,250	6,409,172		
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	1,674,952		
13	(Less) Regulatory Credits (407.4)		261,240	261,240		
14	Taxes Other Than Income Taxes (408.1)	262-263	70,999,869	70,862,859		
15	Income Taxes - Federal (409.1)	262-263	-9,932,853	-8,528,717		
16	- Other (409.1)	262-263	1,109,863	-193,536		
17	Provision for Deferred Income Taxes (410.1)	234, 272-277	112,365,214	184,203,783		
18	(Less) Provision for Deferred Income Taxes-Cr. (411.1)	234, 272-277	81,351,799	136,812,581		
19	Investment Tax Credit Adj. - Net (411.4)	266	2,186,626	619,897		
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)		8,343,046	7,648,643		
25	TOTAL Utility Operating Expenses (Enter Total of lines 4 thru 24)		744,934,548	758,918,934		
26	Net Util Oper Inc (Enter Tot line 2 less 25) Carry to Pg117,line 27		158,668,058	157,877,912		

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 2018/Q4

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
903,602,606	916,796,846					2
						3
469,467,984	480,804,299					4
74,706,241	69,458,396					5
89,201,977	84,170,742					6
-1,327,570	-1,137,735					7
7,297,250	6,409,172					8
						9
						10
						11
2,129,940	1,674,952					12
261,240	261,240					13
70,999,869	70,862,859					14
-9,932,853	-8,528,717					15
1,109,863	-193,536					16
112,365,214	184,203,783					17
81,351,799	136,812,581					18
2,186,626	619,897					19
						20
						21
						22
						23
8,343,046	7,648,643					24
744,934,548	758,918,934					25
158,668,058	157,877,912					26

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 2018/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)		158,668,058	157,877,912		
28	Other Income and Deductions					
29	Other Income					
30	Nonutilty Operating Income					
31	Revenues From Merchandising, Jobbing and Contract Work (415)		724,093	551,171		
32	(Less) Costs and Exp. of Merchandising, Job. & Contract Work (416)		882,341	827,980		
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)		7,913,182	6,817,160		
38	Allowance for Other Funds Used During Construction (419.1)		3,452,950	3,024,921		
39	Miscellaneous Nonoperating Income (421)		13,195,568	17,154,888		
40	Gain on Disposition of Property (421.1)			846,238		
41	TOTAL Other Income (Enter Total of lines 31 thru 40)		24,403,452	27,566,398		
42	Other Income Deductions					
43	Loss on Disposition of Property (421.2)			15,180		
44	Miscellaneous Amortization (425)					
45	Donations (426.1)		1,187,981	1,154,604		
46	Life Insurance (426.2)		535,748	372,968		
47	Penalties (426.3)		-2,037	3,569		
48	Exp. for Certain Civic, Political & Related Activities (426.4)		756,364	717,511		
49	Other Deductions (426.5)		20,171,369	856,344		
50	TOTAL Other Income Deductions (Total of lines 43 thru 49)		22,649,425	3,120,176		
51	Taxes Applic. to Other Income and Deductions					
52	Taxes Other Than Income Taxes (408.2)	262-263	11,252	9,705		
53	Income Taxes-Federal (409.2)	262-263	4,868,940	10,909,613		
54	Income Taxes-Other (409.2)	262-263	138,274	442,940		
55	Provision for Deferred Inc. Taxes (410.2)	234, 272-277	12,731,396	311,034		
56	(Less) Provision for Deferred Income Taxes-Cr. (411.2)	234, 272-277	17,509,180	286,499		
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)		240,682	11,386,793		
60	Net Other Income and Deductions (Total of lines 41, 50, 59)		1,513,345	13,059,429		
61	Interest Charges					
62	Interest on Long-Term Debt (427)		73,709,754	71,177,625		
63	Amort. of Debt Disc. and Expense (428)		956,832	1,028,393		
64	Amortization of Loss on Reaquired Debt (428.1)		885,924	885,924		
65	(Less) Amort. of Premium on Debt-Credit (429)		127,842	121,950		
66	(Less) Amortization of Gain on Reaquired Debt-Credit (429.1)					
67	Interest on Debt to Assoc. Companies (430)					
68	Other Interest Expense (431)		3,318,484	2,237,756		
69	(Less) Allowance for Borrowed Funds Used During Construction-Cr. (432)		3,612,047	2,974,276		
70	Net Interest Charges (Total of lines 62 thru 69)		75,131,105	72,233,472		
71	Income Before Extraordinary Items (Total of lines 27, 60 and 70)		85,050,298	98,703,869		
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)		85,050,298	98,703,869		

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		1,188,438,459	1,142,889,432
2	Changes			
3	Adjustments to Retained Earnings (Account 439)			
4	Cummulative Effect Retained Earnings Adjustments:			
5	(ASU) 2016-09 Compensation-Stock Compensation (Topic 718):			
6	Improvement to Employee Share-Based Payment Accounting-Federal Income Tax	190		182,628
7	(ASU) 2016-01 Financial Instruments-Overall (Subtopic 825-10):			
8	Recognition and Measurement of Financial Assets-Net of Income Taxes	219	40,724,356	
9	TOTAL Credits to Retained Earnings (Acct. 439)		40,724,356	182,628
10				
11				
12				
13				
14				
15	TOTAL Debits to Retained Earnings (Acct. 439)			
16	Balance Transferred from Income (Account 433 less Account 418.1)		85,050,298	98,703,869
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		-57,539,118	(53,337,470)
32				
33				
34				
35				
36	TOTAL Dividends Declared-Common Stock (Acct. 438)		-57,539,118	(53,337,470)
37	Transfers from Acct 216.1, Unapprop. Undistrib. Subsidiary Earnings			
38	Balance - End of Period (Total 1,9,15,16,22,29,36,37)		1,256,673,995	1,188,438,459
	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 2018/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)		1,256,673,995	1,188,438,459
	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	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 2018/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)	85,050,298	98,703,869
3	Noncash Charges (Credits) to Income:		
4	Depreciation and Depletion	89,201,977	84,170,742
5	Amortization of Other	23,198,985	20,546,826
6	Amortization of Nuclear Fuel	38,353,099	42,689,141
7			
8	Deferred Income Taxes (Net)	26,235,631	47,415,742
9	Investment Tax Credit Adjustment (Net)	2,186,626	619,897
10	Net (Increase) Decrease in Receivables	5,712,325	-137,824
11	Net (Increase) Decrease in Inventory	-4,101,092	-3,059,832
12	Net (Increase) Decrease in Allowances Inventory	-16,082	-12,737
13	Net Increase (Decrease) in Payables and Accrued Expenses	5,611,399	3,201,811
14	Net (Increase) Decrease in Other Regulatory Assets	13,737,493	-7,403,523
15	Net Increase (Decrease) in Other Regulatory Liabilities	4,821,740	17,092,813
16	(Less) Allowance for Other Funds Used During Construction	3,452,950	3,024,921
17	(Less) Undistributed Earnings from Subsidiary Companies		
18	Other (provide details in footnote):	18,261,013	-6,203,513
19			
20	Deferred Charges and Credits	-14,751,948	-5,142,612
21	Net (Increase) Decrease in Prepayments and Other	-4,418,921	-692,304
22	Net Cash Provided by (Used in) Operating Activities (Total 2 thru 21)	285,629,593	288,763,575
23			
24	Cash Flows from Investment Activities:		
25	Construction and Acquisition of Plant (including land):		
26	Gross Additions to Utility Plant (less nuclear fuel)	-247,086,398	-205,895,971
27	Gross Additions to Nuclear Fuel	-44,068,319	-43,705,644
28	Gross Additions to Common Utility Plant		
29	Gross Additions to Nonutility Plant		
30	(Less) Allowance for Other Funds Used During Construction	-3,452,950	-3,024,921
31	Other (provide details in footnote):		
32			
33			
34	Cash Outflows for Plant (Total of lines 26 thru 33)	-287,701,767	-246,576,694
35			
36	Acquisition of Other Noncurrent Assets (d)		
37	Proceeds from Disposal of Noncurrent Assets (d)	287,330	280,894
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 2018/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	9,590,779
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)	-86,366,105	-102,920,452
54	Investment in Decomissioning Trust Fund (Sales and Maturities)	80,732,166	97,036,586
55	Other (provided details in footnote):	4,185,567	-1,557,360
56	Net Cash Provided by (Used in) Investing Activities		
57	Total of lines 34 thru 55)	-283,512,020	-244,146,247
58			
59	Cash Flows from Financing Activities:		
60	Proceeds from Issuance of:		
61	Long-Term Debt (b)	125,000,000	
62	Preferred Stock		
63	Common Stock		
64	Other: Financing and Other Capital Lease Obligations- Proceeds	632,893,721	638,458,140
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)	757,893,721	638,458,140
71			
72	Payments for Retirement of:		
73	Long-term Debt (b)		-33,300,000
74	Preferred Stock		
75	Common Stock		
76	Other (provide details in footnote):	-4,341,834	-1,369,331
77	Financing and Capital Lease Obligations	-692,220,119	-596,498,777
78	Net Decrease in Short-Term Debt (c)		
79			
80	Dividends on Preferred Stock		
81	Dividends on Common Stock	-57,539,118	-53,337,470
82	Net Cash Provided by (Used in) Financing Activities		
83	(Total of lines 70 thru 81)	3,792,650	-46,047,438
84			
85	Net Increase (Decrease) in Cash and Cash Equivalents		
86	(Total of lines 22,57 and 83)	5,910,223	-1,430,110
87			
88	Cash and Cash Equivalents at Beginning of Period	6,989,845	8,419,955
89			
90	Cash and Cash Equivalents at End of period	12,900,068	6,989,845

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

Other:		2018		2017
Net (Gains) Losses on Decommissioning Trust Funds	$	12,829,637	$	(10,625,851)
Amortization of Unearned Compensation		5,468,993		5,091,867
Unrealized (Gains) Losses on Investments in Debt Securities		79,676		(314,317)
Other Operating Activities		(117,293)		(355,212)
Total	$	18,261,013	$	(6,203,513)

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

Other:		2018		2017
Net Customer Advances for Construction	$	3,486,118	$	1,691,047
Net Salvage Value and Cost of Removal		699,449		(3,248,407)
Total	$	4,185,567	$	(1,557,360)

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

Other:		2018		2017
Stock Awards Withheld for Taxes	$	(1,676,142)	$	(573,608)
Issuance Costs Related to Senior Notes		(868,834)		0
Issuance Costs Related to RGRT Senior Notes		(449,978)		0
Costs Related to Revolving Credit Facilities Terms Modification		(1,321,880)		(548,795)
Other Financing Activities		(25,000)		(246,928)
Total	$	(4,341,834)	$	(1,369,331)

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.

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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 ("FERC") as set forth in its applicable Uniform System of Accounts and published accounting releases which is a comprehensive basis of accounting other than U.S. Generally Accepted Accounting Principles ("GAAP") used in the Annual Report on Form 10-K for the fiscal year ended December 31, 2018 ("Form 10-K") filed by El Paso Electric Company (the "Company") with the U.S. Securities and Exchange Commission. Notes A through P of the regulatory-basis financial statements are from the 2018 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 P 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.		2018	2017
	Assets and Other Debits (Pages 110-111)		
2	Utility plant	$ (931,531)	$ (930,329)
5	Accumulated provision for depreciation, amortization and depletion	(921,415)	(920,160)
11	Nuclear fuel under capital lease	(1,564)	(1,005)
12	Accumulated provision for amortization of nuclear fuel	(1,040)	(252)
18	Non utility property	(709)	(709)
24	Other investments	(1,675)	(1,764)
28	Other special funds	(282,610)	(293,016)
67	Total current and accrued assets	6,991	28
84	Total deferred debits	53,475	75,207
	Liabilities and Other Credits (Pages 112-113)		
6	Premium on capital stock	18,810	13,419
7	Other paid-in capital	(8,781)	(3,390)
10	Capital stock expense	(341)	(341)
11	Retained earnings	(29,203)	(28,771)
15	Accumulated other comprehensive income	(193)	0
24	Total long-term debt	(2,041)	32,963
35	Total other noncurrent liabilities	(322,942)	(248,283)
54	Total current and accrued liabilities	116,733	9,066
65	Total deferred credits	(7,892)	(6,521)
	Statements of Income for the Year (Pages 114-117)		
25	Total utility operating expenses	(13,561)	(40,376)
26	Net utility operating income	13,561	40,376
60	Net other income and deductions	21,160	5,313
70	Net interest charges	9,089	(4,872)
78	Net income	(735)	(442)
	Statement of Retained Earnings (Pages 118-119)		
1	Balance – beginning of period	$ (28,771)	$ (28,328)
48	Total retained earnings	(29,203)	(28,771)
	Statement of Cash Flows (Pages 120-121)		
22	Net cash provided by (used in) operating activities	$ (232)	$ (202)
57	Net cash provided by (used in) investing activities	232	202
	Statement of Accumulated Comprehensive Income, Comprehensive Income and Hedging Activities (Page 122a-122b)		
9	Other comprehensive income	$ 111	$ 0

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, 2018 and 2017 consist of the following (in thousands):

	2018	2017
Cash and Cash Equivalents:		
Cash (131)	$ 12,377	$ 6,702
Working funds (135)	235	67
Temporary cash investments (136)	288	221
Cash and cash equivalents at end of period	$ 12,900	$ 6,990
Amortization of Other:		
ARO depreciation (403.1)	$ (1,328)	$ (1,138)
Other utility plant (404)	7,297	6,409
Regulatory assets (407.3)	2,130	1,675
Regulatory liabilities (407.4)	(261)	(261)
ARO accretion expense (411.10)	8,343	7,649
Debt expense (428)	957	1,028
Loss on reacquired debt (428.1)	886	886
Debt premium (429)	(128)	(122)
Interest rate lock losses	568	533
Nuclear fuel financing issuance costs	183	211
Dry cask storage amortization	1,946	1,147
Coal reclamation amortization	661	575
Texas rate case amortization	1,516	1,526
New Mexico rate case amortization	429	429
	$ 23,199	$ 20,547

Accounting and Reporting for New Electric Storage Operations

The Company does not have electric storage assets and therefore does 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 ("PUCT"), the New Mexico Public Regulation Commission ("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 Revenue"), 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 2018 and 2017 was 2.19%, 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 2018 and 2017 were 5.95% and 5.38%, 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 Obligation. 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 the 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, equity securities and debt 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 O 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 O 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. Fuel and purchase power expenses are stated at actual cost incurred. 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/kilowatt-hour ("kWh") to the number of estimated kWhs delivered but not billed. The Company recorded $21.6 million and $22.2 million of Accrued Utility Revenues as of December 31, 2018 and 2017, respectively. The Company presents revenues net of sales taxes in its regulatory-basis statement of income.

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 2018 and 2017 are as follows (in thousands):

	2018	2017
Balance at beginning of year	$ 2,337	$ 2,185
Additions:		
Charged to costs and expense	2,818	3,149
Recovery of previous write-offs	1,215	1,122
Uncollectible receivables written off	4,300	4,119
Balance at end of year	$ 2,070	$ 2,337

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. AI07-2-000. See Note J 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, the "IRC"), 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 corporate federal 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 corporate federal 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 corporate federal 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 J 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 M of Notes to Financial Statements for a discussion of the Company's accounting policies for its employee benefits.

Reclassification. Certain amounts in the regulatory-basis financial statements for 2017 have been reclassified to conform to the 2018 presentation. The Company implemented Accounting Standards Update ("ASU") 2016-15, Statement of Cash Flows, in the first quarter of 2018, retrospectively to all periods presented in the Company's regulatory-basis financial statements. See Note B of Notes to Financial Statements for further discussion on the new accounting standards.

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 March 2016, the FASB issued ASU 2016-09, Compensation - Stock Compensation (Topic 718) Improvements to Employee Share-Based Payment Accounting, to simplify the accounting for share-based payment transactions, including the income tax consequences, classification of awards either as equity or liabilities, and classification on the statements of cash flows. The Company adopted the new standard effective January 1, 2017. The adoption of the new standard did not have a material impact on the Company's financial condition, results of operations or cash flows. The cumulative effect of the adoption of the new standard was to increase net operating loss carryforward ("NOL carryforward") deferred tax assets and retained earnings by $0.2 million on January 1, 2017.

In May 2014, the FASB issued ASU 2014-09, Revenue from Contracts with Customers (Topic 606), to provide a framework that replaced the prior revenue recognition guidance, and FASB has since modified the standard with several ASUs. The standard provides that an entity should recognize the amount of revenue to which it expects to be entitled for the transfer of promised goods or services to customers. On January 1, 2018, the Company adopted the new accounting standard using the modified retrospective method. There was no cumulative effect adjustment at the initial application of the new standard. In addition, comparative information has not been restated and continues to be reported under the accounting standards in effect for those periods. The Company expects the ongoing impact of the new standard to be immaterial to net income. Following the adoption of the standard, revenues of $8.9 million related to reimbursed costs of energy efficiency programs approved by the Company's regulators are reported in operating revenues from customers prospectively, as opposed to being offset with associated costs within operations and maintenance ("O&M") expenses. Related expenses of an equal amount are reported in O&M expenses. See Note C of Notes to Financial Statements for further discussion on revenues.

In January 2016, the FASB issued ASU 2016-01, Financial Instruments - Overall (Subtopic 825-10): Recognition and Measurement of Financial Assets and Financial Liabilities, to enhance the reporting model for financial instruments by addressing certain aspects of recognition, measurement, presentation and disclosure. The Company adopted the new standard effective January 1, 2018. The adoption of ASU 2016-01 eliminates the requirements to classify investments in equity securities with readily determinable fair values into trading or available for sale and requires entities to measure equity investments at fair value and recognize any changes in fair value in the regulatory-basis statement of income. ASU 2016-01 requires a modified retrospective approach and therefore comparative information has not been restated and continues to be reported under the accounting standards in effect for those periods. Upon adoption of the new standard, the Company recorded a cumulative effect adjustment, net of income taxes to increase retained earnings by $40.7 million with a corresponding decrease to accumulated other comprehensive income ("AOCI"). In addition, the Company recorded net losses of $18.6 million related to equity securities still held at December 31, 2018. In March 2018, the FASB issued ASU 2018-04, Investments - Debt Securities (Topic 320) and Regulated Operations (Topic 980), which provides clarification to ASU 2016-01.

In August 2016, the FASB issued ASU 2016-15, Statement of Cash Flows (Topic 230) Classification of Certain Cash Receipts and Cash Payments, to reduce diversity in practice in how certain cash receipts and cash payments are classified in the statement of cash flows. The Company adopted the new standard effective January 1, 2018. ASU 2016-15 was applied using a retrospective transition method to each period presented. Accordingly, the Company presented in the Regulatory-Basis Statement of Cash Flows insurance proceeds received for equipment of $5.4 million and $9.6 million, respectively, for the twelve months ended December 31, 2018 and 2017 as cash inflows from investing activities.

In March 2017, the FASB issued ASU 2017-07, Compensation - Retirement Benefits (Topic 715) Improving the Presentation of Net Periodic Pension Cost and Net Periodic Postretirement Benefit Cost. ASU 2017-07 amends Accounting Standards Codification ("ASC") 715, Compensation - Retirement Benefits, to require companies to present the service cost component of net benefit cost in the income statement line items where compensation cost is reported. Companies will present all other components of net benefit cost separately from the line item(s) that includes the service cost and outside of any subtotal of operating income. In addition, only the service cost component will be eligible for capitalization in assets. The Company adopted the new standard effective January 1, 2018 for GAAP purposes. In response to industry inquiries surrounding the impact of the implementation of ASU 2017-07 for GAAP purposes, the FERC issued accounting guidance under Docket No. AI18-1-000 on December 28, 2017. The FERC determined that companies should continue to record all components of net periodic pension cost in FERC account 926 to promote comparability among utilities. As such, the Company records all components of net periodic pension cost as an operating expense in its regulatory-basis financial statements. The FERC further determined that companies may elect to capitalize only the service cost component of benefit costs as prescribed in ASU 2017-07 and requires companies to disclose the change in accounting practice with respect to capitalization of this election. The Company has elected to conform to the GAAP capitalization policy, which is that only the service cost component is eligible for capitalization. See Note M of Notes to Financial Statements for further discussion on employee benefits.

In March 2018, the FASB issued ASU 2018-05, Income Taxes (Topic 740) Amendments to U.S. Securities and Exchange Commission ("SEC") Paragraphs Pursuant to SEC Staff Accounting Bulletin No. 118 ("SAB 118"), to add various SEC paragraphs for clarification due to the TCJA. The Company adopted ASU 2018-05 upon issuance and implemented SAB 118 in December of 2017 in conjunction with the enactment of the TCJA.

In August 2018, the FASB issued ASU 2018-15, Customer's Accounting for Implementation Costs Incurred in a Cloud Computing Arrangement That Is a Service Contract (Topic 350). ASU 2018-15 aligns the requirements for capitalizing implementation costs for a cloud computing arrangement with the requirements for capitalizing implementation costs for an internal use software license. Implementation costs for a cloud computing arrangement will be capitalized or expensed based on the nature of the costs and the project's stage in which they are incurred by applying the existing guidance for internal use software implementation costs. Capitalized costs for a cloud computing arrangement will be presented on the same line of the balance sheet as any related prepaid amounts for the arrangement, while amortization of those costs will be presented on the same line of the income statement as the related hosting fees. Early adoption is permitted, and entities may apply the guidance either prospectively to eligible costs incurred on or after the effective date or retrospectively. The Company early-adopted this guidance in the third quarter of 2018, on a prospective basis, and the adoption did not have a material impact on the Company's financial condition, results of operations or cash flows.

New Accounting Standards to be Adopted in the Future

In February 2016, the FASB issued 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. The impact of leases reported in the Company's operating results and statement of cash flows is expected to be similar to previous GAAP. ASU 2016-02 requires the recognition in the regulatory-basis balance sheet, by the lessee, of a liability to make lease payments (the lease liability) and a right-of-use asset representing its right to use the underlying asset for the lease term. How operating leases are recorded in regard to the Company's regulatory-basis balance sheet represents a significant change from previous GAAP guidance. The lessee is permitted to make an accounting policy election to not recognize lease assets and lease liabilities for short-term leases. Adoption of the new lease accounting standard will require the Company to apply the new standard to the earliest period using a modified retrospective approach. As part of an effort to minimize adoption impact from the new standard, the FASB issued ASU 2018-01 and 2018-11. ASU 2018-01 provides an optional practical expedient to not evaluate existing or expired land easements under Topic 842, if those land easements were not previously accounted for as leases under ASC Topic 840, while ASU 2018-11 allows entities to adopt the standard with a cumulative effect adjustment as of the beginning of the adoption year, while maintaining prior year comparative financial information and disclosures as reported. As part of its application of ASU 2016-02, the Company has completed its analysis of its lease population and is finalizing the implementation of a new lease accounting system, as well as the evaluation of the impact on business processes, systems and controls to support recognition and disclosure under the new guidance. The Company anticipates it will elect the following practical expedients: the package of practical expedients outlined in ASU 2016-02, the land easement practical expedient outlined in ASU 2018-01, and the optional transition expedient outlined in ASU 2018-11. The Company also anticipates making the accounting policy election to not apply balance sheet recognition to short term leases. In response to industry inquiries surrounding the impact of the implementation of ASU 2018-02, the FERC issued accounting guidance under Docket No. AI19-1-000 on December 27, 2018. The FERC clarified that its accounting regulations do not require operating leases to be capitalized on the regulatory-basis balance sheet. However, a jurisdictional entity may choose to implement the ASU's guidance to report operating leases with a lease term in excess of twelve months as right of use assets, with corresponding lease obligations, in the regulatory-basis balance sheet accounts established for capital leases. The Company adopted this guidance effective January 1, 2019 for both GAAP and regulatory reporting purposes and the adoption only affected the regulatory-basis balance sheet by recording lease obligations and corresponding right of use assets in an amount that ranges between $5.0 million and $8.0 million.

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. The ASU also makes targeted amendments to the current impairment model for available-for-sale debt securities. 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 is currently assessing the future impact of ASU 2016-13.

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 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 AOCI (referred to as stranded tax effects) do not reflect the appropriate tax rate. ASU 2018-02 generally allows companies to reclassify stranded taxes from AOCI to retained earnings. The amount of the adjustment would be the difference between the historical federal corporate income tax rate of 35% and the newly enacted 21% federal corporate income tax rate. The provisions of ASU 2018-02 are effective for fiscal years and interim periods within that reporting period beginning after December 15, 2018. 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 impact of ASU 2018-02 and its impact on regulated utilities. At December 31, 2018, stranded taxes in AOCI are approximately $7.2 million. The Company currently does not believe the adoption of this ASU will have a material impact on its financial condition, results of operations, or cash flows.

C. Revenues

On January 1, 2018, the Company adopted ASU 2014-09, Revenue from Contracts with Customers (Topic 606), for all of its contracts using the modified retrospective method. There was no cumulative effect adjustment at the initial application of the new standard. In addition, comparative information has not been restated and continues to be reported under the accounting standards in effect for those periods. The Company expects the ongoing impact of the new standard to be immaterial to net income and no significant changes in the Company's business processes and internal controls were necessary upon adoption of the new standard.

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

	December 31, 2018 Twelve Months Ended
Retail	$ 789,676
Wholesale	90,673
Wheeling (transmission)	19,026
Total revenues from contracts with customers	899,375
Other	4,228
Total operating revenues	$ 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. The Company has elected the optional invoice practical expedient for Wholesale and Wheeling revenues, as the invoice amount will correspond directly to the value provided by the Company's performance to date.

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 10^{th} day of each month, with payment due by the 20^{th} 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 $2.9 million of uncollectible expense for the twelve months ended December 31, 2018.

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.

Texas Regulatory Matters

2015 Texas Retail Rate Case Filing. On August 10, 2015, the Company filed with the City of El Paso, other municipalities incorporated in its Texas service territory and the PUCT in the 2015 Texas Retail Rate Case, a request for an annual increase in non-fuel base revenues ("2015 Texas Retail Rate Case"). On July 21, 2016, the parties to PUCT Docket No. 44941 filed the Joint Motion to Implement Uncontested Amended and Restated Stipulation and Agreement which was unopposed by the parties. On August 25, 2016, the PUCT issued the PUCT Final Order in Docket No. 44941 ("2016 PUCT Final Order"). Interim rates associated with the annual non-fuel base rate increase became effective on April 1, 2016. The additional surcharges associated with the incremental Four Corners Generating Station ("Four Corners") costs, rate case expenses and the relate back of rates to consumption on and after January 12, 2016, through March 31, 2016, were implemented on October 1, 2016.

For financial reporting purposes, the Company deferred any recognition of the Company's request in its 2015 Texas Retail Rate Case until it received the 2016 PUCT Final Order on August 25, 2016. Accordingly, it reported in the third quarter of 2016 the cumulative effect of the 2016 PUCT Final Order, which related back to January 12, 2016.

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 the 2017 Texas Retail Rate Case, a request for an increase in non-fuel base revenues. On November 2, 2017, the Company filed the Joint Motion to Implement Uncontested Stipulation and Agreement with the Administrative Law Judges for the 2017 Texas Retail Rate Case.

On December 18, 2017, the PUCT issued the PUCT 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 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, which expired on January 9, 2019, with a reconciliation of any over-or under-charge to be addressed in a separate proceeding.

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.

For financial reporting purposes, the Company deferred any recognition of the Company's request in its 2017 Texas Retail Rate Case until it received the 2017 PUCT Final Order on December 18, 2017. Accordingly, it reported in the fourth quarter of 2017 the cumulative effect of the 2017 PUCT Final Order, which related back to July 18, 2017.

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 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 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 expires March 31, 2019. The filing was assigned PUCT Docket No. 49251.

Texas Energy Efficiency Cost Recovery Factor. On May 1, 2017, the Company filed its annual application with the PUCT, which was assigned PUCT Docket No. 47125, to establish its energy efficiency cost recovery factor 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 energy efficiency cost recovery factor 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 Administrative Law Judge issued a proposal for 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.

Fuel and Purchased Power Costs. The Company's actual fuel costs, including purchased power energy costs, 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 November 30, 2016, the Company filed a request with the PUCT, which was assigned PUCT Docket No. 46610, to increase its fixed fuel factor by approximately 28.8% to reflect increased fuel expenses primarily related to an increase in the price of natural gas used to generate power. The increase in the fixed fuel factor was effective on an interim basis January 1, 2017, and approved by the PUCT on January 10, 2017.

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. The Texas fixed fuel factor will continue thereafter until changed by the PUCT. As of December 31, 2018, the Company had a net fuel over-recovery balance of approximately $8.9 million in Texas.

Fuel Reconciliation Proceeding. On September 27, 2016, the Company filed an application with the PUCT, designated as PUCT Docket No. 46308, to reconcile $436.6 million of Texas fuel and purchased power expenses incurred during the period of April 1, 2013, through March 31, 2016. On June 29, 2017, the PUCT approved a settlement in this proceeding. The settlement provides for the reconciliation of fuel and purchased power costs incurred from April 1, 2013, through March 31, 2016. The financial results for the twelve months ended December 31, 2017, includes a $5.0 million, pre-tax increase to income reflecting the settlement of the Texas fuel reconciliation proceeding. This amount represents Palo Verde performance rewards associated with the 2013 to 2015 performance periods net of disallowed fuel and purchased power costs as approved in the settlement. Additionally, the settlement modifies and tightens the Palo Verde performance rewards measurement bands beginning with the 2018 performance period. The April 1, 2016, through December 31, 2018, Texas jurisdictional fuel and purchased power costs subject to prudence review total approximately $353.4 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 ("MPS"). 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 Administrative Law Judge issued a proposal for decision on March 19, 2019, that approved the project as proposed by the Company. The Company awaits a final order from the PUCT and cannot predict the outcome of the case 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 ("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. The Company cannot predict the outcome of this filing at this time.

Distribution Cost Recovery Factor. The Company anticipates filing an application with the PUCT and each of its Texas municipalities to establish its Distribution Cost Recovery Factor ("DCRF") in the first quarter ("2019 DCRF rate filing"). The 2019 DCRF rate filing is designed to recover a to be determined Texas jurisdictional 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. The Company cannot predict the outcome of this filing at this time.

Four Corners Generating Station. On February 17, 2015, the Company and Arizona Public Service Company ("APS") entered into an asset purchase agreement ("Purchase and Sale Agreement") providing for the sale of the Company's interest in Four Corners to APS. The sale of the Company's interest in Four Corners closed on July 6, 2016.

On June 10, 2015, the Company filed an application in Texas requesting reasonableness and public interest findings and certain rate and accounting findings related to the Purchase and Sale Agreement. This case was assigned PUCT Docket No. 44805. Subsequent to the filing of the application, the case was subject to numerous procedural matters, including a March 23, 2016, order in which the PUCT determined not to dismiss the reasonableness and public interest issues in this docket but to consider the requested rate and accounting findings, including coal mine reclamation costs, in a rate case proceeding. On September 1, 2016, a motion by parties in the proceeding to suspend the procedural schedule in order to pursue settlement was approved. On March 3, 2017, the Company filed a Joint Motion to Implement Stipulation and Agreement ("Stipulation and Agreement"), and PUCT Staff filed its recommendation that the Company's disposition of its interest in Four Corners was reasonable and consistent with the public interest. Additionally, the signatories of the Stipulation and Agreement agreed to support the recovery of the Company's Four Corners decommissioning costs in the 2017 Texas Retail Rate Case. A final order approving the Stipulation and Agreement was adopted by the PUCT on March 30, 2017. The approval to recover Four Corners decommissioning costs was included in the 2017 PUCT Final Order.

Other Required Approvals. The Company has obtained other required approvals for tariffs and other approvals required by the Texas Public Utility Regulatory Act and the PUCT.

New Mexico Regulatory Matters

2015 New Mexico Rate Case Filing. On May 11, 2015, the Company filed a request with the NMPRC, in Case No. 15-00127-UT, for an annual increase in non-fuel base rates. On June 8, 2016, the NMPRC issued its final order in Case No. 15-00127-UT ("NMPRC Final Order"), which approved an annual increase in non-fuel base rates of approximately \$0.6 million, an increase of approximately \$0.5 million in other service fees and a decrease in the Company's allowed return on equity to 9.48%. The NMPRC Final Order concluded that all of the Company's then-new plant in service was reasonable and necessary and therefore would be recoverable in rates. The Company's rates were approved by the NMPRC effective July 1, 2016, and implemented at such time.

Future New Mexico Rate Case Filing. On April 12, 2017, the NMPRC issued an order in Case No. 15-00109-UT requiring the Company to make a rate filing in New Mexico no later than July 31, 2019, using an appropriate historical test year period.

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 February 23, 2018, the Company responded to a NMPRC Staff inquiry regarding the proceeding. 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 during the quarter ended December 31, 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, reflects 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 new final order on remand in Case No. 17-00255-UT which, in part, eliminated the retroactive TCJA refund.

Fuel and Purchased Power Costs. Historically, fuel and purchased power costs were recovered through base rates and a Fuel and Purchased Power Cost Adjustment Clause ("FPPCAC") that accounts for changes in the costs of fuel relative to the amount included in base rates. Effective July 1, 2016, with the implementation of the NMPRC Final Order, fuel and purchased power costs are no longer recovered through base rates but are recovered through the FPPCAC. The Company's request to reconcile its fuel and purchased power costs for the period January 1, 2013, through December 31, 2014, also was approved in the NMPRC Final Order. New Mexico jurisdictional costs subject to prudence review are costs from January 1, 2015, through December 31, 2018, that total approximately $206.8 million. At December 31, 2018, the Company had a net fuel over-recovery balance of approximately $0.4 million related to the FPPCAC in New Mexico. 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. On March 15, 2019, the intervening parties in the case filed a motion for rehearing challenging the final order. The Company cannot predict the outcome of this case at this time.

New Mexico Renewable Portfolio Standard. Effective January 1, 2018, pursuant to the final order in NMPRC Case No. 17-00090-UT, the Renewable Portfolio Standard ("RPS") costs for New Mexico are recovered through a separate RPS Cost Rider and not through the FPPCAC. At December 31, 2018, the Company had a net fuel over-recovery balance related to the RPS Cost Rider of approximately $1.6 million. The RPS Cost Rider is updated in an annual NMPRC filing, including a reconciliation of prior year’s RPS costs and RPS Cost Rider revenue.

5-MW Holloman Air Force Base ("HAFB") Facility Certificate of Convenience and Necessity ("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.

New Mexico Efficient Use of Energy Recovery Factor. 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 Efficient Use of Energy recovery factor ("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.

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 includes a request for a base incentive of 7.1% of program expenditures, or approximately $0.4 million annually for 2019-2021. The application was assigned Case No. 18-00116-UT and hearings were held on November 7, 2018, and November 8, 2018. The Hearing Examiner issued a Recommended Decision on January 30, 2019, and a final order was adopted by the NMPRC, with minor program modifications, on March 6, 2019.

Community Solar. On April 24, 2018, the Company filed an application with the NMPRC to initiate a community solar program in New Mexico to include construction and ownership of a two-MW solar photovoltaic system located in Doña Ana County near the City of Las Cruces. Customer participation would have been on a voluntary basis, and customers would have contracted for a set capacity (kW) amount and would have received all energy produced by their subscribed capacity. The application was assigned Case No. 18-00099-UT and was dismissed without prejudice on October 31, 2018. The NMPRC set aside its October 31, 2018, order dismissing the application without prejudice, and on December 19, 2018, the NMPRC issued an Order Requiring El Paso Electric Company to Conduct Request for Proposals and to Amend Application; Order Extending Statutory Period and Appointing Hearing Examiner that would have required the Company to amend its initially-filed application on or before February 15, 2019. However, on January 10, 2019, the NMPRC with three new Commissioners reconsidered its prior order and dismissed the Community Solar application without prejudice. The case is now closed.

Integrated Resource Plan. On September 17, 2018, the Company filed its Integrated Resource Plan 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 integrated resource plan 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. The Company cannot predict the outcome of the NMPRC's review of the plan or the outcome of this case at this time.

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"), 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, which have optional redemptions beginning in 2019. 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. See Note I, of Notes to Financial Statements for further discussion on long-term debt, financing obligations and capital lease obligations.

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 a hearing occurred on March 15, 2019. The Hearing Examiner issued a Recommended Decision approving the Company's request, which is subject to adoption, modification or rejection by the NMPRC. Additionally, the Company is preparing for potential transactions related to the 2009 Series A and Series B PCBs. On February 1, 2019, the Company purchased in lieu of redemption all the $63.5 million 2009 Series A 7.25% PCBs. The bonds were purchased utilizing funds borrowed under the RCF. The Company is currently holding the bonds and may remarket them or replace them with debt instruments of equivalent value at a future date depending on the Company's financing needs and market conditions.

Other Required Approvals. The Company has obtained other required approvals for tariffs and other approvals as required by the New Mexico Public Utility Act 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 (1) propose revisions to their transmission rates under their open access transmission tariffs or transmission owner tariffs on file with the FERC, or (2) 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 the third quarter of 2019.

Notice of Proposed Rulemaking on Public Utility Transmission Changes to Address Accumulated Deferred Income Taxes. On November 15, 2018, the FERC issued a Notice of Proposed Rulemaking ("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. The Company is currently evaluating the impact of this proposed rulemaking.

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, which have optional redemptions beginning in 2019. The order also approved the Company's request to continue to utilize the existing RCF with the ability to amend and extend at a future date. The authorization is effective from November 15, 2017, through November 14, 2019, and supersedes 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. Additionally, the Company is preparing for potential transactions related to the 2009 Series A and Series B PCBs. On February 1, 2019, the Company purchased in lieu of redemption all the $63.5 million 2009 Series A 7.25% PCBs. The bonds were purchased utilizing funds borrowed under the RCF. The Company is currently holding the bonds and may remarket them or replace them with debt instruments of equivalent value at a future date depending on the Company's financing needs and market conditions and in accordance with FERC action expected in March 2019 in response to the Company's most recent FERC application (see below). See Note I of Notes to Financial Statements for further discussion on long-term debt, financing obligations and capital lease obligations.

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, the Company also requested various debt-related authorizations: approval to utilize the existing 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% 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. If approved, the FERC authorization would supersede its prior approvals.

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 facilities crossing the U.S./Mexico border.

The DOE is authorized to assess operators of nuclear generating facilities a share of the costs of decommissioning the DOE's uranium enrichment facilities and for the ultimate costs of disposal of spent nuclear fuel. 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 Rio Grande Electric Cooperative

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, 2018	December 31, 2017
Regulatory assets			
Regulatory tax assets	(a)	$ 54,521	$ 56,651
Final coal reclamation	(b)	4,065	4,726
Four Corners decommissioning	(c)	5,813	6,604
Nuclear fuel postload daily financing charge	(d)	4,032	3,795
Texas 2015 rate case costs (e)	January 2021	747	1,144
Texas 2017 rate case costs	January 2021	2,634	3,642
Texas relate back surcharge (f)	January 2019	—	8,591
New Mexico renewable energy credits and related costs (g)	June 2022	4,709	5,823
New Mexico Palo Verde deferred depreciation	(h)	4,111	4,263
Other regulatory assets	various	1,703	1,508
Total regulatory assets		$ 82,335	$ 96,747
Regulatory liabilities			
Regulatory tax liabilities	(i)	$ 290,359	$ 288,775
Texas energy efficiency	(j)	—	895
New Mexico energy efficiency	(j)	1,694	1,394
New Mexico gain on sale of assets	June 2019	306	567
Fuel revenue over-recovery	(k)	11,047	6,225
Other regulatory liabilities	various	239	—
Total regulatory liabilities		$ 303,645	$ 297,856

(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 2016 PUCT Final Order and the 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 will be recovered over seven years through June 2023. The New Mexico 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 will be recovered over seven years through July 2024. The New Mexico 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 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. Amounts over-recovered through these surcharges will be addressed in the next Texas fuel reconciliation. 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 U.S. Nuclear Regulatory Commission ("NRC") license life for each unit at Palo Verde.
(i) 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 J of Notes to Financial Statements for further discussion.
(j) This item is recovered or credited through a recovery factor that is set annually.
(k) This item represents the net over-recovery of fuel and purchased power expense which is refunded to customers through fuel rates.

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, 2018 (in thousands):

	Gross Plant	Accumulated Depreciation	Net Plant
Nuclear production	$ 1,939,405	$ (1,257,956)	$ 681,449
Steam and other	1,071,974	(304,554)	767,420
Total production	3,011,379	(1,562,510)	1,448,869
Transmission	514,143	(231,281)	282,862
Distribution	1,246,889	(377,960)	868,929
General	238,459	(79,675)	158,784
Intangible	102,070	(61,255)	40,815
Total	$ 5,112,940	$ (2,312,681)	$ 2,800,259

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 Palo Verde Participants include the Company and six other utilities: 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, 2018 and 2017 is as follows (in thousands):

	December 31, 2018		December 31, 2017	
	Palo Verde	Other (a)	Palo Verde	Other (a)
Electric plant in service	$ 1,939,405	$ 87,809	$ 1,909,766	$ 87,641
Accumulated depreciation	(1,257,956)	(67,881)	(1,239,042)	(65,590)
Construction work in progress	44,719	1,511	40,946	1,014
Total	$ 726,168	$ 21,439	$ 711,670	$ 23,065

(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 2018 and 2017 and for the next five years (in thousands):

2017	$ 6,409
2018	7,297
2019 (estimated)	7,263
2020 (estimated)	6,867
2021 (estimated)	5,934
2022 (estimated)	5,047
2023 (estimated)	4,070

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, 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, 2018, the NDT had a balance of $276.9 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 a number of 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. 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 2018 and 2017, respectively are presented below (in thousands):

Costs Recovery Period	Amount Refunded	Amount Credited to Customers through Fuel Adjustment Clauses	Period Credited to Customers
July 2016 – June 2017	$ 1,413	$ 1,121	March 2018
July 2015 – June 2016	1,779	1,432	March 2017

On October 31, 2018, APS filed a $10.2 million claim for the period July 1, 2017 through June 30, 2018. The Company's share of this claim is approximately $1.6 million. This claim is pending DOE review. The majority of the reimbursement received by the Company is expected to be credited to customers through the applicable fuel adjustment clauses.

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 $14.1 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 $62.1 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 $13.5 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,	
2018	2017
$ 96,454	$ 99,364

G. Accounting for Asset Retirement Obligation

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, 2018 is $276.9 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. The 2013 Study resulted in a downward revision of $1.9 million. 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 Rate	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, 2017 through December 31, 2018, including the effects of each year's estimate revisions, is presented below (in thousands). In 2017, the estimate revision reflects increases in the estimated cash flows related to Palo Verde's decommissioning due to implementing the 2016 Study.

	2018	2017
ARO liability at beginning of year	$ 93,029	$ 81,800
Liabilities incurred	—	138
Liabilities settled	(264)	(19)
Revisions to estimate	—	3,461
Accretion expense	8,343	7,649
ARO liability at end of year	$ 101,108	$ 93,029

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 issue new shares, 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. 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.

The expense, deferred tax benefit, and current tax benefit recognized related to restricted stock and other stock-based awards in 2018 and 2017 is presented below (in thousands):

	2018	2017
Expense (a)	$ 3,198	$ 2,997
Deferred tax benefit	671	1,049
Current tax benefit recognized	117	318

(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 2018 and 2017 is presented below (in thousands):

	2018	2017
Aggregated intrinsic value	$ 3,771	$ 3,711
Fair value at grant date	3,212	2,803

The unvested restricted stock transactions for 2018 are presented below:

	Total Shares	Weighted Average Grant Date Fair Value	Unrecognized Compensation Expense (a) (In thousands)	Aggregate Intrinsic Value (In thousands)
Restricted shares outstanding at December 31, 2017 (b)	106,235	$ 45.76		
Stock awards	62,348	54.49		
Vested	(69,948)	45.93		
Forfeitures	(4,727)	42.29		
Restricted shares outstanding at December 31, 2018 (b)	93,908	51.60	$ 2,009	$ 4,708

(a) 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.
(b) Excludes the stock-based retention grant to the President and Chief Executive Officer ("CEO") of 27,624 shares. See "Restricted Stock with a Market Condition (Performance Shares)" section below for further details.

The weighted average fair value per share at grant date for restricted stock and other stock-based awards granted during 2018 and 2017 were:

	2018	2017
Weighted average fair value per share	$ 54.49	$ 49.78

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 30, 2019	71%	39,923	$ 2,143	2016-2018	2,046
January 31, 2018	175%	68,379	1,499	2015-2017	3,569
January 25, 2017	32%	11,314	932	2014-2016	512

In 2019, 2020 and 2021, subject to meeting certain performance criteria and continuous service requirements, additional performance shares could vest. 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, 2018, the maximum number of shares that can be issued under the plan are 223,885 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, 2017 (a)	172,591	$ 38.21		
Performance share awards	45,977	48.99		
Performance shares vested	(39,077)	38.36		
Performance shares forfeited	(3,646)	42.47		
Performance shares outstanding at December 31, 2018 (a)	175,845	40.90	$ 1,961	$ 8,815

(a) On December 15, 2015, the Company issued a stock based retention grant to the President and CEO of 27,624 shares in accordance with the Amended and Restated 2007 LTIP that is eligible for vesting based on the achievement of certain performance conditions and a five year service period, as stated in the President and CEO's employment agreement. The performance condition was met as of November 2016 as determined by the Compensation Committee and has been included in the beginning and ending balance in the table above.
(b) The unrecognized compensation expense is expected to be recognized over the weighted average remaining contractual term of the awards of approximately one year, except for the President and CEO retention grant, which is approximately two years.

A summary of information related to performance shares for 2018 and 2017 is presented below:

	2018	2017
Weighted average per share grant date fair value per share of performance shares awarded	$ 48.99	$ 42.62
Fair value of performance shares vested (in thousands)	1,499	298
Intrinsic value of performance shares vested (in thousands) (a)	2,040	512
Compensation expense (in thousands) (b) (c)	2,271	2,012
Deferred tax benefit related to compensation expense (in thousands) (b)	477	704

(a) Based on a 100%, 32% and 0% performance level, respectively.
(b) Includes adjustments for estimated forfeitures.
(c) Includes President and CEO retention grant.

Repurchase Program

No shares of the Company's common stock were repurchased during the twelve months ended December 31, 2018. 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, 2018		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 345,352 treasury shares since 2015 including 96,783 shares during 2018.

The Company may in the future 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.

Dividend Policy

On December 28, 2018, the Company paid $14.6 million in quarterly cash dividends to shareholders. The Company paid a total of $57.5 million and $53.3 million in cash dividends during the twelve months ended December 31, 2018 and 2017, respectively. On January 31, 2019, the Board of Directors declared a quarterly cash dividend of $0.36 per share payable on March 29, 2019 to shareholders of record as of the close of business on March 15, 2019.

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. 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 January 31, 2019, the Board of Directors of the Company approved the cancellation of 1.4 million shares of Common Stock held as treasury shares by the Company effective upon the later of approval by the FERC of the accounting treatment of the cancellation and March 31, 2019.

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, 2018	December 31, 2017
	(In thousands)	
Bonds (Account 221):		
Pollution Control Bonds (1):		
7.25% 2009 Series A refunding bonds, due 2040 (7.46% effective interest rate)	$ 63,500	$ 63,500
7.25% 2009 Series B refunding bonds, due 2040 (7.49% effective interest rate)	37,100	37,100
4.50% 2012 Series A refunding bonds, due 2042 (4.63% effective interest rate)	59,235	59,235
Total 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 discount, due 2044 (4.93% effective interest rate)	300,000	300,000
Senior Notes Private Placement:		
4.22% Senior Notes, net of discount, due 2028 (4.30% effective interest rate)	125,000	—
Total Account 224	1,125,000	1,000,000
Unamortized premium on long-term debt Account 225	6,685	6,813
Unamortized discount on long-term debt Account 226	(3,499)	(3,623)
Total long-term debt	$ 1,288,021	$ 1,163,025
Obligations Under Capital Lease – Noncurrent (Account 227) (3):		
5.04% Senior Notes, Series C, due 2020 (5.16% effective interest rate)	$ 45,000	$ 45,000
4.07% Senior Guaranteed Notes, due 2025 (4.18% effective interest rate)	65,000	—
Total Capital Lease Obligations Noncurrent	$ 110,000	$ 45,000
Obligations Under Capital Lease – Current (Account 243):		
Revolving Credit Facility (4)	$ 28,408	$ 89,390
Total Capital Lease Obligations Current	$ 28,408	$ 89,390

1. Pollution Control Bonds

The Company has three series of tax exempt unsecured PCBs in aggregate principal amount of $159.8 million. The 7.25% 2009 Series A and the 7.25% 2009 Series B PCBs with an aggregate principal amount, together, of $100.6 million have optional redemptions beginning in February 2019 and April 2019, respectively, at which time the Company expects to repay, remarket or replace these bonds. The principal and related unamortized issuance cost on these PCBs were reclassified to current maturities of long-term debt as of December 31, 2018. On February 1, 2019, the Company purchased in lieu of redemption all of the 7.25% 2009 Series A with a principal amount of $63.5 million utilizing funds borrowed under the RCF. The Company is currently holding the bonds and may remarket them or replace them with debt instruments of equivalent value at a future date depending on financing needs and market conditions.

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 accumulated other comprehensive income to earnings as interest expense over the life of the 6.00% Senior Notes. See Note O 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 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 will pay 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 note purchase agreement requires compliance with certain covenants, including a total debt to capitalization ratio. The Company was in compliance with these requirements throughout 2018. 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 ("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 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 of 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 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. The note purchase agreement requires compliance with certain covenants, including a total debt to capitalization ratio. The Company and RGRT were in compliance with these requirements throughout 2018.

4. 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 million and the ability to increase the RCF by up to $100 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 million to $350 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 million RCF with a $50 million subfacility for the issuance of letters of credit, and the Company extended the term of the Company's existing $350 million revolving credit agreement from January 14, 2020 to September 13, 2023 ("Maturity Date"). The Company may increase the RCF by up to $50 million (to a total of $400 million) during the term of the RCF Agreement, upon the satisfaction of certain conditions more fully set forth in the RCF Agreement, including obtaining commitments from lenders or third party financial institutions. In addition, the Company may extend the Maturity Date up to two times, in each case for an additional one-year period, 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. The RCF Agreement requires compliance with certain covenants, including a total debt to capitalization ratio. The Company is in compliance with these requirements throughout 2018. On February 1, 2019, the Company purchased in lieu of redemption all of the 7.25% 2009 Series A PCBs with a principal amount of $63.5 million utilizing funds borrowed under the RCF. The Company is currently holding the bonds and may remarket them or replace them with debt instruments of equivalent value at a future date depending on the Company's financing needs and market conditions. As of December 31, 2018, the total amount borrowed by the RGRT was $28.4 million for nuclear fuel under the RCF. As of December 31, 2018, $23.0 million of borrowings were outstanding under this facility for working capital and general corporate purposes. The weighted average interest rate on the RCF was 3.8% as of December 31, 2018.

As of December 31, 2018, the principal amount of scheduled maturities for the next five years of long-term debt are as follows (in thousands):

2019 (1)	$ 100,600
2020	45,000
2021	—
2022	150,000
2023	—

(1) The 7.25% 2009 Series A and the 7.25% 2009 Series B PCBs with an aggregate principal amount, together, of $100.6 million have optional redemptions beginning in February 2019 and April 2019, respectively, at which time the Company expects to repay, remarket or replace these bonds.

J. Income Taxes

On December 22, 2017, the TCJA was enacted. The TCJA includes significant changes to the IRC, 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 corporate federal 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 corporate federal 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 SAB 118. The results for the twelve months ended December 31, 2018 and 2017 contain the impact of the TCJA.

Reductions in accumulated deferred federal income taxes ("ADFIT") 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. The December 31, 2017 regulatory-basis balance sheet reflects the impact of the TCJA which reduced ADFIT by $296.1 million, reduced regulatory assets by $39.3 million and increased regulatory liabilities by $256.8 million. The changes in deferred taxes were recorded at the amount of the reduced future cash flow expected to be included in rates, as required in ASC 740. These adjustments had no impact on the Company’s cash flows for the year ended December 31, 2017.

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 to reclassify stranded taxes from AOCI to retained earnings. The Company is currently evaluating the impact of ASU 2018-02 and its impact on regulated utilities. 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, 2018 and 2017 are presented below (in thousands):

	December 31, 2018	December 31, 2017
Deferred tax assets:		
Plant, principally due to capitalized costs	$ 36,690	$ 30,269
Benefit of tax loss carryforwards	12,574	24,852
Pensions and benefits	31,801	32,534
Alternative minimum tax credit carryforward	8,855	16,620
Regulatory liabilities related to income taxes	67,167	65,846
Asset retirement obligation	21,305	19,530
Other	18,526	2,299
Total gross deferred tax assets	196,918	191,950
Deferred tax liabilities:		
Plant, principally due to depreciation and basis differences	(438,719)	(421,974)
Regulatory assets related to income taxes	(42,758)	(42,250)
Decommissioning	(32,674)	(24,728)
Other	(4,162)	(4,313)
Total gross deferred tax liabilities	(518,313)	(493,265)
Net accumulated deferred income taxes	$ (321,395)	$ (301,315)

Based on the average annual earnings before taxes for the prior three 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 2018 and 2017 as follows (in thousands):

	Years Ended December 31, 2018	Years Ended December 31, 2017
Income tax expense (benefit):		
Federal:		
Current	$ (5,064)	$ 2,381
Deferred	24,394	45,241
Investment tax credit	2,187	620
Total federal income tax	21,517	48,242
State:		
Current	1,248	250
Deferred	1,841	2,174
Total state income tax	$ 3,089	$ 2,424

As of December 31, 2018, the Company had $8.9 million of alternative minimum tax ("AMT") credit carryforwards. Based on the TCJA provisions, the Company may claim a refund of 50% of the remaining AMT credits in 2019 and 2020. Any AMT credits remaining after 2020 will be refunded in 2021. As of December 31, 2018, the Company had $12.0 million of federal and $0.8 million of state tax loss carryforwards. Under the TCJA, NOLs arising in tax years ending after 2017 cannot be carried back but can be carried forward indefinitely. The use of NOLs generated after 2017 to offset taxable income is limited to 80% of taxable income. Federal NOLs generated prior to 2018 are able to offset 100% of future taxable income to the extent available but have lives of only 20 years.

Federal income tax provisions differ from amounts computed by applying the statutory federal income tax rate of 21% in 2018 and 35% in 2017 to book income before federal income tax as follows (in thousands):

	Years Ended December 31, 2018	2017
Federal income tax expense computed on income at statutory rate	$ 23,028	52,279
Difference due to:		
State income taxes (federal effect)	(615)	(848)
Investment Tax Credit, net of deferred taxes	(1,240)	403
Allowance for equity funds used during construction	222	295
Amortization for excess deferred taxes	953	962
Amortization of regulatory assets and liabilities	(330)	217
Permanent tax differences	(501)	(5,066)
Total federal income tax expense	$ 21,517	$ 48,242

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 2014. In August 2017, the Company reached an agreement with the Texas Comptroller of Public Accounts and settled audits in Texas for tax years 2007 through 2011.

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, 2018 and 2017.

The Company recognizes in interest and penalties expense accounts, interest and penalties related to tax benefits that are uncertain. For the year ended December 31, 2018, the Company recognized tax expense interest of $0.6 million. For the year ended December 31, 2017 the Company recognized a tax benefit of $0.2 million. The Company had approximately $1.2 million and $0.7 million accrued for the payment of interest and penalties at December 31, 2018 and 2017, respectively.

K. 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. The Company has entered into the following significant agreements with various counterparties for the purchase and sale of electricity:

Type of Contract	Counterparty	Quantity	Terms	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 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 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. A briefing schedule extending through July 2019 has been established for the case.

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"). Legal challenges to the CPP are ongoing. On August 31, 2018, the EPA published a proposal to replace the CPP called the Affordable Clean Energy ("ACE") rule. The ACE rule has not yet been finalized. At this time the Company cannot determine the impact that the CPP, the ACE rule, and related proposals and legal challenges may have on our 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, 2018, the Company has accrued its remaining unpaid share of approximately $0.2 million related to this matter.

Lease Agreements

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 office, parking facilities and equipment that expire within the next 5 years. The Company has transmission and distribution lines that are operated under various land rights agreements, including easements, leases, permits and franchises. The majority of these agreements include renewal options that the Company routinely exercises. These agreements generally do not impose any restrictions relating to issuance of additional debt, payment of dividends or entering into other lease arrangements.

Nuclear Fuel Capital Lease Obligation. The Company's capital lease obligation for the financing of nuclear fuel is accomplished through RGRT. RGRT had $110 million aggregate principal amount borrowed in the form of senior notes at December 31, 2018. In August 2017, $50.0 million matured and was paid with borrowings 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 million aggregate principal amount of 4.07% Senior Guaranteed Notes due August 15, 2025. The net proceeds from this issuance were used to repay outstanding short-term borrowings under the RCF to finance nuclear fuel purchases. The Company guarantees the payment of principal and interest on the RGRT Senior Notes. The nuclear fuel financing requirements of RGRT are met with a combination of the senior notes and short-term borrowings under the RCF.

The Company's total annual rental expense related to operating leases was $1.7 million and $2.4 million for 2018 and 2017, respectively. As of December 31, 2018, the Company’s minimum future rental payments for the next five years are as follows (in thousands):

2019	$	923
2020		820
2021		700
2022		544
2023		526

Union Matters

The Company has approximately 1,100 employees, about 37% of whom 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. The Company entered into a collective bargaining agreement effective September 3, 2016, with Local 960 for a three-year term ending September 3, 2019. The agreement provides for pay increases of 3% on September 3, 2016, September 3, 2017 and September 3, 2018, respectively. The Company presently anticipates negotiating a new three-year collective bargaining agreement to supersede the current collective bargaining agreement after the initial three-year term of the current collective bargaining agreement ends on September 3, 2019. The Company cannot predict the outcome of such negotiations and its impact on the Company's operating results and cash flows.

L. 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 K 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.

M. Employee Benefits

The Company adopted ASU 2017-07, Compensation-Retirement Benefits, effective January 1, 2018 for GAAP purposes. Upon adoption of the new standard, the service cost is included in "Operations and maintenance" in the Company's Statements of Operations. The expected return on plan assets is included in "Investment and interest income, net". The amortization of prior service benefit and amortization of gains are included in "Miscellaneous non-operating income". The amortization of prior service cost and amortization of losses are included in "Miscellaneous non-operating deductions". The interest cost component of net periodic benefit cost is included in "Other interest".

In response to industry inquiries surrounding the impact of the implementation of ASU 2017-07 for GAAP purposes, the FERC issued accounting guidance under Docket No. AI18-1-000 on December 28, 2017. The FERC determined that companies should continue to record all components of net periodic pension cost in FERC account 926 to promote comparability among utilities. As such, the Company records all components of net periodic pension cost as an operating expense in its regulatory-basis financial statements. The FERC further determined that companies may elect to capitalize only the service cost component of benefit costs as prescribed in ASU 2017-07 and requires companies to disclose the change in accounting practice with respect to capitalization of this election. The Company has elected to conform to the GAAP capitalization policy, which is that only the service cost component is eligible for capitalization.

The change of the capitalization policy for the twelve months ended December 31, 2018, primarily resulted in additional capitalized benefits cost of $2.7 million, which 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. In the event that one or both of the Company's retail 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,			
	2018		2017	
	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	$ 361,989	$ 28,392	$ 337,768	$ 27,462
Service cost (a)	9,086	480	8,156	362
Interest cost	12,013	865	12,196	863
Actuarial (gain) loss	(29,911)	(1,087)	20,829	2,217
Benefits paid	(17,681)	(1,931)	(16,960)	(2,512)
Benefit obligation at end of year	335,496	26,719	361,989	28,392
Change in plan assets:				
Fair value of plan assets at end of prior year	304,389	—	269,766	—
Actual return (loss) on plan assets	(19,683)	—	44,283	—
Employer contribution	7,300	1,931	7,300	2,512
Benefits paid	(17,681)	(1,931)	(16,960)	(2,512)
Assumed expenses	(1,522)	—	—	—
Fair value of plan assets at end of year	272,803	—	304,389	—
Funded status at end of year	$ (62,693)	$ (26,719)	$ (57,600)	$ (28,392)

(a) Service cost for the Retirement Plan for 2018 excludes assumed expenses of $1,522 thousand for administrative and investment expenses paid from plan assets during the year.

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

	December 31,			
	2018		2017	
	Retirement Income Plan	Non-Qualified Retirement Plans	Retirement Income Plan	Non-Qualified Retirement Plans
Current liabilities	$ —	$ (2,153)	$ —	$ (2,154)
Noncurrent liabilities	(62,693)	(24,566)	(57,600)	(26,238)
Total	$ (62,693)	$ (26,719)	$ (57,600)	$ (28,392)

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

	December 31,			
	2018		2017	
	Retirement Income Plan	Non-Qualified Retirement Plans	Retirement Income Plan	Non-Qualified Retirement Plans
Projected benefit obligation	$ (335,496)	$ (26,719)	$ (361,989)	$ (28,392)
Accumulated benefit obligation	(308,582)	(24,251)	(329,279)	(25,370)
Fair value of plan assets	272,803	—	304,389	—

Pre-tax amounts recognized in accumulated other comprehensive income consist of the following (in thousands):

	Years Ended December 31,			
	2018		2017	
	Retirement Income Plan	Non-Qualified Retirement Plans	Retirement Income Plan	Non-Qualified Retirement Plans
Net loss	$ 112,532	$ 9,300	$ 109,215	$ 11,408
Prior service benefit	(16,942)	(107)	(20,410)	(146)
Total	$ 95,590	$ 9,193	$ 88,805	$ 11,262

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

	2018			2017		
		Non-Qualified			Non-Qualified	
	Retirement Income Plan	Supplemental Retirement Plan	Excess Benefit Plan	Retirement Income Plan	Supplemental Retirement Plan	Excess Benefit Plan
Discount rate	4.42%	4.11%	4.45%	3.77%	3.40%	3.81%
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, 2018 retirement plans' projected benefit obligation by 11.7%. A 1% decrease in the discount rate would increase the December 31, 2018 retirement plans' projected benefit obligation by 14.4%.

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

	Years Ended December 31,			
	2018		2017	
	Retirement Income Plan	Non-Qualified Retirement Plans	Retirement Income Plan	Non-Qualified Retirement Plans
Service cost (a)	$ 10,608	$ 480	$ 8,156	362
Interest cost	12,013	865	12,196	863
Expected return on plan assets	(21,076)	—	(19,189)	—
Amortization of:				
Net loss	7,531	1,022	7,572	882
Prior service benefit	(3,467)	(39)	(3,467)	(39)
Net periodic benefit cost	$ 5,609	$ 2,328	$ 5,268	$ 2,068

(a) Service cost for the Retirement Plan for 2018 includes assumed expenses of $1,522 thousand for administrative and investment expenses paid from plan assets during the year.

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

	Years Ended December 31,			
	2018		2017	
	Retirement Income Plan	Non-Qualified Retirement Plans	Retirement Income Plan	Non-Qualified Retirement Plans
Net (gain) loss	$ 10,848	$ (1,087)	$ (4,265)	$ 2,217
Amortization of:				
Net loss	(7,531)	(1,022)	(7,572)	(882)
Prior service benefit	3,467	39	3,467	39
Total recognized in other comprehensive income	$ 6,784	$ (2,070)	$ (8,370)	$ 1,374

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

	Years Ended December 31,			
	2018		2017	
	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	$ 12,393	$ 258	$ (3,102)	$ 3,442

The following are amounts in accumulated other comprehensive income that are expected to be recognized as components of net periodic benefit cost during 2019 (in thousands):

	Retirement Income Plan	Non-Qualified Retirement Plans
Net loss	$ 4,905	763
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:

	2018			2017		
		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	3.77%	3.40%	3.81%	4.30%	3.76%	4.35%
Service cost	3.86%	N/A	3.89%	4.51%	N/A	4.52%
Interest cost	3.40%	2.84%	3.48%	3.70%	2.94%	3.78%
Expected long-term return on plan assets	7.5%	N/A	N/A	7.0%	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, 2019, 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, 2018
Equity securities	49.0%
Fixed income	41.2%
Alternative investments	9.8%
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, 2018 and 2017, 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, 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	$ —	$ —

Description of Securities	Fair Value as of December 31, 2017	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	$ 1,582	$ 1,582	$ —	$ —
Common Collective Trusts (a)				
Equity funds	158,684	158,684	—	—
Fixed income funds	124,491	124,491	—	—
Real asset funds	15,779	15,779	—	—
Total Common Collective Trusts	298,954	298,954	—	—
Limited Partnership Interest in Real Estate (b)	3,853			
Total Plan Investments	$ 304,389	$ 300,536	$ —	$ —

(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, 2016	$ 6,991
Sale of land	(2,687)
Unrealized loss in fair value	(451)
Balances at December 31, 2017	3,853
Sale of land	(48)
Unrealized loss in fair value	(450)
Balances at December 31, 2018	$ 3,355

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, 2018 and 2017. 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, 2018 and 2017.

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 Plan
2019	$ 17,745	$ 2,154
2020	18,278	2,094
2021	18,775	2,042
2022	19,276	1,988
2023	20,545	1,956
2024-2028	108,371	8,811

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 2018 and 2017 were $4.6 million and $4.4 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, 2018	December 31, 2017
Change in benefit obligation:		
Benefit obligation at end of prior year	$ 67,290	$ 73,515
Service cost (a)	2,591	2,236
Interest cost	2,252	2,723
Actuarial gain	(9,295)	(8,319)
Benefits paid from plan assets	(3,003)	(4,087)
Benefits paid from corporate assets	(141)	—
Retiree contributions	1,168	1,222
Benefit obligation at end of year	60,862	67,290
Change in plan assets:		
Fair value of plan assets at end of prior year	40,873	39,115
Actual return (loss) on plan assets	(2,997)	4,173
Employer contribution	450	450
Benefits paid from plan assets	(3,003)	(4,087)
Retiree contributions	1,168	1,222
Assumed expenses	(204)	—
Fair value of plan assets at end of year	36,287	40,873
Funded status at end of year	$ (24,575)	$ (26,417)

(a) Service cost for 2018 excludes assumed expenses of $204 thousand for administrative and investment expenses paid from plan assets during the year.

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

	December 31, 2018	December 31, 2017
Current liabilities	$ —	$ —
Noncurrent liabilities	(24,575)	(26,417)
Total	$ (24,575)	$ (26,417)

Pre-tax amounts recognized in accumulated other comprehensive income consist of the following (in thousands):

	December 31, 2018	December 31, 2017
Net gain	$ (36,890)	$ (35,194)
Prior service benefit	(28,706)	(34,857)
Total	$ (65,596)	$ (70,051)

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

	December 31,	
	2018	2017
Discount rate at end of year	4.43%	3.79%
Health care cost trend rates:		
Initial		
Pre-65 medical	6.00%	6.25%
Post-65 medical	4.50%	4.50%
Pre-65 drug	7.00%	7.25%
Post-65 drug	8.50%	10.00%
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, 2018 accumulated post-retirement benefit obligation by 13.4%. A 1% decrease in the discount rate would increase the December 31, 2018 accumulated post-retirement benefit obligation by 17.1%.

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

	Years Ended December 31,	
	2018	2017
Service cost (a)	$ 2,795	$ 2,236
Interest cost	2,252	2,723
Expected return on plan assets	(2,435)	(1,907)
Amortization of:		
Prior service benefit	(6,151)	(6,151)
Net gain	(2,166)	(1,678)
Net periodic benefit cost	$ (5,705)	$ (4,777)

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

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

	Years Ended December 31,	
	2018	2017
Net gain	$ (3,863)	$ (10,586)
Amortization of:		
Prior service benefit	6,151	6,151
Net gain	2,166	1,678
Total recognized in other comprehensive income	$ 4,454	$ (2,757)

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

	Years Ended December 31,	
	2018	2017
Total recognized in net periodic benefit cost and other comprehensive income	$ (1,251)	$ (7,534)

The amount in accumulated other comprehensive income that is expected to be recognized as a component of net periodic benefit cost during 2019 is a prior service benefit of $5.2 million and a net gain of $2.3 million.

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

	2018	2017
Discount rate:		
Benefit obligation	3.79%	4.37%
Service cost	3.87%	4.59%
Interest cost	3.38%	3.76%
Expected long-term return on plan assets	6.12%	4.875%
Health care cost trend rates:		
Initial		
Pre-65 medical	6.25%	6.5%
Post-65 medical	4.5%	4.5%
Pre-65 drug	7.25%	7.5%
Post-65 drug	10.0%	10.5%
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, 2018 benefit obligation by $9.9 million or $7.8 million, respectively. In addition, a 1% change in said rate would increase or decrease the aggregate 2018 service and interest cost components of the net periodic benefit cost by $1.2 million or $0.9 million, respectively.

The Company's overall expected long-term rate of return on assets is 7.85%, as of January 1, 2019, 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, 2019. The trust's tax rate was assumed to be 35.0% at January 1, 2017 and 23.6% at January 1, 2019. 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, 2018
Equity securities	49.3%
Fixed income	34.3%
Alternative investments	16.4%
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, 2018 and 2017 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, 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	$ —	$ —

Description of Securities	Fair Value as of December 31, 2017	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	$ 809	$ 809	$ —	$
Institutional Funds (a)				
Equity funds	19,862	19,862	$ —	$ —
Fixed income funds	13,686	13,686	—	—
Multi asset funds	4,137	4,137	—	
Real asset funds	1,657	1,657	—	
Total Institutional Funds	39,342	39,342	—	—
Limited Partnership Interest in Real Estate (b)	722			
Total Plan Investments	$ 40,873	$ 40,151	$ —	$ —

(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, 2016	$ 1,311
Sale of land	(504)
Unrealized loss in fair value	(85)
Balance at December 31, 2017	722
Sale of land	(9)
Unrealized loss in fair value	(84)
Balance at December 31, 2018	$ 629

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, 2018 and 2017. 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, 2018 and 2017.

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 guidelines prescribed by the Company the fiduciaries responsible for the OPEB 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 ERISA and DOL regulations.

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

2019	$ 2,145
2020	2,542
2021	2,719
2022	2,869
2023	2,999
2024-2028	16,803

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 Company's 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 Compensation Committee determines otherwise. In 2018, the Company reached the required levels of earnings, certain O&M expenses, reliability and customer satisfaction goals for an incentive payment of $11.0 million. In 2017, the Company achieved required levels of similar goals for incentive payments of $9.7 million.

N. 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. 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. These military installations represent approximately 2.6% of the Company's annual retail revenues. 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 will purchase 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.

O. 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, long-term debt, financing 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,			
	2018		2017	
	Carrying Amount	Estimated Fair Value	Carrying Amount	Estimated Fair Value
Pollution Control Bonds	$ 159,835	$ 161,917	$ 159,835	$ 169,186
Senior Notes (1)	1,128,186	1,244,310	1,003,190	1,211,922
RGRT Senior Notes (1) (2)	110,000	111,440	45,000	47,070
RCF (2)	51,408	51,408	174,390	174,390
Total	$ 1,449,429	$ 1,569,075	$ 1,382,415	$ 1,602,568

(1) On June 28, 2018, the Company issued $125 million in aggregate principal amount of 4.22% Senior Notes due August 15, 2028 and guaranteed the issuance by the RGRT of $65 million in aggregate principal amount of 4.07% Senior Guaranteed Notes due August 15, 2025. See Note I of Notes to Financial Statements.

(2) Nuclear fuel capital lease obligations, as of December 31, 2018 and December 31, 2017, is funded through $110 million and $45 million RGRT Senior Notes and $28.4 million and $89.4 million, respectively under the RCF. As of December 31, 2018, $23.0 million was outstanding under the RCF for working capital or general corporate purposes. As of December 31, 2017, $85.0 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.

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 2019, 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, 2018, 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 in the regulatory-basis balance sheet, are reported at fair value, which was $276.9 million and $286.9 million at December 31, 2018 and 2017, respectively. The investments in the NDT are classified as available for sale debt securities, equity securities and cash and cash equivalents. These investments are recorded at their estimated fair value in accordance with FASB guidance for certain investments in debt and equity securities. On January 1, 2018, the Company adopted ASU 2016-01, Financial Instruments-Overall, which eliminates the requirements to classify investments in equity securities with readily determinable fair values as trading or available for sale and requires entities to recognize changes in fair value for these securities in net income as reported in the Regulatory-Basis Statement of Income. ASU 2016-01 requires a modified-retrospective approach and therefore, comparative information has not been restated and continues to be reported under the accounting standards in effect for those periods.

The reported fair values include gross unrealized losses on securities classified as available for sale whose impairment the Company has deemed to be temporary. The tables below present the gross unrealized losses and the fair value of these securities, 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.

	December 31, 2017					
	Less than 12 Months		12 Months or Longer		Total	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
Description of Securities (2):						
Federal Agency Mortgage Backed Securities	$ 4,700	$ (46)	$ 10,099	$ (165)	$ 14,799	$ (211)
U.S. Government Bonds	28,866	(416)	18,186	(969)	47,052	(1,385)
Municipal Debt Obligations	4,290	(73)	9,736	(742)	14,026	(815)
Corporate Debt Obligations	10,685	(107)	4,475	(331)	15,160	(438)
Total Debt Securities	48,541	(642)	42,496	(2,207)	91,037	(2,849)
Domestic Equity Securities	962	(210)	—	—	962	(210)
Total	$ 49,503	$ (852)	$ 42,496	$ (2,207)	$ 91,999	$ (3,059)

(2) Includes approximately 146 securities.

The Company monitors the length of time specific securities trade 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 of debt securities classified as available for sale is considered to be other than temporary. The Company recognizes impairment losses on certain of its available for sale debt securities deemed to be other than temporary. In accordance with the FASB guidance, these impairment losses are recognized in net income, and a lower cost basis is established for these securities. In addition, the Company will research the future prospects of individual securities as necessary. The Company does not anticipate expending monies held in trust before 2044 or a later period when decommissioning of Palo Verde begins. For the twelve months ended December 31, 2018 and 2017, the Company did not recognize other than temporary impairment losses on its available-for-sale securities.

Investments categorized as available for sale securities also include gross unrealized gains which have not been recognized in the Company's net income. The table below presents the unrecognized gross unrealized gains and the fair value of these securities, aggregated by investment category (in thousands):

	December 31, 2018		December 31, 2017	
	Fair Value	Unrealized Gains	Fair Value	Unrealized Gains
Description of Securities:				
Federal Agency Mortgage Backed Securities	$ 9,959	$ 176	$ 5,933	$ 203
U.S. Government Bonds	6,987	149	11,129	256
Municipal Debt Obligations	1,952	120	2,558	109
Corporate Debt Obligations	8,283	222	19,514	1,067
Total Debt Securities	27,181	667	39,134	1,635
Domestic Equity Securities	—	—	120,065	45,587
International Equity Securities	—	—	28,804	5,908
Cash and Cash Equivalents	—	—	6,864	—
Total	$ 27,181	$ 667	$ 194,867	$ 53,130

The Company's marketable securities include investments in mortgage-backed securities, municipal, corporate and federal debt obligations. The contractual year for maturity for these available-for-sale securities as of December 31, 2018 is as follows (in thousands):

	Total	2019	2020 through 2023	2024 through 2028	2029 and Beyond
Federal Agency Mortgage Backed Securities	$ 30,713	$ —	$ 19	$ 547	$ 30,147
U.S. Government Bonds	47,607	8,302	20,377	15,008	3,920
Municipal Debt Obligations	14,089	657	5,916	5,245	2,271
Corporate Debt Obligations	41,773	3,101	20,032	6,618	12,022
Total Available for Sale Debt Securities	$ 134,182	$ 12,060	$ 46,344	$ 27,418	$ 48,360

The Company's available for sale securities in the NDT are sold from time to time and the Company uses 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, 2018 and 2017, and the related effects on pre-tax income are as follows (in thousands):

	2018	2017
Proceeds from sales or maturities of available-for-sale securities	$ 25,955	$ 97,037
Gross realized gains included in pre-tax income	$ 17	$ 11,773
Gross realized losses included in pre-tax income	(1,462)	(1,147)
Net gains (losses) included in pre-tax income	$ (1,445)	$ 10,626

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

	December 31, 2018
Net gains and (losses) recognized on equity securities	$ (11,405)
Less: Net gains and (losses) recognized on equity securities sold	7,079
Unrealized gains and (losses) recognized on equity securities still held at reporting date	$ (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 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 Institutional Funds-International Equity investments 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. 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. The Company analyzes available-for-sale securities to determine if losses are other than temporary.

The fair value of the NDT and investments in debt securities at December 31, 2018 and 2017, 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, 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 Debt Securities:				
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	$ —

Description of Securities	Fair Value as of December 31, 2017	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	$ 1,735	$ —	$ —	$ 1,735
Available for sale:				
Federal Agency Mortgage Backed Securities	$ 20,732	$ —	$ 20,732	$ —
U.S. Government Bonds	58,181	58,181	—	—
Municipal Debt Obligations	16,584	—	16,584	—
Corporate Debt Obligations	34,674	—	34,674	—
Subtotal, Debt Securities	130,171	58,181	71,990	—
Domestic	121,027	121,027	—	—
International	28,804	28,804	—	—
Subtotal, Equity Securities	149,831	149,831	—	—
Cash and Cash Equivalents	6,864	6,864	—	—
Total	$ 286,866	$ 214,876	$ 71,990	$ —

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):

	2018	2017
Balance at January 1	$ 1,735	$ 1,421
Net unrealized gains (losses) in fair value recognized in oncome (a)	(79)	314
Balance at December 31	$ 1,656	$ 1,735

(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-month periods ending December 31, 2018 and 2017. There were no purchases, sales, issuances and settlements related to the assets in the Level 3 fair value measurement category during the twelve-month periods ending December 31, 2018 and 2017.

P. Supplemental Statements of Cash Flows Disclosures

	Years Ended December 31,	
	2018	2017
	(In thousands)	
Cash paid for:		
Interest on long-term debt and borrowing under the revolving credit facility	$ 70,016	$ 70,523
Income tax paid, net	3,546	2,055
Non-cash investing and financing activities:		
Changes in accrued plant additions	1,075	(5,090)
Grants of restricted shares of common stock	1,039	1,171
Issuance of performance shares	1,499	932

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 2018/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	28,462,544			(23,927,881)
2	Preceding Qtr/Yr to Date Reclassifications from Acct 219 to Net Income	(8,523,889)			(1,813,331)
3	Preceding Quarter/Year to Date Changes in Fair Value	20,251,071			7,951,360
4	Total (lines 2 and 3)	11,727,182			6,138,029
5	Balance of Account 219 at End of Preceding Quarter/Year	40,189,726			(17,789,852)
6	Balance of Account 219 at Beginning of Current Year	(534,630)			(17,789,852)
7	Current Qtr/Yr to Date Reclassifications from Acct 219 to Net Income	1,135,903			(2,544,470)
8	Current Quarter/Year to Date Changes in Fair Value	(3,350,077)			(4,588,871)
9	Total (lines 7 and 8)	(2,214,174)			(7,133,341)
10	Balance of Account 219 at End of Current Quarter/Year	(2,748,804)			(24,923,193)

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		(11,650,678)	(7,116,015)	[redacted]	[redacted]
2		309,164	(10,028,056)	[redacted]	[redacted]
3			28,202,431	[redacted]	[redacted]
4		309,164	18,174,375	98,703,869	116,878,244
5		(11,341,514)	11,058,360	[redacted]	[redacted]
6		(11,341,514)	(29,665,996)	[redacted]	[redacted]
7		422,631	(985,936)	[redacted]	[redacted]
8			(7,938,948)	[redacted]	[redacted]
9		422,631	(8,924,884)	85,050,298	76,125,414
10		(10,918,883)	(38,590,880)	[redacted]	[redacted]

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

The Company's decommissioning trust funds include marketable securities that are reported at fair value. These securities are classified as available for sale under FASB guidance for certain investments in debt and equity securities and are valued using prices and other relevant information generated by market transactions involving identical or comparable securities. 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").

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.

Schedule Page: 122(a)(b) Line No.: 6 Column: b

Upon adoption of ASU 2016-01, Financial Instruments-Overall, the Company recorded, on January 1, 2018, a cumulative effect adjustment, net of income taxes, to increase retained earnings by $40.7 million with a reduction to AOCI.

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 2018/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)	4,161,603,198	4,161,603,198
4	Property Under Capital Leases		
5	Plant Purchased or Sold		
6	Completed Construction not Classified	951,336,925	951,336,925
7	Experimental Plant Unclassified		
8	Total (3 thru 7)	5,112,940,123	5,112,940,123
9	Leased to Others		
10	Held for Future Use		
11	Construction Work in Progress	169,327,229	169,327,229
12	Acquisition Adjustments		
13	Total Utility Plant (8 thru 12)	5,282,267,352	5,282,267,352
14	Accum Prov for Depr, Amort, & Depl	2,312,681,378	2,312,681,378
15	Net Utility Plant (13 less 14)	2,969,585,974	2,969,585,974
16	Detail of Accum Prov for Depr, Amort & Depl		
17	In Service:		
18	Depreciation	2,251,426,740	2,251,426,740
19	Amort & Depl of Producing Nat Gas Land/Land Right		
20	Amort of Underground Storage Land/Land Rights		
21	Amort of Other Utility Plant	61,254,638	61,254,638
22	Total In Service (18 thru 21)	2,312,681,378	2,312,681,378
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)	2,312,681,378	2,312,681,378

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 2018/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
					8
					9
					10
					11
					12
					13
					14
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					31
					32
					33

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 2018/Q4

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)	195,938,084	42,368,967
13	(Less) Accum Prov for Amortization of Nuclear Fuel Assem (120.5)	74,727,129	-432,365
14	TOTAL Nuclear Fuel Stock (Total 6, 10, 11, 12, less 13)	121,210,955	
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 2018/Q4

NUCLEAR FUEL MATERIALS (Account 120.1 through 120.6 and 157)

Changes during Year: Amortization (d)	Changes during Year: Other Reductions (Explain in a footnote) (e)	Balance End of Year (f)	Line No.
			1
			2
			3
			4
			5
			6
			7
			8
			9
			10
			11
	38,463,182	199,843,869	12
-37,911,081	38,463,182	73,742,663	13
		126,101,206	14
			15
			16
			17
			18
			19
			20
			21
			22

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

During 2018, the Company capitalized approximately $5.4 million of costs, including interest on RGRT borrowings, accrued interest on the RGRT Senior Notes and trustee 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 2018 reloads for Palo Verde Units 2 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 2018 reloads in Palo Verde Units 2 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 sheets. The total amount borrowed for nuclear fuel by the RGRT at December 31, 2018 was $138.4 million of which $28.4 million had been borrowed under the revolving credit facility, and $110 million was borrowed through senior 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 2018/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	155,544,126	6,354,988
5	TOTAL Intangible Plant (Enter Total of lines 2, 3, and 4)	155,544,126	6,354,988
6	2. PRODUCTION PLANT		
7	A. Steam Production Plant		
8	(310) Land and Land Rights	282,846	
9	(311) Structures and Improvements	54,683,906	14,376,674
10	(312) Boiler Plant Equipment	161,625,898	4,253,476
11	(313) Engines and Engine-Driven Generators	65,546,696	1,299,788
12	(314) Turbogenerator Units	143,716,573	6,803,778
13	(315) Accessory Electric Equipment	34,853,860	475,784
14	(316) Misc. Power Plant Equipment	52,773,130	273,591
15	(317) Asset Retirement Costs for Steam Production	-248,487	
16	TOTAL Steam Production Plant (Enter Total of lines 8 thru 15)	513,234,422	27,483,091
17	B. Nuclear Production Plant		
18	(320) Land and Land Rights	2,347,713	8,439
19	(321) Structures and Improvements	529,882,300	12,130,560
20	(322) Reactor Plant Equipment	777,888,809	9,847,777
21	(323) Turbogenerator Units	252,650,232	6,152,329
22	(324) Accessory Electric Equipment	178,521,202	1,833,174
23	(325) Misc. Power Plant Equipment	130,076,095	4,270,676
24	(326) Asset Retirement Costs for Nuclear Production	-38,768,493	
25	TOTAL Nuclear Production Plant (Enter Total of lines 18 thru 24)	1,832,597,858	34,242,955
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	
38	(341) Structures and Improvements	100,517,746	226,022
39	(342) Fuel Holders, Products, and Accessories	19,298,163	131,298
40	(343) Prime Movers	300,966,953	13,648,581
41	(344) Generators	46,646,702	11,152,960
42	(345) Accessory Electric Equipment	26,511,874	1,634,621
43	(346) Misc. Power Plant Equipment	7,080,635	14
44	(347) Asset Retirement Costs for Other Production	255,881	
45	TOTAL Other Prod. Plant (Enter Total of lines 37 thru 44)	503,885,330	26,793,496
46	TOTAL Prod. Plant (Enter Total of lines 16, 25, 35, and 45)	2,849,717,610	88,519,542

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 2018/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
7,702,737			154,196,377		4
7,702,737			154,196,377		5
					6
					7
			282,846		8
		1,795,051	70,855,631		9
36,928			165,842,446		10
1,018,167			65,828,317		11
46,724			150,473,627		12
5,923			35,323,721		13
			53,046,721		14
			-248,487		15
1,107,742		1,795,051	541,404,822		16
					17
			2,356,152		18
1,406,734			540,606,126		19
3,678,093			784,058,493		20
2,110,417			256,692,144		21
863,421			179,490,955		22
64,288			134,282,483		23
			-38,768,493		24
8,122,953			1,858,717,860		25
					26
					27
					28
					29
					30
					31
					32
					33
					34
					35
					36
			2,607,376		37
			100,743,768		38
			19,429,461		39
			314,615,534		40
109,243			57,690,419		41
			28,146,495		42
			7,080,649		43
			255,881		44
109,243			530,569,583		45
9,339,938		1,795,051	2,930,692,265		46

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	15,037,349	17,004,424
49	(352) Structures and Improvements	11,145,577	653,206
50	(353) Station Equipment	195,585,826	5,618,969
51	(354) Towers and Fixtures	31,669,345	-12,643
52	(355) Poles and Fixtures	138,970,437	14,731,560
53	(356) Overhead Conductors and Devices	96,798,160	959,065
54	(357) Underground Conduit		
55	(358) Underground Conductors and Devices		
56	(359) Roads and Trails	2,231,641	261,016
57	(359.1) Asset Retirement Costs for Transmission Plant		
58	TOTAL Transmission Plant (Enter Total of lines 48 thru 57)	491,438,335	39,215,597
59	4. DISTRIBUTION PLANT		
60	(360) Land and Land Rights	7,331,818	5,043
61	(361) Structures and Improvements	14,188,316	2,680,278
62	(362) Station Equipment	211,223,005	27,826,350
63	(363) Storage Battery Equipment		
64	(364) Poles, Towers, and Fixtures	167,797,294	7,671,010
65	(365) Overhead Conductors and Devices	101,540,575	7,132,181
66	(366) Underground Conduit	128,777,329	5,500,518
67	(367) Underground Conductors and Devices	148,493,826	10,637,836
68	(368) Line Transformers	261,266,134	12,084,975
69	(369) Services	50,345,619	2,783,762
70	(370) Meters	55,285,575	2,055,358
71	(371) Installations on Customer Premises	13,446,367	470,799
72	(372) Leased Property on Customer Premises		
73	(373) Street Lighting and Signal Systems	11,294,499	350,126
74	(374) Asset Retirement Costs for Distribution Plant		
75	TOTAL Distribution Plant (Enter Total of lines 60 thru 74)	1,170,990,357	79,198,236
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	110,146,519	2,616,334
88	(391) Office Furniture and Equipment	32,304,835	3,606,850
89	(392) Transportation Equipment	45,928,271	2,938,115
90	(393) Stores Equipment	53,347	
91	(394) Tools, Shop and Garage Equipment	4,636,296	1,373,168
92	(395) Laboratory Equipment	4,621,243	122,183
93	(396) Power Operated Equipment	8,711,166	244,164
94	(397) Communication Equipment	32,161,729	2,433,354
95	(398) Miscellaneous Equipment	4,398,166	-94,352
96	SUBTOTAL (Enter Total of lines 86 thru 95)	244,646,728	13,239,816
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)	244,734,128	13,239,816
100	TOTAL (Accounts 101 and 106)	4,912,424,556	226,528,179
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)	4,912,424,556	226,528,179

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 2018/Q4

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
			32,041,773		48
			11,798,783		49
538,211			200,666,584		50
			31,656,702		51
171,364			153,530,633		52
			97,757,225		53
					54
					55
			2,492,657		56
					57
709,575			529,944,357		58
					59
			7,336,861		60
			16,868,594		61
			239,049,355		62
					63
654,282			174,814,022		64
594,160			108,078,596		65
9			134,277,838		66
801,580			158,330,082		67
1,125,802			272,225,307		68
			53,129,381		69
			57,340,933		70
107,806			13,809,360		71
					72
15,752			11,628,873		73
					74
3,299,391			1,246,889,202		75
					76
					77
					78
					79
					80
					81
					82
					83
					84
					85
			1,685,156		86
		-1,795,051	110,967,802		87
3,028,760			32,882,925		88
1,161,069			47,705,317		89
			53,347		90
106,035			5,903,429		91
57,804			4,685,622		92
138,442			8,816,888		93
361,037			34,234,046		94
107,824			4,195,990		95
4,960,971		-1,795,051	251,130,522		96
					97
			87,400		98
4,960,971		-1,795,051	251,217,922		99
26,012,612			5,112,940,123		100
					101
					102
					103
26,012,612			5,112,940,123		104

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 2018/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	44,722,284
2	TRANSMOUNTAIN SUBSTATION	11,072,694
3	RIO GRANDE TO SUNSET TRANSMISSION LINE REBUILD	8,211,244
4	SANTA FE REGULATOR AND SWITCHGEAR REPLACEMENT	7,305,147
5	DISTRIBUTION BETTERMENT - TEXAS	4,503,969
6	JORNADA TRANSFORMER ADDITION	4,042,100
7	RIPLEY TRANSFORMER ADDITION	3,773,992
8	EXECUTIVE SUBSTATION AND CENTRAL 1 TEMPORARY SUBSTATION	3,666,033
9	DISTRIBUTION COMMERCIAL CONSTRUCTION - TEXAS	3,414,633
10	ARIZONA INTERCONNECTION PROJECT TRANSMISSION LINE ACCESS & CLEARING	3,393,935
11	AFTON TO AIRPORT TRANSMISSION LINE	3,269,539
12	NEWMAN UNIT 5 STEAM TURBINE UPGRADE	3,095,973
13	ASSET RESOURCE MANAGEMENT EXPANSION FOR TRANSMISSION AND SUBSTATION	2,878,430
14	RIO BOSQUE 69KV CAPITAL PROJECT	2,552,125
15	TEXAS DEPARTMENT OF TRANSPORTATION TRANSMISSION LINE MODIFICATIONS	2,515,288
16	DISTRIBUTION RESIDENTIAL CONSTRUCTION - TEXAS	2,259,298
17	MONTANA POWER STATION BLACK START GENERATORS	2,036,852
18	MONTANA POWER STATION GAS BLENDING SYSTEM	1,890,597
19	MCNUTT SUBSTATION	1,686,084
20	NEWMAN UNIT 5 GAS TURBINE 4 WET COMPRESSION UPGRADE	1,607,166
21	DALLAS SUBSTATION TRANSFORMER REPLACEMENT	1,530,089
22	NEWMAN CAPITAL IMPROVEMENTS	1,400,339
23	AFTON NORTH SUBSTATION	1,395,850
24	MONTANA POWER STATION UNIT 1 GAS TURBINE SUPERCORE	1,362,850
25	FORT BLISS NORTH SUBSTATION	1,315,411
26	SUNSET UNDERGROUND BREAKERS UPGRADE	1,302,281
27	RIO GRANDE UNIT 8 DISTRIBUTIVE CONTROL SYSTEM UPGRADE	1,301,631
28	MONTANA POWER STATION SUBSTATION BREAKER UPGRADES	1,195,095
29	LANE TO COPPER TRANSMISSION LINE REBUILD	1,142,752
30	PICANTE SUBSTATION REACTOR ADDITION	1,140,318
31	MONTWOOD TRANSFORMER UPGRADE	1,003,704
32	CRITICAL INFRASTRUCTURE PROTECTION PHYSICAL SECURITY	1,002,402
33	MINOR PROJECTS	36,337,124
34		
35		
36		
37		
38		
39		
40		
41		
42		
43	TOTAL	169,327,229

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	2,178,675,282	2,178,675,282		
2	Depreciation Provisions for Year, Charged to				
3	(403) Depreciation Expense	89,201,977	89,201,977		
4	(403.1) Depreciation Expense for Asset Retirement Costs	-1,327,570	-1,327,570		
5	(413) Exp. of Elec. Plt. Leas. to Others				
6	Transportation Expenses-Clearing	1,861,886	1,861,886		
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)	89,736,293	89,736,293		
11	Net Charges for Plant Retired:				
12	Book Cost of Plant Retired	18,309,874	18,309,874		
13	Cost of Removal	4,054,064	4,054,064		
14	Salvage (Credit)	5,379,103	5,379,103		
15	TOTAL Net Chrgs. for Plant Ret. (Enter Total of lines 12 thru 14)	16,984,835	16,984,835		
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)	2,251,426,740	2,251,426,740		
	Section B. Balances at End of Year According to Functional Classification				
20	Steam Production	251,882,300	251,882,300		
21	Nuclear Production	1,257,955,622	1,257,955,622		
22	Hydraulic Production-Conventional				
23	Hydraulic Production-Pumped Storage				
24	Other Production	52,672,610	52,672,610		
25	Transmission	231,281,055	231,281,055		
26	Distribution	377,960,414	377,960,414		
27	Regional Transmission and Market Operation				
28	General	79,674,739	79,674,739		
29	TOTAL (Enter Total of lines 20 thru 28)	2,251,426,740	2,251,426,740		

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 2018/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)	2,071,842	2,063,056	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)	32,791,142	37,182,698	Production
8	Transmission Plant (Estimated)	6,781,772	7,271,859	Transmission
9	Distribution Plant (Estimated)	6,254,151	5,960,271	Distribution
10	Regional Transmission and Market Operation Plant (Estimated)			
11	Assigned to - Other (provide details in footnote)	2,964,743	2,888,273	Various
12	TOTAL Account 154 (Enter Total of lines 5 thru 11)	48,791,808	53,303,101	
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)	6,086	8,692	
17				
18				
19				
20	TOTAL Materials and Supplies (Per Balance Sheet)	50,869,736	55,374,849	

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 2018/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		2019	
		No. (b)	Amt. (c)	No. (d)	Amt. (e)
1	Balance-Beginning of Year	14,300.00		359.00	
2					
3	Acquired During Year:				
4	Issued (Less Withheld Allow)				
5	Returned by EPA				
6					
7					
8	Purchases/Transfers:				
9					
10					
11					
12					
13					
14					
15	Total				
16					
17	Relinquished During Year:				
18	Charges to Account 509				
19	Other:				
20	Emissions Deduction	14.00			
21	Cost of Sales/Transfers:				
22					
23					
24					
25					
26					
27					
28	Total				
29	Balance-End of Year	14,286.00		359.00	
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 2018/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.

2020		2021		Future Years		Totals		Line
No. (f)	Amt. (g)	No. (h)	Amt. (i)	No. (j)	Amt. (k)	No. (l)	Amt. (m)	No.
359.00		359.00		9,334.00		24,711.00		1
								2
								3
				359.00		359.00		4
								5
								6
								7
								8
								9
								10
								11
								12
								13
								14
								15
								16
								17
								18
								19
						14.00		20
								21
								22
								23
								24
								25
								26
								27
								28
359.00		359.00		9,693.00		25,056.00		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 2018 reflects allowances from both the Acid Rain Program ("ARP") accounts for the Newman, MPS, and Rio Grande Generating Station ("Rio Grande").

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 2022 and beyond. 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, 2018.

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

The Company has not purchased any allowances; however, at December 31, 2018 SO2 allowances were trading at approximately $0.50 per ton (allowance)under Acid Rain and $3.50 under CSAPR.

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 2018/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.	NOx Allowances Inventory (Account 158.1) (a)	Current Year No. (b)	Current Year Amt. (c)	2019 No. (d)	2019 Amt. (e)
1	Balance-Beginning of Year	-212.00	40,560	520.00	
2					
3	Acquired During Year:				
4	Issued (Less Withheld Allow)	1,082.00			
5	Returned by EPA				
6					
7					
8	Purchases/Transfers:				
9	Evolution Markets	500.00	102,500		
10					
11					
12					
13					
14					
15	Total	500.00	102,500		
16					
17	Relinquished During Year:				
18	Charges to Account 509	1,118.00	86,418		
19	Other:				
20					
21	Cost of Sales/Transfers:				
22					
23					
24					
25					
26					
27					
28	Total				
29	Balance-End of Year	252.00	56,642	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				

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.

2020 No. (f)	2020 Amt. (g)	2021 No. (h)	2021 Amt. (i)	Future Years No. (j)	Future Years Amt. (k)	Totals No. (l)	Totals Amt. (m)	Line No.
520.00						828.00	40,560	1
								2
								3
						1,082.00		4
								5
								6
								7
								8
						500.00	102,500	9
								10
								11
								12
								13
								14
						500.00	102,500	15
								16
								17
						1,118.00	86,418	18
								19
								20
								21
								22
								23
								24
								25
								26
								27
								28
520.00						1,292.00	56,642	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 EPE's allowances under CSAPR NOx Ozone Season Group 2. Effective September 29, 2017 for the 2017 control period and subsequent years, EPE is no longer a participant in CSAPR NOx annual or Ozone Season Group 1 programs.

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

Represents 42 NOx allowances issued by the EPA during 2018 and 1040 initial allocation NOx CSAPR ozone season Group 2 allowances eligible for use in 2017 & 2018 not previously included since they were issued while EPE was still part of CSAPR NOx annual and NOx Ozone Season Group 1.

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

Includes the NOx allowances purchased for the 2018 compliance year.

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

Includes the NOx allowances purchased for the 2018 compliance year.

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 2018/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 86504365	93,576	186-000	(93,576)	186-000
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
18					
19					
20					
21	**Generation Studies**				
22	Fall 2017 Cluster Study	223,148	186-000	(223,148)	186-000
23	LA450S	65,930	186-000	(65,930)	186-000
24	Spring 2018 Cluster Study	3,558	186-000	(3,558)	186-000
25					
26					
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 2018/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	56,650,961	1,356,608	Various	3,486,535	54,521,034
2						
3	Rio Grande Resources Trust:					
4	Nuclear Fuel Postload Daily Finance Charge	3,795,475	2,806,494	518	2,570,902	4,031,067
5						
6	Coal Reclamation	4,725,676		501	660,532	4,065,144
7						
8	New Mexico Four Corners Decommissioning	6,603,518		407.3	790,344	5,813,174
9						
10	Texas:					
11	2015 Texas Rate Case Costs	1,144,257		928	397,101	747,156
12	2017 Texas Rate Case Costs	3,641,946	111,369	928	1,119,174	2,634,141
13	Demand Response Program	132,815	133,358			266,173
14						
15	Texas Relate Back Surcharge	8,591,590	301,641	142	8,893,231	
16	Texas Corporate Tax Compliance Reform		106,298			106,298
17	Texas Military Base Discount and Recovery	212,732	2,655,090	142	2,842,320	25,502
18	Texas Energy Efficiency Program		331,265			331,265
19	Texas TCRF Filing		43,643			43,643
20						
21	New Mexico Renewable Energy:					
22	Credits and Related Costs	5,823,190	1,138	407.3	1,115,040	4,709,288
23						
24	New Mexico:					
25	2010 FPPCAC Audit	325,701		407.3	72,372	253,329
26	2015 New Mexico Rate Case Costs	644,152		928	429,432	214,720
27	2019 New Mexico Rate Case Costs		919			919
28	Demand Response Program	191,702	110,582			302,284
29						
30	FERC Cost of Service General		158,338			158,338
31						
32	Palo Verde Deferred Depreciation	4,263,217		407.3	152,184	4,111,033
33						
34						
35						
36						
37						
38						
39						
40						
41						
42						
43						
44	**TOTAL :**	96,746,932	8,116,743		22,529,167	82,334,508

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.: 11 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.: 12 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.: 13 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.: 15 Column: a

These costs are related to the recovery of revenues through two separate surcharges; one surcharge for the 2015 Texas Rate Case relate back revenues, and the second surcharge for the 2017 Texas Rate Case relate back revenues.

On August 25, 2016, the PUCT issued the 2016 PUCT Final Order in Docket No. 44941, the Company's 2015 Texas Rate Case, approving the recovery of revenues associated with the relate back of rates to consumption on and after January 12, 2016 through March 31, 2016 through a separate surcharge beginning October 1, 2016 and ending September 30, 2017.

On December 18, 2017, the PUCT issued the 2017 PUCT Final Order in Docket No. 46831, the

Company's 2017 Texas Rate Case, approving the recovery of revenues through a separate surcharge associated with the relate back of rates to consumption for the period July 18, 2017 through December 31, 2017. This surcharge was implemented on January 10, 2018 and was in effect over 12 months through January 9, 2019.

Schedule Page: 232 Line No.: 16 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.

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

Section 36.354 of the Texas Utilities Code 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 PUCT 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.

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

Represent costs associated with the Company's Texas Energy Efficiency programs. The Company will request these costs in the Company's EECRF filing.

Schedule Page: 232 Line No.: 19 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. The TCRF is designed to recover 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. These costs will be requested in the next Texas base rate case filing.

Schedule Page: 232 Line No.: 22 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.: 25 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.: 26 Column: a

This balance is related to rate case costs requested in NMPRC Case No. 15-00127-UT and is being amortized over a three-year period beginning July 1, 2016.

Schedule Page: 232 Line No.: 28 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.: 30 Column: a

Represents costs incurred for the FERC transmission rate case expected to be filed in the third quarter of 2019. The Company will request these costs in the Company's FERC transmission rate case filing.

Schedule Page: 232 Line No.: 32 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	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 2018/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	142,885	686,709	131	472,922	356,672
2						
3	Reimbursable Transmission &					
4	Distribution Projects	173,862	2,055,082	131	1,527,569	701,375
5						
6	El Paso Water Utilities Land					
7	Lease	1,285,648	366,446	507	459,030	1,193,064
8						
9	Palo Verde:					
10	Water Agreement Deposit	3,715,040		519	126,440	3,588,600
11	Pooled Inventory Management	429,203				429,203
12						
13	Miscellaneous	5,722	9,084	Various	10,516	4,290
14						
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46						
47	Misc. Work in Progress	63,447				72,508
48	Deferred Regulatory Comm. Expenses (See pages 350 - 351)					
49	TOTAL	5,815,807				6,345,712

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

Annual cash payment for land leased adjacent to the Company's Newman Power Plant.

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.

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		191,748,713	195,739,510
3			
4			
5			
6			
7	Other		
8	TOTAL Electric (Enter Total of lines 2 thru 7)	191,748,713	195,739,510
9	Gas		
10			
11			
12			
13			
14			
15	Other		
16	TOTAL Gas (Enter Total of lines 10 thru 15		
17	Other (Specify)	201,703	1,178,565
18	TOTAL (Acct 190) (Total of lines 8, 16 and 17)	191,950,416	196,918,075

Notes

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

El Paso Electric Company
Account 190 - FERC ONLY
For the Year Ended December 31, 2018

< 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	30,268,810	36,689,694
Benefit of tax loss carryforwards	24,852,174	12,573,706
Pensions and benefits	32,534,442	31,800,995
Alternative minimum tax credit carryforward	16,619,874	8,855,468
Regulatory liabilities related to income taxes	65,846,277	67,166,819
Asset retirement obligation	19,530,203	21,304,721
Other	2,096,933	17,348,107
Net deferred tax assets	191,748,713	195,739,510

< Page 234 Line 17 Column (a) >

	Balance at Beginning of Year	Balance at End of Year
OTHER (Specify)		
Deferred tax assets:		
Decommissioning costs	201,703	1,178,565
Net deferred tax assets	201,703	1,178,565
Total Account 190	191,950,416	196,918,075

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 2018/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, 2018, 1,237,769			
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 2018 Form 10-K			
30	filed with the SEC February 28, 2019.			
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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
65,828,688	65,828,688	25,147,567	418,893,400			3
65,828,688	65,828,688	25,147,567	418,893,400			4
						5
						6
						7
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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 2018/Q4

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	5,470,623
5	Performance Awards Vested	359,800
6	Compensation Paid in Shares to Board of Directors of the Company	758,656
7	Debits:	
8	Taxes Withheld Related to Restricted Common Stock Awards	-731,950
9	Taxes Withheld Related to Performance Awards Vested	-724,625
10	Restricted Common Stock Awards Forfeited	-366,870
11	Total - Account 210	4,765,634
12		
13	211. Miscellaneous Paid-in Capital	
14	Deferred Compensation:	
15	Performance Awards	4,015,343
16		
17		
18		
19		
20		
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24		
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27		
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40	TOTAL	8,780,977

Schedule Page: 253 Line No.: 11 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.: 15 Column: b

Represents deferred compensation related to grants of performance share awards to officers in 2016, 2017 and 2018 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 2018/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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21		
22	TOTAL	340,939

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	1,168,950
4	2009 Series B Palo Verde Pollution Control Bonds	37,100,000	811,106
5	2012 Series A Palo Verde Pollution Control Bonds	59,235,000	896,854
6			
7	Subtotal	159,835,000	2,876,910
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	868,834
26			
27	Treasury Rate Lock Agreements		
28	Subtotal	1,125,000,000	10,103,009
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	12,979,919

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 2018/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	4,603,750	3
03/26/09	04/01/40	03/26/09	04/01/40	37,100,000	2,689,750	4
08/28/12	08/01/42	08/28/12	08/01/42	59,235,000	2,665,575	5
						6
				159,835,000	9,959,075	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	2,681,458	25
						26
					567,525	27
				1,125,000,000	58,448,983	28
						29
						30
					3,612,796	31
					1,688,900	32
				1,284,835,000	73,709,754	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. The Company is currently holding the bonds and may remarket them or replace them with debt instruments of equivalent value at a future date depending on financing needs and market conditions.

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

The 7.25% 2009 Series B Pollution Control Bonds have an optional redemption beginning in April 2019, at which time the Company expects to redeem, refinance or replace these bonds with debt instruments of equivalent value at a future date depending on financing needs and market conditions.

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.

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 2018/Q4

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)	85,050,298
2		
3		
4	Taxable Income Not Reported on Books	
5	(see page 261 footnote)	53,954,133
6		
7		
8		
9	Deductions Recorded on Books Not Deducted for Return	
10	(see page 261 footnote)	18,933,308
11		
12		
13		
14	Income Recorded on Books Not Included in Return	
15	(see page 261 footnote)	-9,307,158
16		
17		
18		
19	Deductions on Return Not Charged Against Book Income	
20	(see page 261 footnote)	-95,069,790
21		
22		
23		
24	Federal Income Taxes (detail Below)	21,517,271
25		
26		
27	Federal Tax Net Income	75,078,062
28	Show Computation of Tax:	
29		
30		
31	Tax Computed at Statutory Rate	23,027,924
32	ITC Amortization Net of Deferred Taxes	-1,239,928
33	Amortization of Excess Deferred Taxes	952,499
34	Permanent Differences	-500,778
35	State Income Taxes (Federal Effect)	-614,974
36	Amortization of Regulatory Assets	-329,601
37	Allowance for Equity Funds Used During Construction	222,129
38	Other	
39		
40		
41		
42	Total Federal Income Tax Expense (Benefit)	21,517,271
43		
44		

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

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

Contributions in aid of construction	5,610,505
Capitalized Construction Interest and Capitalized Costs	23,520,900
Decommissioning Costs	24,414,034
Other	408,694
Taxable Income Not Reported on Books	53,954,133

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

Coal Reclamation	1,450,876
Deferred Fuel	4,623,729
Meals and Entertainment	98,414
Lobbying	725,496
Debt Issuance Costs	491,946
SFAS 143 Asset Retirement Obligation	8,259,530
State Income Taxes	1,841,072
Taxes Other Than Federal	1,442,245
Deductions Recorded on Books Not Deducted for Return	18,933,308

Income Recorded on Books Not Deducted for Return
< Page 261, Line 15, Column b >

AFUDC	(7,078,318)
Unbilled Revenue	(2,228,840)
Income Reported on Books Not Included in Return	(9,307,158)

Deductions on Return Not Charged Against Book Income
< Page 261, Line 20, Column b >

Depreciation and Amortization Differences	(59,801,829)
Employee Benefits	(14,621,560)
Section 174 R&D	(3,464,926)
Decommissioning Costs	(7,557,510)
Repair Allowance	(9,623,965)
Deductions on Return not Charged Against Book Income	(95,069,790)

Tax Computed at Statutory Rate
< Page 261, Line 31, Column b >

Net Income	85,050,298
Federal and State Income Tax Expense	24,606,481
Pre-Tax Income	109,656,779
Tax Rate	21%
Tax Computed at Statutory Rate	23,027,924

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	-276,175	940,694	-6,095,986	2,879,000	-1,216,869
3	Prior Years	2,758,200	13,575	1,592,073		1,216,869
4	FUTA			49,974	49,974	
5	Insurance Contributions			7,715,209	7,713,556	
6	Subtotal	2,482,025	954,269	3,261,270	10,642,530	
7						
8	State County & Local - TX					
9	Ad Valorem	14,000,672		15,282,052	14,016,008	
10	Gross Receipts	2,424,418		10,783,687	10,935,936	
11	Unemployment			47,315	47,315	
12	Franchise Tax / Margin Tax	1,279,816	1,097,097	1,930,647	656,932	
13	Use Tax	489,646		6,469,039	6,777,699	
14	Regulatory Commission	619,697		1,039,494	1,080,558	
15	Franchise Fees (OSR)	5,061,042	9,731	22,326,545	21,608,617	
16	Subtotal	23,875,291	1,106,828	57,878,779	55,123,065	
17						
18	State County & Local - NM					
19	Ad Valorem	2,643,797	1,541	3,929,107	4,602,762	
20	Income	5,524		51	50	
21	Unemployment			22,001	22,001	
22	Compensating	101,299		640,171	657,853	
23	Regulatory Commission	977,082		921,301	964,488	
24	Franchise Fees (OSR)	214,968	91,621	3,813,017	3,841,703	
25	L.C. Fran,Pumping Facility					
26	Payroll Taxes					
27	Worker's Comp Fee					
28						
29						
30	Other Taxes			-19,935	-19,935	
31	Subtotal	3,942,670	93,162	9,305,713	10,068,922	
32						
33						
34	State County & Local - AZ					
35	Ad Valorem	3,613,745		7,360,093	7,289,870	
36	Income	-1,098,644		-682,562	10,000	
37	Palo Verde Payroll Taxes			3,121,212	3,121,212	
38	Sales & Use Taxes	2,101		4,729	2,101	
39	Subtotal	2,517,202		9,803,472	10,423,183	
40						
41	TOTAL	32,817,188	2,154,259	80,249,234	86,257,700	

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 2018/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 (I) 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
	8,974,986	-9,908,898			3,812,912	2
3,162,891	43,062	-23,955			1,616,028	3
		39,443			10,531	4
1,653		6,089,484			1,625,725	5
3,164,544	9,018,048	-3,803,926			7,065,196	6
						7
						8
15,266,716		15,282,053			-1	9
2,272,169		10,783,688			-1	10
		37,345			9,970	11
1,456,434		1,872,025			58,622	12
180,986		128,126			6,340,913	13
578,633		1,039,494				14
5,778,815	9,576	22,326,545				15
25,533,753	9,576	51,469,276			6,409,503	16
						17
						18
1,970,052	1,451	3,929,107				19
5,525		-70,440			70,491	20
		17,365			4,636	21
83,617		10,097			630,074	22
933,895		921,300			1	23
202,275	107,614	96,881			3,716,136	24
						25
						26
						27
						28
						29
		-19,935				30
3,195,364	109,065	4,884,375			4,421,338	31
						32
						33
						34
3,683,968		7,360,090			3	35
-1,791,206		-691,722			9,160	36
		2,958,786			162,426	37
4,729					4,729	38
1,897,491		9,627,154			176,318	39
						40
33,791,152	9,136,689	62,176,879			18,072,355	41

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 2018/Q4

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 Account No. (c)	Deferred for Year Amount (d)	Allocations to Current Year's Income Account No. (e)	Allocations to Current Year's Income Amount (f)	Adjustments (g)
1	Electric Utility						
2	3%						
3	4%						
4	7%						
5	10%	17,715,590			411.4/420	1,501,313	
6	30%	2,676,782	411.4	3,756,155	411.4	46,699	-21,517
7							
8	TOTAL	20,392,372		3,756,155		1,548,012	-21,517
9	Other (List separately and show 3%, 4%, 7%, 10% and TOTAL)						
10			411.4	3,756,155	411.4	1,548,012	-21,517
11					420		
12							
13							
14							
15							
16							
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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 2018/Q4

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
16,214,277	25 years		5
6,364,721	25 years		6
			7
22,578,998			8
			9
2,186,626			10
			11
			12
			13
			14
			15
			16
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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 2018/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				199,769
2						
3	Texas Docket 23530 Settlement	315,892	131	200,000	1,989	117,881
4						
5	Contribution in Aid of Construct.	472,987	416	706,489	972,113	738,611
6						
7	Facility & Impact Study	2,460,283	131	1,044,669	893,458	2,309,072
8						
9	Employment Separation Agreements	671,668	131	40,430	23,737	654,975
10						
11	New Mexico Voluntary Renewable					
12	Energy Program	165,054			24,200	189,254
13						
14	Other	148,015	131	9,599	125,000	263,416
15						
16						
17						
18						
19						
20						
21						
22						
23						
24						
25						
26						
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41						
42						
43						
44						
45						
46						
47	TOTAL	4,433,668		2,001,187	2,040,497	4,472,978

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 2018/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	482,460,890	38,790,275	20,455,595
3	Gas			
4				
5	TOTAL (Enter Total of lines 2 thru 4)	482,460,890	38,790,275	20,455,595
6				
7				
8				
9	TOTAL Account 282 (Enter Total of lines 5 thru 8)	482,460,890	38,790,275	20,455,595
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 2018/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
53,088	185,336	various	522,805	various		500,140,517	2
							3
							4
53,088	185,336		522,805			500,140,517	5
							6
							7
							8
53,088	185,336		522,805			500,140,517	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, 2018

	Balance at Beginning of Year	Balance at End of Year
Electric:		
Plant, principally due to depreciation and basis differences	$ 421,974,160	$ 438,719,392
Regulatory assets related to income taxes	35,758,369	35,235,564
Decommissioning	24,728,361	26,185,561
Total - Electric Other	$ 482,460,890	$ 500,140,517

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 2018/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	4,312,331	6,303,456	6,454,077
4				
5				
6	Excess ADSIT	6,491,711	1,262,020	
7				
8				
9	TOTAL Electric (Total of lines 3 thru 8)	10,804,042	7,565,476	6,454,077
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)	10,804,042	7,565,476	6,454,077
20	Classification of TOTAL			
21	Federal Income Tax	4,018,379	5,810,843	5,931,338
22	State Income Tax	6,785,663	1,754,633	522,739
23	Local Income Tax			

NOTES

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						
		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
							2
2,237,148	6,005,713			439	10,256,981	10,650,126	3
							4
							5
7,606		254.3	239,159			7,522,178	6
							7
							8
2,244,754	6,005,713		239,159		10,256,981	18,172,304	9
							10
							11
							12
							13
							14
							15
							16
							17
							18
2,244,754	6,005,713		239,159		10,256,981	18,172,304	19
							20
2,237,148	6,005,713				10,256,981	10,386,300	21
7,606			239,159			7,786,004	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 2018/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	288,775,829	various	11,615,889	13,199,069	290,359,009
2						
3	Net Overcollection of:					
4	Texas Fuel Revenues	5,793,181	440s		3,134,903	8,928,084
5	New Mexico Fuel Revenues	408,990	440s	3,442		405,548
6	New Mexico Renewable Procurement Standard Revenue		440s		1,658,407	1,658,407
7	FERC Fuel Revenues	22,633	440s		31,872	54,505
8						
9	New Mexico Energy Efficiency Program	1,394,151	451, 928		299,943	1,694,094
10						
11	Texas Energy Efficiency Program	894,354	451, 928	894,354		
12						
13	Texas Relate Back Surcharge		131		240,093	240,093
14						
15	New Mexico Gain on Sale of Assets	566,752	407.4	261,240		305,512
16						
17						
18						
19						
20						
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35						
36						
37						
38						
39						
40						
41	TOTAL	297,855,890		12,774,925	18,564,287	303,645,252

Schedule Page: 278 Line No.: 1 Column: f

Amortization period ranges from 5 to 40 years for items not related to the reduction in the federal tax rate in 2017. 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.

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

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

Schedule Page: 278 Line No.: 13 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. Amounts under- or over-recovered through these surcharges will be addressed in the next Texas fuel reconciliation.

Schedule Page: 278 Line No.: 15 Column: a

In accordance with the NMPRC Final Order in Case No. 15-00127-UT, effective in July 2016, the Company is sharing its three-year average gains on the sales of assets with its New Mexico customers over a three-year period. The balance also includes gains that will be included in the Company's next base rate case.

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 2018/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	355,467,342	361,854,150
3	(442) Commercial and Industrial Sales		
4	Small (or Comm.) (See Instr. 4)	240,341,389	260,768,994
5	Large (or Ind.) (See Instr. 4)	51,905,038	62,268,318
6	(444) Public Street and Highway Lighting	4,699,630	5,329,817
7	(445) Other Sales to Public Authorities	120,583,590	132,588,490
8	(446) Sales to Railroads and Railways		
9	(448) Interdepartmental Sales		
10	TOTAL Sales to Ultimate Consumers	772,996,989	822,809,769
11	(447) Sales for Resale	90,276,460	63,128,805
12	TOTAL Sales of Electricity	863,273,449	885,938,574
13	(Less) (449.1) Provision for Rate Refunds		
14	TOTAL Revenues Net of Prov. for Refunds	863,273,449	885,938,574
15	Other Operating Revenues		
16	(450) Forfeited Discounts	1,208,316	1,504,634
17	(451) Miscellaneous Service Revenues	16,291,577	7,687,719
18	(453) Sales of Water and Water Power		
19	(454) Rent from Electric Property	2,966,709	2,868,026
20	(455) Interdepartmental Rents		
21	(456) Other Electric Revenues	836,730	684,365
22	(456.1) Revenues from Transmission of Electricity of Others	19,025,825	18,113,528
23	(457.1) Regional Control Service Revenues		
24	(457.2) Miscellaneous Revenues		
25			
26	TOTAL Other Operating Revenues	40,329,157	30,858,272
27	TOTAL Electric Operating Revenues	903,602,606	916,796,846

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 2018/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
2,988,695	2,823,260	374,138	368,044	2
				3
2,431,920	2,410,710	42,349	41,978	4
1,050,834	1,045,319	48	48	5
38,745	39,835	212	199	6
1,524,482	1,524,835	5,534	5,333	7
				8
				9
8,034,676	7,843,959	422,281	415,602	10
3,694,319	3,060,795	24	27	11
11,728,995	10,904,754	422,305	415,629	12
				13
11,728,995	10,904,754	422,305	415,629	14

Line 12, column (b) includes $ -537,000 of unbilled revenues.

Line 12, column (d) includes -16,370 MWH relating to unbilled revenues

Schedule Page: 300 Line No.: 11 Column: d

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.: 11 Column: e

Includes 955,024 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 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: e

Includes 955,024 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 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: e

Includes 955,024 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 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 and New Mexico Energy Efficiency Bonus	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.: 17 Column: c

Below is the detail of Miscellaneous Service Revenues recorded in account 451:

	December 2017
Non Pay Reconnect Charges	2,479,427
Name Change/Cut in Charge	2,325,425
New Service Charges	374,384
Overhead/Underground Connection Charges	691,148
Texas and New Mexico Energy Efficiency Bonus	1,488,521
Misc Other	328,814
Total	7,687,719

Schedule Page: 300 Line No.: 21 Column: b

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.: 21 Column: c

Includes $440,615 related to the Company's 15.8% share of Palo Verde other electric revenues from APS.
Includes $243,750 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 the 2017 PUCT Final Order in Docket No. 46831 on December 18, 2017 and refunds related to the reduction in federal statutory income tax rate enacted by the TCJA.

Schedule Page: 300 Line No.: 27 Column: c

Includes the effect of rate increases approved by the PUCT in the 2017 PUCT Final Order in Docket No. 46831 on December 18, 2017, which increased base rates effective July 18, 2017.

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 2018/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		72,808			
4	01 Residential Service	2,263,988	276,121,723	286,877	7,892	0.1220
5	28 Private Area Lighting Service	1,924	292,432	225	8,551	0.1520
6	VRE-R Voluntary Renewable Energy		-8,158			
7	EVC Electric Vehicle Charging	2	201			0.1005
8	Deferred Fuel		-606,994			
9	Unbilled Revenue	1,042	280,000			0.2687
10	Renewable Energy Credit		8,158			
11	TX Tax Refund		-2,023,980			
12						
13	RESIDENTIAL SALES-NM					
14	01 Residential Service	717,520	81,579,193	86,738	8,272	0.1137
15	12 Private Area Lighting Service	2,551	568,076	298	8,560	0.2227
16	Deferred Fuel		-794,054			
17	Unbilled Revenue	1,668	-14,000			-0.0084
18	Renewable Energy Credit		-8,063			
19						
20	Total (440)	2,988,695	355,467,342	374,138	7,988	0.1189
21						
22	(442)					
23	C&I SALES SMALL-TX					
24	CS Community Solar		3,906			
25	02 Small Commercial Service	275,185	36,010,744	24,930	11,038	0.1309
26	07 Outdoor Recreational Lighting	258	32,274	12	21,500	0.1251
27	22 Irrigation Service	2,879	326,947	127	22,669	0.1136
28	24 General Service	1,403,916	133,315,667	6,341	221,403	0.0950
29	25 Large Power Service	224,280	16,211,534	53	4,231,698	0.0723
30	28 Private Area Lighting Service	15,286	1,790,289	444	34,428	0.1171
31	34 Cotton Gin Service	2,111	198,656	2	1,055,500	0.0941
32	VRE-C Voluntary Renewable Energy		-141			
33	Deferred Fuel		-1,049,726			
34	Unbilled Revenue	-5,407	-242,000			0.0448
35	Renewable Energy Credit		141			
36	TX Tax Refund		-1,232,182			
37						
38	C&I SALES SMALL-NM					
39	03 Small Commercial Service	159,004	21,058,955	8,915	17,836	0.1324
40	04 General Service	274,558	26,512,635	544	504,702	0.0966
41	TOTAL Billed	8,051,046	773,533,989	422,281	19,066	0.0961
42	Total Unbilled Rev.(See Instr. 6)	-16,370	-537,000	0	0	0.0328
43	TOTAL	8,034,676	772,996,989	422,281	19,027	0.0962

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 2018/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	05 Irrigation Service	45,565	4,662,451	813	56,046	0.1023
2	08 Municipal Water Pumping	1,976	170,317	20	98,800	0.0862
3	09 Large Power Service	21,637	1,673,555	4	5,409,250	0.0773
4	12 Private Area Lighting Service	2,112	455,464	95	22,232	0.2157
5	19 Seasonal Agr. Processing Svc.	7,806	1,011,548	41	190,390	0.1296
6	25 Outdoor Recreational Lighting	93	11,793	7	13,286	0.1268
7	29 Interrupt. Svc. for Lg. Power	2,226	103,212	1	2,226,000	0.0464
8	Deferred Fuel		-497,615			
9	Unbilled Revenue	-1,565	-184,000			0.1176
10	Renewable Energy Credit		-3,034			
11						
12	C&I SALES LARGE-TX					
13	15 Electrolytic Refining	41,423	2,389,141	1	41,423,000	0.0577
14	25 Large Power Service	271,836	19,623,980	33	8,237,455	0.0722
15	26 Petroleum Refinery Service	336,247	16,609,507	1	336,247,000	0.0494
16	28 Private Area Lighting Service	201	21,501			0.1070
17	30 Electric Furnace	21,443	1,483,770	1	21,443,000	0.0692
18	38 Interrupt. Svc. for Lg. Power	321,722	8,487,395	4	80,430,500	0.0264
19	Deferred Fuel		-740,000			
20	Unbilled Revenue	-5,741	-170,000			0.0296
21	TX Tax Refund		-281,274			
22						
23	C&I SALES LARGE-NM					
24	09 Large Power Service	57,853	4,250,923	6	9,642,167	0.0735
25	29 Interrupt. Svc. for Lg. Power	6,154	267,290	2	3,077,000	0.0434
26	Deferred Fuel		-20,196			
27	Unbilled Revenue	-304	-17,000			0.0559
28						
29	Total (442)	3,482,754	292,246,427	42,397	82,146	0.0839
30						
31	(444)					
32	PUBLIC ST. & HIGHWAY LIGHT-TX					
33	08 Gov't Street Lights and Signal	37,203	4,462,033	195	190,785	0.1199
34	Deferred Fuel		-46,019			
35	Unbilled Revenue	-220	-19,000			0.0864
36	TX Tax Refund		-44,879			
37						
38	PUBLIC ST. & HIGHWAY LIGHT-NM					
39	11 Municipal St. Lighting and Sig	1,771	350,870	17	104,176	0.1981
40	Deferred Fuel		-1,375			
41	TOTAL Billed	8,051,046	773,533,989	422,281	19,066	0.0961
42	Total Unbilled Rev.(See Instr. 6)	-16,370	-537,000	0	0	0.0328
43	TOTAL	8,034,676	772,996,989	422,281	19,027	0.0962

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 2018/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	Unbilled Revenue	-9	-2,000			0.2222
2						
3	Total (444)	38,745	4,699,630	212	182,759	0.1213
4						
5	(445)					
6	OTHER SALES PUB AUTH-TX					
7	01 Residential Service	975	137,644	334	2,919	0.1412
8	02 Small Commercial Service	13,364	1,790,334	1,521	8,786	0.1340
9	07 Outdoor Recreational Lighting	5,452	654,303	191	28,545	0.1200
10	11 Municipal Pumping Service	163,935	11,717,314	401	408,815	0.0715
11	22 Irrigation Service	1,887	198,236	17	111,000	0.1051
12	24 General Service	170,861	16,489,766	525	325,450	0.0965
13	25 Large Power Service	128,045	9,062,224	13	9,849,615	0.0708
14	28 Private Area Lighting Service	9,449	1,035,847	142	66,542	0.1096
15	31 Military Reservation Service	270,139	17,368,333	1	270,139,000	0.0643
16	38 Interrupt. Svc. for Lg. Power	83,065	2,163,497	1	83,065,000	0.0260
17	41 City and County Service	271,213	29,073,833	904	300,014	0.1072
18	45 Supplemental Power	28,401	1,728,741	1	28,401,000	0.0609
19	Deferred Fuel		-606,193			
20	Unbilled Revenue	-4,209	-89,000			0.0211
21	University Discount		-913,915			
22	TX Tax Refund		-598,982			
23						
24	OTHER SALES PUB AUTH-NM					
25	01 Residential Service	108	15,178	42	2,571	0.1405
26	03 Small Commercial Service	7,733	1,056,200	361	21,421	0.1366
27	04 General Service	42,258	4,070,680	75	563,440	0.0963
28	05 Irrigation Service	219	22,512	6	36,500	0.1028
29	07 City and County Service	62,318	6,777,661	780	79,895	0.1088
30	08 Municipal Pumping Service	33,799	2,843,103	153	220,908	0.0841
31	09 Large Power Service	68,363	5,010,713	6	11,393,833	0.0733
32	10 Military Research & Dev. Power	131,533	9,252,583	2	65,766,500	0.0703
33	12 Private Area Lighting Service	399	82,174	35	11,400	0.2059
34	25 Outdoor Recreational Lighting	665	77,919	22	30,227	0.1172
35	26 State University Service	36,135	2,597,713	1	36,135,000	0.0719
36	Deferred Fuel		-341,725			
37	Unbilled Revenue	-1,625	-80,000			0.0492
38	Renewable Energy Credit		-13,103			
39						
40	Total (445)	1,524,482	120,583,590	5,534	275,476	0.0791
41	TOTAL Billed	8,051,046	773,533,989	422,281	19,066	0.0961
42	Total Unbilled Rev.(See Instr. 6)	-16,370	-537,000	0	0	0.0328
43	TOTAL	8,034,676	772,996,989	422,281	19,027	0.0962

Schedule Page: 304 Line No.: 1 Column: c

Estimated Fuel Clause Revenues by Rate Schedule

(440) RESIDENTIAL SALES

TEXAS

01	Residential Service	$ 37,496,253
28	Private Area Lighting Service	32,903
	Electric Vehicle Charging	46
	Community Solar Fuel Credit	(134,579)
	Deferred Fuel	(606,994)
	Total - Texas	36,787,629

NEW MEXICO

01	Residential Service	21,797,964
12	Private Area Lighting Service	75,551
	Deferred Fuel	(794,054)
	Total - New Mexico	21,079,461
	Total (440)	$ 57,867,090

Schedule Page: 304 Line No.: 1 Column: d

There were fewer than 1,247 duplicate customers for all rates schedules combined in 2018.

Schedule Page: 304 Line No.: 22 Column: c

Estimated Fuel Clause Revenues by Rate Schedule

(442) COMMERCIAL AND INDUSTRIAL SALES

SMALL - TEXAS

02	Small Commercial Service	$ 4,641,556
07	Outdoor Recreational Lighting	4,467
22	Irrigation Service	48,830
24	General Service	23,550,747
25	Large Power Service	3,770,932
28	Private Area Lighting Service	261,832
34	Cotton Gin Service	37,208
	Community Solar Fuel Credit	(6,051)
	Deferred Fuel	(1,049,726)
	Total - Texas	31,259,795

SMALL - NEW MEXICO

03	Small Commercial Service	4,777,439
04	General Service	8,123,174
05	Irrigation Service	1,342,701
08	Municipal Water Pumping	58,330
09	Large Power Service	577,553
12	Private Area Lighting Service	62,476
19	Seasonal Agr. Processing Svc.	233,503
25	Outdoor Recreational Lighting	2,748
29	Interrup. Svc for Lg Power	66,311
	Deferred Fuel	(497,615)
	Total - New Mexico	14,746,620

LARGE - TEXAS

15 Electrolytic refining		676,496
25 Large Power Service		4,588,999
26 Petroleum Refinery Service		5,439,809
28 Private Area Lighting Service		3,446
30 Electric Furnace		345,419
38 Interruptible Svc for Large Power		5,208,443
Deferred Fuel		(740,000)
	Total - Texas	15,522,612

LARGE - NEW MEXICO

09 Large Power Service		1,333,311
29 Interruptible Service Large Power		149,881
Deferred Fuel		(20,196)
	Total - New Mexico	1,462,996
	Total (442)	$ 62,992,023

Schedule Page: 304.1 Line No.: 31 Column: c

Estimated Fuel Clause Revenues by Rate Schedule

(444) PUBLIC STREET AND HIGHWAY LIGHTING

TEXAS

08 Municipal St. Lights & Signals		$ 637,427
Deferred Fuel		(46,019)
	Total - Texas	591,408

NEW MEXICO

11 Municipal St. Lights & Signals		52,386
Deferred Fuel		(1,375)
	Total - New Mexico	51,011
	Total (444)	$ 642,419

Schedule Page: 304.2 Line No.: 5 Column: c

Estimated Fuel Clause Revenues by Rate Schedule

(445) OTHER SALES TO PUBLIC AUTHORITIES

TEXAS

01 Residential Service	$ 15,896
02 Small Commercial Service	228,520
07 Outdoor Rec. Lighting Service	92,072
11 Municipal Pumping Service	2,775,022
22 Irrigation	31,521
24 General Service	2,860,180
25 Large Power Service	2,130,924
28 Private Area Lighting	162,324
31 Military Reservation Service	4,361,922
38 Interruptible Service for Large	1,260,443
41 City and County Service	4,544,790

45 Supplemental Power		468,714
Deferred Fuel		(606,193)
	Total - Texas	18,326,135

NEW MEXICO

01 Residential Service		3,232
03 Small Commercial Service		232,523
04 General Service		1,252,342
05 Irrigation Service		6,530
07 City and County Service		1,844,938
08 Municipal Pumping		1,005,471
09 Large Power Service		2,008,864
10 Military Research & Dev. Power		3,771,687
12 Private Area Lighting		11,793
25 Outdoor Rec. Lighting Service		18,914
26 State University Service		1,039,748
Deferred Fuel		(341,725)
	Total - New Mexico	10,854,317
	Total (445)	$ 29,180,452

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 Classification (b)	FERC Rate Schedule or Tariff Number (c)	Average Monthly Billing Demand (MW) (d)	Actual Demand (MW) Average Monthly NCP Demand (e)	Average Monthly CP Demand (f)
1	Rio Grande Electric Cooperative	RQ	18	8.96	9.82	8.96
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	Bonneville Power Administration	SF	MBR	NA	NA	NA
7	BP Energy Company	SF	MBR	NA	NA	NA
8	Brookfield Energy Marketing LP	OS	MBR	NA	NA	NA
9	Brookfield Energy Marketing LP	SF	MBR	NA	NA	NA
10	Citigroup Energy Inc.	SF	MBR	NA	NA	NA
11	City of Burbank California	SF	MBR	NA	NA	NA
12	ConocoPhillips Company	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**

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.
58,991	2,507,083	1,383,638	-31,875	3,858,846	1
154,038		4,603,176		4,603,176	2
11,548		394,530		394,530	3
18,800		955,252		955,252	4
505		1,255		1,255	5
800		21,600		21,600	6
49,368		1,774,689		1,774,689	7
113,176		3,707,482		3,707,482	8
106,182		2,827,687		2,827,687	9
113,348		3,925,643		3,925,643	10
1,001		22,920		22,920	11
800		18,800		18,800	12
11,400		333,038		333,038	13
7,040		426,096		426,096	14
58,991	2,507,083	1,383,638	-31,875	3,858,846	
3,635,328	0	86,382,339	35,275	86,417,614	
3,694,319	**2,507,083**	**87,765,977**	**3,400**	**90,276,460**	

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 2018/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	SF	MBR	NA	NA	NA
7	Morgan Stanley Capital Group, Inc.	SF	MBR	NA	NA	NA
8	Nextera Energy Power Marketing, LLC	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	OS	MBR	NA	NA	NA
13	Public Service Company of New Mexico	SF	MBR	NA	NA	NA
14	Rainbow Energy Marketing Corp	SF	MBR	NA	NA	NA
	Subtotal RQ			0	0	0
	Subtotal non-RQ			0	0	0
	Total			**0**	**0**	**0**

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.
947,367		1,435,000		1,435,000	1
2,029		64,546		64,546	2
54,844		1,573,357		1,573,357	3
33		660		660	4
2,200		87,940		87,940	5
179,955		5,786,985		5,786,985	6
162,249		4,255,359		4,255,359	7
2,080		59,400		59,400	8
35,040		1,277,280		1,277,280	9
6,669		226,855		226,855	10
47,360		1,283,684		1,283,684	11
			34,680	34,680	12
12,063		291,600		291,600	13
22,527		732,508		732,508	14
58,991	2,507,083	1,383,638	-31,875	3,858,846	
3,635,328	0	86,382,339	35,275	86,417,614	
3,694,319	**2,507,083**	**87,765,977**	**3,400**	**90,276,460**	

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 2018/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 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	Salt River Project Agricultural Improv	SF	MBR	NA	NA	NA
2	Sempra Gas & Power Marketing, LLC	SF	MBR	NA	NA	NA
3	Shell Energy North America (U.S.), L.P.	SF	MBR	NA	NA	NA
4	Tenaska Power Services Co	OS	MBR	NA	NA	NA
5	Tenaska Power Services Co	SF	MBR	NA	NA	NA
6	TransAlta Energy Marketing (U.S.) Inc.	SF	MBR	NA	NA	NA
7	TransCanada Energy Sales Ltd.	SF	MBR	NA	NA	NA
8	Tri-State G & T Association, Inc.	OS	MBR	NA	NA	NA
9	Tri-State G & T Association, Inc.	SF	MBR	NA	NA	NA
10	Tucson Electric Power Company	SF	MBR	NA	NA	NA
11	UNS Electric Inc	SF	MBR	NA	NA	NA
12	Westar Energy, Inc.	SF	MBR	NA	NA	NA
13	Arizona Electric Power Cooperative	SF	SRSG	NA	NA	NA
14	Arizona Public Service Company	SF	SRSG	NA	NA	NA
	Subtotal RQ			0	0	0
	Subtotal non-RQ			0	0	0
	Total			**0**	**0**	**0**

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.
7,706		198,457		198,457	1
1,000		29,800		29,800	2
127,292		3,967,754		3,967,754	3
464,836		17,748,831		17,748,831	4
683,841		19,570,164		19,570,164	5
133,320		4,058,230		4,058,230	6
1,200		45,800		45,800	7
400		6,000		6,000	8
4,421		77,781		77,781	9
131,624		4,037,343		4,037,343	10
14,099		496,189		496,189	11
568		14,665		14,665	12
159		2,338		2,338	13
347		5,750		5,750	14
58,991	2,507,083	1,383,638	-31,875	3,858,846	
3,635,328	0	86,382,339	35,275	86,417,614	
3,694,319	**2,507,083**	**87,765,977**	**3,400**	**90,276,460**	

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 2018/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:
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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)	Statistical Classifi-cation	FERC Rate Schedule or Tariff Number	Average Monthly Billing Demand (MW)	Actual Demand (MW)	
					Average Monthly NCP Demand	Average Monthly CP Demand
	(a)	(b)	(c)	(d)	(e)	(f)
1	Farmington	SF	SRSG	NA	NA	NA
2	Public Service Company of New Mexico	SF	SRSG	NA	NA	NA
3	Salt River Project	SF	SRSG	NA	NA	NA
4	Tucson Electric Power Company	SF	SRSG	NA	NA	NA
5	Tri-State G & T Association, Inc.	SF	SRSG	NA	NA	NA
6	Western Area Power Administration	SF	SRSG	NA	NA	NA
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 2018/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.
304		5,100	162	5,262	1
640		11,033		11,033	2
26		607	353	960	3
832		14,013		14,013	4
291		5,142		5,142	5
			80	80	6
					7
					8
					9
					10
					11
					12
					13
					14
58,991	2,507,083	1,383,638	-31,875	3,858,846	
3,635,328	0	86,382,339	35,275	86,417,614	
3,694,319	**2,507,083**	**87,765,977**	**3,400**	**90,276,460**	

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.: 8 Column: b

Contingent energy sale.

Schedule Page: 310.1 Line No.: 12 Column: b

Spinning reserves.

Schedule Page: 310.1 Line No.: 12 Column: j

Spinning reserves.

Schedule Page: 310.2 Line No.: 4 Column: b

Non-firm and contingent energy sale.

Schedule Page: 310.2 Line No.: 8 Column: b

Contingent energy sale.

Schedule Page: 310.2 Line No.: 13 Column: c

SRSG = Southwest Reserve Sharing Group Participation Agreement.

Schedule Page: 310.3 Line No.: 1 Column: j

Other Charges are for SRSG penalty received.

Schedule Page: 310.3 Line No.: 3 Column: j

Other Charges are for SRSG penalty received.

Schedule Page: 310.3 Line No.: 6 Column: j

Other Charges are for SRSG penalty received.

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 2018/Q4

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	2,043,799	2,607,055
5	(501) Fuel	98,374,698	104,169,299
6	(502) Steam Expenses	2,796,239	3,044,277
7	(503) Steam from Other Sources		
8	(Less) (504) Steam Transferred-Cr.		
9	(505) Electric Expenses	3,887,089	2,987,974
10	(506) Miscellaneous Steam Power Expenses	2,853,852	3,394,705
11	(507) Rents	464,612	466,271
12	(509) Allowances	86,418	108,763
13	TOTAL Operation (Enter Total of Lines 4 thru 12)	110,506,707	116,778,344
14	Maintenance		
15	(510) Maintenance Supervision and Engineering	2,198,094	2,284,258
16	(511) Maintenance of Structures	1,242,602	1,435,566
17	(512) Maintenance of Boiler Plant	8,018,566	7,691,556
18	(513) Maintenance of Electric Plant	15,348,290	13,571,110
19	(514) Maintenance of Miscellaneous Steam Plant	2,974,089	2,918,596
20	TOTAL Maintenance (Enter Total of Lines 15 thru 19)	29,781,641	27,901,086
21	TOTAL Power Production Expenses-Steam Power (Entr Tot lines 13 & 20)	140,288,348	144,679,430
22	B. Nuclear Power Generation		
23	Operation		
24	(517) Operation Supervision and Engineering	12,412,371	13,376,785
25	(518) Fuel	39,294,957	42,479,991
26	(519) Coolants and Water	7,276,918	7,373,187
27	(520) Steam Expenses	5,136,717	6,095,977
28	(521) Steam from Other Sources		
29	(Less) (522) Steam Transferred-Cr.		
30	(523) Electric Expenses	5,554,018	4,932,080
31	(524) Miscellaneous Nuclear Power Expenses	23,275,898	23,628,866
32	(525) Rents		
33	TOTAL Operation (Enter Total of lines 24 thru 32)	92,950,879	97,886,886
34	Maintenance		
35	(528) Maintenance Supervision and Engineering	2,885,471	2,671,280
36	(529) Maintenance of Structures	1,198,840	1,130,947
37	(530) Maintenance of Reactor Plant Equipment	8,937,099	8,433,670
38	(531) Maintenance of Electric Plant	7,063,947	6,609,392
39	(532) Maintenance of Miscellaneous Nuclear Plant	2,073,945	2,021,558
40	TOTAL Maintenance (Enter Total of lines 35 thru 39)	22,159,302	20,866,847
41	TOTAL Power Production Expenses-Nuc. Power (Entr tot lines 33 & 40)	115,110,181	118,753,733
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 2018/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	901,301	571,034
63	(547) Fuel	31,869,495	38,632,524
64	(548) Generation Expenses	1,174,805	918,562
65	(549) Miscellaneous Other Power Generation Expenses	1,203,618	1,376,815
66	(550) Rents	52,316	57,725
67	TOTAL Operation (Enter Total of lines 62 thru 66)	35,201,535	41,556,660
68	Maintenance		
69	(551) Maintenance Supervision and Engineering	8,241	3,703
70	(552) Maintenance of Structures	79,275	91,667
71	(553) Maintenance of Generating and Electric Plant	3,727,630	3,006,092
72	(554) Maintenance of Miscellaneous Other Power Generation Plant	396,586	389,092
73	TOTAL Maintenance (Enter Total of lines 69 thru 72)	4,211,732	3,490,554
74	TOTAL Power Production Expenses-Other Power (Enter Tot of 67 & 73)	39,413,267	45,047,214
75	E. Other Power Supply Expenses		
76	(555) Purchased Power	59,746,635	59,682,595
77	(556) System Control and Load Dispatching	1,132,201	1,183,820
78	(557) Other Expenses		115,000
79	TOTAL Other Power Supply Exp (Enter Total of lines 76 thru 78)	60,878,836	60,981,415
80	TOTAL Power Production Expenses (Total of lines 21, 41, 59, 74 & 79)	355,690,632	369,461,792
81	2. TRANSMISSION EXPENSES		
82	Operation		
83	(560) Operation Supervision and Engineering	1,769,333	1,427,707
84			
85	(561.1) Load Dispatch-Reliability	100,775	63,127
86	(561.2) Load Dispatch-Monitor and Operate Transmission System	847,523	818,846
87	(561.3) Load Dispatch-Transmission Service and Scheduling	944,247	866,803
88	(561.4) Scheduling, System Control and Dispatch Services	610,891	599,757
89	(561.5) Reliability, Planning and Standards Development	902,274	979,739
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	296,197	323,624
94	(563) Overhead Lines Expenses	500,681	211,172
95	(564) Underground Lines Expenses		
96	(565) Transmission of Electricity by Others	7,094,447	6,806,326
97	(566) Miscellaneous Transmission Expenses	6,148,745	6,552,528
98	(567) Rents	282,705	289,370
99	TOTAL Operation (Enter Total of lines 83 thru 98)	19,497,818	18,938,999
100	Maintenance		
101	(568) Maintenance Supervision and Engineering	36,372	53,239
102	(569) Maintenance of Structures	31,286	32,317
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	324,329	625,143
108	(571) Maintenance of Overhead Lines	2,455,709	1,412,178
109	(572) Maintenance of Underground Lines		
110	(573) Maintenance of Miscellaneous Transmission Plant	18,625	15,663
111	TOTAL Maintenance (Total of lines 101 thru 110)	2,866,321	2,138,540
112	TOTAL Transmission Expenses (Total of lines 99 and 111)	22,364,139	21,077,539

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 2018/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	859,655	553,306
135	(581) Load Dispatching		
136	(582) Station Expenses	1,325,671	1,151,493
137	(583) Overhead Line Expenses	738,278	553,990
138	(584) Underground Line Expenses	637,911	643,167
139	(585) Street Lighting and Signal System Expenses	520	1,933
140	(586) Meter Expenses	2,165,573	2,090,545
141	(587) Customer Installations Expenses	457,947	394,202
142	(588) Miscellaneous Expenses	8,595,048	8,490,063
143	(589) Rents	217,850	215,843
144	TOTAL Operation (Enter Total of lines 134 thru 143)	14,998,453	14,094,542
145	Maintenance		
146	(590) Maintenance Supervision and Engineering		
147	(591) Maintenance of Structures	5,281	2,853
148	(592) Maintenance of Station Equipment	1,415,463	1,463,666
149	(593) Maintenance of Overhead Lines	5,330,687	5,240,311
150	(594) Maintenance of Underground Lines	748,383	533,624
151	(595) Maintenance of Line Transformers	1,918	3,785
152	(596) Maintenance of Street Lighting and Signal Systems	261,767	292,570
153	(597) Maintenance of Meters	207,794	200,416
154	(598) Maintenance of Miscellaneous Distribution Plant	343,973	392,607
155	TOTAL Maintenance (Total of lines 146 thru 154)	8,315,266	8,129,832
156	TOTAL Distribution Expenses (Total of lines 144 and 155)	23,313,719	22,224,374
157	5. CUSTOMER ACCOUNTS EXPENSES		
158	Operation		
159	(901) Supervision	9,578	
160	(902) Meter Reading Expenses	2,497,705	2,519,249
161	(903) Customer Records and Collection Expenses	14,319,807	13,439,140
162	(904) Uncollectible Accounts	2,827,184	3,146,083
163	(905) Miscellaneous Customer Accounts Expenses	242,029	327,416
164	TOTAL Customer Accounts Expenses (Total of lines 159 thru 163)	19,896,303	19,431,888

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		
169	(909) Informational and Instructional Expenses	126,291	205,043
170	(910) Miscellaneous Customer Service and Informational Expenses		
171	TOTAL Customer Service and Information Expenses (Total 167 thru 170)	126,291	205,043
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	32,970,312	32,283,152
182	(921) Office Supplies and Expenses	4,276,260	4,488,996
183	(Less) (922) Administrative Expenses Transferred-Credit		
184	(923) Outside Services Employed	15,773,218	16,042,394
185	(924) Property Insurance	4,383,333	3,915,285
186	(925) Injuries and Damages	4,137,090	4,594,331
187	(926) Employee Pensions and Benefits	22,442,841	25,921,431
188	(927) Franchise Requirements		
189	(928) Regulatory Commission Expenses	14,326,910	5,459,229
190	(929) (Less) Duplicate Charges-Cr.		
191	(930.1) General Advertising Expenses	555,733	985,502
192	(930.2) Miscellaneous General Expenses	16,227,360	16,939,205
193	(931) Rents	318,105	300,997
194	TOTAL Operation (Enter Total of lines 181 thru 193)	115,411,162	110,930,522
195	Maintenance		
196	(935) Maintenance of General Plant	7,371,979	6,931,537
197	TOTAL Administrative & General Expenses (Total of lines 194 and 196)	122,783,141	117,862,059
198	TOTAL Elec Op and Maint Expns (Total 80,112,131,156,164,171,178,197)	544,174,225	550,262,695

Schedule Page: 320 Line No.: 25 Column: b

Includes a U.S. Department of Energy ("DOE") refund of $1,187,026.

Schedule Page: 320 Line No.: 25 Column: c

Includes a DOE refund of $1,567,606.

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	OS	MBR	N/A	N/A	N/A
2	Arizona Electric Power Cooperative	SF	MBR	N/A	N/A	N/A
3	Arizona Public Service Company	SF	MBR	N/A	N/A	N/A
4	Avangrid Renewables, LLC	SF	MBR	N/A	N/A	N/A
5	Basin Electric Power Cooperative	SF	MBR	N/A	N/A	N/A
6	BP Energy Company	SF	MBR	N/A	N/A	N/A
7	Brookfield Energy Marketing LP	OS	MBR	N/A	N/A	N/A
8	Brookfield Energy Marketing LP	SF	MBR	N/A	N/A	N/A
9	Citigroup Energy Inc.	SF	MBR	N/A	N/A	N/A
10	EDF Trading North America, LLC	SF	MBR	N/A	N/A	N/A
11	Exelon Generation Company, LLC	SF	MBR	N/A	N/A	N/A
12	Four Peaks Energy Inc.	LU	MBR	N/A	N/A	N/A
13	Freeport-McMoRan Copper & Gold Energy	LU	MBR	N/A	N/A	N/A
14	Guzman Energy Partners LLC	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 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.
800				180,368		180,368	1
5,372				352,135		352,135	2
4,920				90,820		90,820	3
50				1,236		1,236	4
343				10,421		10,421	5
53,760				1,473,478		1,473,478	6
262				2,630		2,630	7
11,790				320,358		320,358	8
3,497				144,314		144,314	9
275				3,675		3,675	10
4				700		700	11
3,499				142,567	56,194	198,761	12
947,367							13
12,739				311,097		311,097	14
2,254,532	67,251	19,107		57,776,665	1,969,970	59,746,635	

Name of Respondent	This Report Is:	Date of Report	Year/Period of Report
El Paso Electric Company	(1) [X] An Original (2) [ ] A Resubmission	(Mo, Da, Yr) / /	End of 2018/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	Hatch Solar Energy Center 1 LLC	LU	MBR	N/A	N/A	N/A
2	Imperial Irrigation District	SF	MBR	N/A	N/A	N/A
3	Los Angeles Dept of Water and Power	SF	MBR	N/A	N/A	N/A
4	Macho Springs Solar, LLC	LU	MBR	N/A	N/A	N/A
5	Macquarie Energy LLC	SF	MBR	N/A	N/A	N/A
6	Morgan Stanley Capital Group, Inc.	SF	MBR	N/A	N/A	N/A
7	Newman Solar LLC	LU	MBR	N/A	N/A	N/A
8	NRG Solar Roadrunner LLC	LU	MBR	N/A	N/A	N/A
9	PacifiCorp	SF	MBR	N/A	N/A	N/A
10	Powerex Corp.	SF	MBR	N/A	N/A	N/A
11	Public Service Company of Colorado	SF	MBR	N/A	N/A	N/A
12	Public Service Company of New Mexico	OS	MBR	N/A	N/A	N/A
13	Public Service Company of New Mexico	SF	MBR	N/A	N/A	N/A
14	Public Service Company of New Mexico	AD	MBR	N/A	N/A	N/A
	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 2018/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.
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	POWER EXCHANGES		COST/SETTLEMENT OF POWER				Line No.
(g)	MegaWatt Hours Received (h)	MegaWatt Hours Delivered (i)	Demand Charges ($) (j)	Energy Charges ($) (k)	Other Charges ($) (l)	Total (j+k+l) of Settlement ($) (m)	
11,017				1,311,037		1,311,037	1
197				3,055		3,055	2
189				48,015		48,015	3
138,863				8,040,146		8,040,146	4
4,254				99,409		99,409	5
4,449				132,185		132,185	6
26,326				1,447,925		1,447,925	7
49,399				6,207,212		6,207,212	8
5,777				408,966		408,966	9
1,076				71,401		71,401	10
717				12,355		12,355	11
13,738				847,214		847,214	12
2,380				69,715		69,715	13
				-113,826		-113,826	14
2,254,532	67,251	19,107		57,776,665	1,969,970	59,746,635	

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 2018/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)	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	SF	MBR	N/A	N/A	N/A
6	Southwest Environmental Center	LU	MBR	N/A	N/A	N/A
7	SunE EPE 1 LLC	LU	MBR	N/A	N/A	N/A
8	SunE EPE 2 LLC	LU	MBR	N/A	N/A	N/A
9	Tenaska Power Services Co	OS	MBR	N/A	N/A	N/A
10	Tenaska Power Services Co	SF	MBR	N/A	N/A	N/A
11	TransAlta Energy Marketing (U.S.) Inc.	SF	MBR	N/A	N/A	N/A
12	Tri State G & T Association, Inc.	OS	MBR	N/A	N/A	N/A
13	Tri State G & T Association, Inc.	SF	MBR	N/A	N/A	N/A
14	Tucson Electric Power Company	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)	
29,857				974,096		974,096	1
37,336				1,024,264		1,024,264	2
2,073				167,760		167,760	3
10,487				1,029,324		1,029,324	4
1,000				15,202		15,202	5
8				1,101		1,101	6
23,246				2,418,794		2,418,794	7
26,709				2,801,458		2,801,458	8
564				19,855		19,855	9
708,902				23,583,134		23,583,134	10
9,112				516,481		516,481	11
385				41,450		41,450	12
9,412				642,930		642,930	13
7,695				353,899		353,899	14
2,254,532	67,251	19,107		57,776,665	1,969,970	59,746,635	

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 2018/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)	Average Monthly CP Demand (f)
1	UNS Electric Inc.	SF	MBR	N/A	N/A	N/A
2	Westar Energy, Inc.	OS	MBR	N/A	N/A	N/A
3	Westar Energy, Inc.	SF	MBR	N/A	N/A	N/A
4	Arizona Electric Power Cooperative	SF	SRSG	N/A	N/A	N/A
5	Arizona Public Service Company	SF	SRSG	N/A	N/A	N/A
6	Farmington	SF	SRSG	N/A	N/A	N/A
7	Public Service Company of New Mexico	SF	SRSG	N/A	N/A	N/A
8	Salt River Project	SF	SRSG	N/A	N/A	N/A
9	Tucson Electric Power Company	SF	SRSG	N/A	N/A	N/A
10	TRI-STATE	SF	SRSG	N/A	N/A	N/A
11	Coral (Shell)	OS	OATT	N/A	N/A	N/A
12	Public Service Company of New Mexico	OS	OATT	N/A	N/A	N/A
13	Salt River Project	OS	OATT	N/A	N/A	N/A
14	Tri State G&T Association, Inc.	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 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.
375				18,875		18,875	1
15,102				476,104		476,104	2
61,350				2,039,454		2,039,454	3
107				2,965		2,965	4
87				2,208		2,208	5
13				624		624	6
97				3,778		3,778	7
110				4,771		4,771	8
455				19,287		19,287	9
11				243		243	10
	557						11
	25,205						12
		9,845					13
	14,934						14
2,254,532	67,251	19,107		57,776,665	1,969,970	59,746,635	

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	Tucson Electric Power Company	OS	OATT	N/A	N/A	N/A
2	Western Area Power Administration	OS	OATT	N/A	N/A	N/A
3	Inadvertent			N/A	N/A	N/A
4	NM Net Mtr PP	OS	16	N/A	N/A	N/A
5	NM Net Mtr RECs	OS	33	N/A	N/A	N/A
6	TX Non Firm PP	OS	48	N/A	N/A	N/A
7						
8						
9						
10						
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)	
	26,117						1
	292						2
	146	9,262					3
3,652					118,489	118,489	4
					1,740,264	1,740,264	5
3,327					55,023	55,023	6
							7
							8
							9
							10
							11
							12
							13
							14
2,254,532	67,251	19,107		57,776,665	1,969,970	59,746,635	

Schedule Page: 326 Line No.: 1 Column: b

Contingent purchases.

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 Purchase Power Agreement.

Schedule Page: 326 Line No.: 7 Column: b

Contingent purchases.

Schedule Page: 326 Line No.: 12 Column: b

Interconnection Agreement and Contract for Power Service between El Paso Electric Company and Four Peaks Energy Inc. Contract is an evergreen contract.

Schedule Page: 326 Line No.: 12 Column: l

Payment of charges related to NMPRC final order in Case No. 09-00259-UT.

Schedule Page: 326 Line No.: 13 Column: g

The 947,367 MWhs relate to purchases from Freeport-McMoran Copper & Gold Energy Services LLC ("Freeport") related to El Paso Electric Company's Power Purchase and Sale Agreement with Freeport dated December 16, 2005.

Schedule Page: 326.1 Line No.: 1 Column: b

Renewable Purchase Power Agreement between Hatch Solar Energy Center 1 LLC and El Paso Electric 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.: 4 Column: b

Renewable Purchase Power Agreement between Macho Springs Solar, LLC and El Paso Electric Company effective October 25, 2012, and continues for twenty years following the date of commercial operation in 2014.

Schedule Page: 326.1 Line No.: 7 Column: b

Renewable Purchase Power Agreement between PSEG El Paso Solar Energy Center and El Paso Electric Company effective September 5, 2013, and continues for thirty years following the date of commercial operation in 2014.

Schedule Page: 326.1 Line No.: 8 Column: b

Renewable Purchase Power Agreement between NRG Solar Roadrunner LLC and El Paso Electric Company dated June 4, 2010, and continues for twenty years following the date of commercial operation in 2011.

Schedule Page: 326.1 Line No.: 12 Column: b

Contingent purchases.

Schedule Page: 326.1 Line No.: 14 Column: b

Prior year adjustment from Public Service Company of New Mexico for a July 2016 - December 2017 refund related to erroneous pricing with Public Service Company of New Mexico's cost-based contracts.

Schedule Page: 326.2 Line No.: 1 Column: b

Contingent purchases.

Schedule Page: 326.2 Line No.: 3 Column: b

Contingent purchases.

Schedule Page: 326.2 Line No.: 6 Column: b

Renewable Purchase Power Agreement between Southwest Environmental Center and El Paso Electric Company. Contract has a minimum twenty year term beginning in 2008.

Schedule Page: 326.2 Line No.: 7 Column: b

Renewable Purchase Power Agreement between SunE1 EPE, LCC and El Paso Electric 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.: 8 Column: b

Renewable Purchase Power Agreement between SunE2 EPE, LLC and El Paso Electric 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.: 9 Column: b

Contingent purchases.

Schedule Page: 326.2 Line No.: 12 Column: b

Contingent purchases.

Schedule Page: 326.3 Line No.: 2 Column: b

Contingent purchases.

Schedule Page: 326.3 Line No.: 4 Column: c

SRSG = Southwest Reserve Sharing Group Participation Agreement.

Schedule Page: 326.3 Line No.: 11 Column: c

OATT = Open Access Transmission Tariff.

Schedule Page: 326.4 Line No.: 4 Column: c

New Mexico Rate No. 16.

Schedule Page: 326.4 Line No.: 4 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.: 5 Column: c

New Mexico Rate No. 33.

Schedule Page: 326.4 Line No.: 5 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.: 6 Column: c

Texas Rate No. 48.

Schedule Page: 326.4 Line No.: 6 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 2018/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	El Paso Electric Marketing	Tucson Electric Power Company	SFP
2	El Paso Electric Marketing	Public Service Company of New Mex	El Paso Electric Marketing	NF
3	El Paso Electric Marketing	Tucson Electric Power Company	Public Service Company of New Mex	NF
4	El Paso Electric Marketing	Tucson Electric Power Company	Tucson Electric Power Company	SFP
5	El Paso Electric Marketing	Salt River Project	Arizona Public Service Company	NF
6	El Paso Electric Marketing	Tucson Electric Power Company	El Paso Electric Marketing	NF
7	El Paso Electric Marketing	Public Service Company of New Mex	El Paso Electric Marketing	NF
8	Rio Grande Electric Co-Op	El Paso Electric Marketing	El Paso Electric Marketing	FNO
9	Arizona Electric Power Cooperative	Salt River Project	Arizona Public Service Company	LFP
10	Arizona Electric Power Cooperative	Salt River Project	Arizona Public Service Company	NF
11	Arizona Electric Power Cooperative	Salt River Project	Arizona Public Service Company	SFP
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	SFP
14	Brookfield Energy Marketing LP	Salt River Project	Arizona Public Service Company	NF
15	Coral Power	Southwestern Public Service Compa	Tucson Electric Power Company	NF
16	Coral Power	Salt River Project	Arizona Public Service Company	LFP
17	Coral Power	Salt River Project	Arizona Public Service Company	SFP
18	Coral Power	Tucson Electric Power Company	Southwestern Public Service Compa	NF
19	Eagle Energy Partners	Salt River Project	Salt River Project	NF
20	Eagle Energy Partners	Salt River Project	Salt River Project	SFP
21	Exelon Generation LLC	Salt River Project	Arizona Public Service Company	NF
22	Exelon Generation LLC	Arizona Public Service Company	Salt River Project	NF
23	Exelon Generation LLC	Arizona Public Service Company	Salt River Project	SFP
24	Imperial Irrigation District	Salt River Project	Arizona Public Service Company	NF
25	Imperial Irrigation District	Salt River Project	Arizona Public Service Company	SFP
26	Imperial Irrigation District	Arizona Public Service Company	Salt River Project	SFP
27	Macquarie Cook Power	Public Service Company of New Mex	Tucson Electric Power Company	NF
28	Macquarie Cook Power	Public Service Company of New Mex	Tucson Electric Power Company	SFP
29	Macquarie Cook Power	Southwestern Public Service Compa	Tucson Electric Power Company	NF
30	Macquarie Cook Power	Salt River Project	Arizona Public Service Company	NF
31	Macquarie Cook Power	Salt River Project	Arizona Public Service Company	SFP
32	Macquarie Cook Power	Arizona Public Service Company	Salt River Project	NF
33	Macquarie Cook Power	Arizona Public Service Company	Salt River Project	SFP
34	MAG Energy Solutions	Public Service Company of New Mex	Tucson Electric Power Company	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	EPE System	Springerville		5,895	5,895	1
OATT	Luna	EPE System		149	149	2
OATT	Macho Springs	Luna		149	149	3
OATT	Macho Springs	Springerville		6,575	6,575	4
OATT	Palo Verde	Westwing		2,382	2,382	5
OATT	Springerville	EPE System				6
OATT	Westmesa	EPE System		67	67	7
OATT	EPE System	Coyote/Farmer	9	58,991	58,991	8
OATT	Palo Verde	Westwing	125	276,488	276,488	9
OATT	Palo Verde	Westwing		6,683	6,683	10
OATT	Palo Verde	Westwing		2,405	2,405	11
OATT	Springerville	Greenlee		487	487	12
OATT	Westwing	Palo Verde		7,197	7,197	13
OATT	Palo Verde	Westwing		8,326	8,326	14
OATT	Eddy	Springerville		167	167	15
OATT	Palo Verde	Westwing	125	108,853	108,853	16
OATT	Palo Verde	Westwing		390	390	17
OATT	Springerville	Eddy				18
OATT	Jojoba	Palo Verde		15	15	19
OATT	Jojoba	Palo Verde		15	15	20
OATT	Palo Verde	Westwing		1,110	1,110	21
OATT	Westwing	Palo Verde		1,004	1,004	22
OATT	Westwing	Palo Verde		2,525	2,525	23
OATT	Palo Verde	Westwing		7,270	7,270	24
OATT	Palo Verde	Westwing		16,283	16,283	25
OATT	Westwing	Palo Verde		2,297	2,297	26
OATT	Amrad	Springerville		2,033	2,033	27
OATT	Amrad	Springerville		1,412	1,412	28
OATT	Eddy	Springerville		397	397	29
OATT	Palo Verde	Westwing		13,446	13,446	30
OATT	Palo Verde	Westwing		13,836	13,836	31
OATT	Westwing	Palo Verde		25	25	32
OATT	Westwing	Palo Verde		17,870	17,870	33
OATT	Amrad	Springerville		1,032	1,032	34
			951	**4,421,473**	**4,421,473**	

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
187,426			187,426	8
608,434			608,434	9
	5,806		5,806	10
	1,279		1,279	11
	2,303		2,303	12
	6,064		6,064	13
	6,193		6,193	14
	627		627	15
612,876			612,876	16
				17
	62		62	18
	68		68	19
	79		79	20
	1,412		1,412	21
	1,148		1,148	22
	2,937		2,937	23
	7,265		7,265	24
	16,613		16,613	25
	1,961		1,961	26
	13,273		13,273	27
	32,860		32,860	28
	4,862		4,862	29
	10,539		10,539	30
	11,790		11,790	31
	23		23	32
	16,134		16,134	33
	7,002		7,002	34
14,088,537	**4,937,288**	**0**	**19,025,825**	

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 2018/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	MAG Energy Solutions	Southwestern Public Service Compa	Tucson Electric Power Company	NF
2	Morgan Stanley	Salt River Project	Arizona Public Service Company	NF
3	Morgan Stanley	Salt River Project	Arizona Public Service Company	SFP
4	Morgan Stanley	Arizona Public Service Company	Salt River Project	NF
5	Morgan Stanley	Arizona Public Service Company	Salt River Project	SFP
6	Open Access Technology International, Inc.	Public Service Company of New Mex	Tucson Electric Power Company	AD
7	Open Access Technology International, Inc.	Public Service Company of New Mex	Tucson Electric Power Company	NF
8	Open Access Technology International, Inc.	Southwestern Public Service Compa	Tucson Electric Power Company	NF
9	Open Access Technology International, Inc.	Salt River Project	Arizona Public Service Company	NF
10	PacificCorp Power Marketing	Arizona Public Service Company	Salt River Project	SFP
11	Powerex	Public Service Company of New Mex	Tucson Electric Power Company	NF
12	Powerex	Salt River Project	Arizona Public Service Company	NF
13	Powerex	Salt River Project	Arizona Public Service Company	SFP
14	Powerex	Arizona Public Service Company	Salt River Project	NF
15	Powerex	Arizona Public Service Company	Salt River Project	SFP
16	Public Service Company of New Mexico	Public Service Company of New Mex	Public Service Company of New Mex	NF
17	Public Service Company of New Mexico	Public Service Company of New Mex	Public Service Company of New Mex	SFP
18	Public Service Company of New Mexico	Public Service Company of New Mex	Public Service Company of New Mex	NF
19	Public Service Company of New Mexico	Public Service Company of New Mex	Public Service Company of New Mex	SFP
20	Public Service Company of New Mexico	Public Service Company of New Mex	Tucson Electric Power Company	LFP
21	Public Service Company of New Mexico	Public Service Company of New Mex	Tucson Electric Power Company	NF
22	Public Service Company of New Mexico	Public Service Company of New Mex	Tucson Electric Power Company	SFP
23	Public Service Company of New Mexico	Public Service Company of New Mex	Public Service Company of New Mex	LFP
24	Public Service Company of New Mexico	Public Service Company of New Mex	Public Service Company of New Mex	NF
25	Public Service Company of New Mexico	Public Service Company of New Mex	Public Service Company of New Mex	SFP
26	Public Service Company of New Mexico	Tucson Electric Power Company	Public Service Company of New Mex	NF
27	Public Service Company of New Mexico	Tucson Electric Power Company	Public Service Company of New Mex	SFP
28	Public Service Company of New Mexico	Public Service Company of New Mex	Public Service Company of New Mex	NF
29	Public Service Company of New Mexico	Public Service Company of New Mex	Public Service Company of New Mex	SFP
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	SFP
32	Public Service Company of New Mexico	Public Service Company of New Mex	Public Service Company of New Mex	SFP
33	Public Service Company of New Mexico	Public Service Company of New Mex	Tucson Electric Power Company	LFP
34	Public Service Company of New Mexico	Public Service Company of New Mex	Tucson Electric Power Company	SFP
	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 2018/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	Eddy	Springerville		418	418	1
OATT	Palo Verde	Westwing		50,861	50,861	2
OATT	Palo Verde	Westwing		14,167	14,167	3
OATT	Westwing	Palo Verde		401	401	4
OATT	Westwing	Palo Verde		2,205	2,205	5
OATT	Amrad	Greenlee				6
OATT	Amrad	Springerville		244	244	7
OATT	Eddy	Springerville		563	563	8
OATT	Palo Verde	Westwing		400	400	9
OATT	Westwing	Palo Verde		17,519	17,519	10
OATT	Amrad	Springerville		14	14	11
OATT	Palo Verde	Westwing		42,655	42,655	12
OATT	Palo Verde	Westwing		20,710	20,710	13
OATT	Westwing	Palo Verde		20	20	14
OATT	Westwing	Palo Verde		1,237	1,237	15
OATT	Afton	Amrad		10	10	16
OATT	Afton	Amrad		110,544	110,544	17
OATT	Afton	Luna		5,123	5,123	18
OATT	Afton	Luna		76,884	76,884	19
OATT	Afton	Springerville	94	248,701	248,701	20
OATT	Afton	Springerville		6	6	21
OATT	Afton	Springerville		39,675	39,675	22
OATT	Afton	Westmesa	141	294,255	294,255	23
OATT	Afton	Westmesa		346	346	24
OATT	Afton	Westmesa		75,121	75,121	25
OATT	Greenlee	Luna		54	54	26
OATT	Greenlee	Luna		1,451	1,451	27
OATT	Las Cruces	Amrad		1	1	28
OATT	Las Cruces	Amrad		23	23	29
OATT	Luna	Afton		22	22	30
OATT	Luna	Afton				31
OATT	Luna	Amrad		279	279	32
OATT	Luna	Springerville	60	200,293	200,293	33
OATT	Luna	Springerville		13,592	13,592	34
			951	**4,421,473**	**4,421,473**	

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 2018/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.
	47,073		47,073	1
	42,014		42,014	2
	12,562		12,562	3
	254		254	4
	2,094		2,094	5
	661		661	6
	2,151		2,151	7
	1,696		1,696	8
	294		294	9
	18,503		18,503	10
	92		92	11
	38,254		38,254	12
	17,649		17,649	13
	19		19	14
	1,025		1,025	15
	57		57	16
	496,197		496,197	17
	25,443		25,443	18
	382,112		382,112	19
2,726,829			2,726,829	20
	34		34	21
	187,791		187,791	22
2,130,449			2,130,449	23
	2,192		2,192	24
	324,824		324,824	25
	1,278		1,278	26
	23,917		23,917	27
	5		5	28
	153		153	29
	2,944		2,944	30
	34		34	31
	4,605		4,605	32
1,741,131			1,741,131	33
	469,015		469,015	34
14,088,537	**4,937,288**	**0**	**19,025,825**	

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 2018/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	SFP
2	Public Service Company of New Mexico	Salt River Project	Arizona Public Service Company	NF
3	Public Service Company of New Mexico	Tucson Electric Power Company	Public Service Company of New Mex	SFP
4	Public Service Company of New Mexico	Tucson Electric Power Company	El Paso Electric Marketing	NF
5	Public Service Company of New Mexico	Tucson Electric Power Company	Public Service Company of New Mex	NF
6	Public Service Company of New Mexico	Public Service Company of New Mex	Public Service Company of New Mex	LFP
7	Public Service Company of New Mexico	Public Service Company of New Mex	Public Service Company of New Mex	NF
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	Public Service Company of New Mex	El Paso Electric Marketing	NF
10	Public Service Company of New Mexico	Public Service Company of New Mex	Public Service Company of New Mex	NF
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	Arizona Public Service Company	Salt River Project	SFP
13	Rainbow Energy Marketing	Southwestern Public Service Compa	Tucson Electric Power Company	NF
14	SRP Power Marketing	Salt River Project	Salt River Project	NF
15	Tenaska Power Services Company	Salt River Project	Arizona Public Service Company	NF
16	Tenaska Power Services Company	Salt River Project	Arizona Public Service Company	SFP
17	Tenaska Power Services Company	Salt River Project	Arizona Public Service Company	SFP
18	Transalta	Salt River Project	Salt River Project	NF
19	Transalta	Salt River Project	Arizona Public Service Company	NF
20	Transalta	Salt River Project	Arizona Public Service Company	SFP
21	Transalta	Arizona Public Service Company	Salt River Project	SFP
22	Tristate Generating and Transmission Coop	Tucson Electric Power Company	Public Service Company of New Mex	NF
23	Tristate Generating and Transmission Coop	Tucson Electric Power Company	Public Service Company of New Mex	LFP
24	Tristate Generating and Transmission Coop	Tucson Electric Power Company	Public Service Company of New Mex	SFP
25	Tristate Generating and Transmission Coop	Public Service Company of New Mex	Public Service Company of New Mex	NF
26	Tristate Generating and Transmission Coop	Public Service Company of New Mex	Public Service Company of New Mex	NF
27	Tristate Power Marketing	Public Service Company of New Mex	Public Service Company of New Mex	NF
28	Tristate Power Marketing	Public Service Company of New Mex	Tucson Electric Power Company	SFP
29	Tristate Power Marketing	Tucson Electric Power Company	Public Service Company of New Mex	SFP
30	Tristate Power Marketing	Tucson Electric Power Company	Public Service Company of New Mex	SFP
31	Tristate Power Marketing	Public Service Company of New Mex	Public Service Company of New Mex	NF
32	Tristate Power Marketing	Public Service Company of New Mex	Public Service Company of New Mex	SFP
33	Tristate Power Marketing	Public Service Company of New Mex	Public Service Company of New Mex	NF
34	Tucson Electric Power Company	Salt River Project	Salt River Project	LFP
	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 2018/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	60	23,770	23,770	1
OATT	Palo Verde	Westwing		85	85	2
OATT	Springerville	Amrad		3,890	3,890	3
OATT	Springerville	EPE System				4
OATT	Springerville	Luna		19,202	19,202	5
OATT	Westmesa	Amrad	25	99,274	99,274	6
OATT	Westmesa	Amrad		8,830	8,830	7
OATT	Westmesa	Amrad		20,635	20,635	8
OATT	Westmesa	EPE System		6	6	9
OATT	Westmesa	Las Cruces		3	3	10
OATT	Westmesa	Las Cruces		87	87	11
OATT	Westwing	Palo Verde		50	50	12
OATT	Eddy	Springerville		125	125	13
OATT	Jojoba	Kyrene		214	214	14
OATT	Palo Verde	Westwing		276	276	15
OATT	Palo Verde	Westwing	50	110,352	110,352	16
OATT	Palo Verde	Westwing		314	314	17
OATT	Jojoba	Palo Verde		100	100	18
OATT	Palo Verde	Westwing		2,969	2,969	19
OATT	Palo Verde	Westwing		586	586	20
OATT	Westwing	Palo Verde		245	245	21
OATT	Springerville	Las Cruces		10	10	22
80	Springerville	Las Cruces/Orogrande	50	382,335	382,335	23
OATT	Springerville	Las Cruces/Orogrande		16,172	16,172	24
OATT	Westmesa	Las Cruces		16	16	25
OATT	Westmesa	Las Cruces/Orogrande		21,277	21,277	26
OATT	Hidalgo	Luna		13	13	27
OATT	Luna	Springerville		13	13	28
OATT	Springerville	Las Cruces		427	427	29
OATT	Springerville	Las Cruces		2,277	2,277	30
OATT	Westmesa	Amrad		750	750	31
OATT	Westmesa	Las Cruces		2,043	2,043	32
OATT	Westmesa	Las Cruces/Orogrande		81	81	33
OATT	Jojoba	Kyrene	142	577,481	577,481	34
			951	**4,421,473**	**4,421,473**	

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 2018/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.
1,309,095			1,309,095	1
	77		77	2
	20,295		20,295	3
	20		20	4
	147,256		147,256	5
487,575			487,575	6
	39,824		39,824	7
	96,682		96,682	8
	27		27	9
	17		17	10
	1,070		1,070	11
	28		28	12
	802		802	13
	475		475	14
	272		272	15
61,500			61,500	16
	6,097		6,097	17
	219		219	18
	2,561		2,561	19
	446		446	20
	166		166	21
				22
1,386,000			1,386,000	23
				24
	86		86	25
				26
	279		279	27
	280		280	28
	1,772		1,772	29
				30
	3,251		3,251	31
	9,534		9,534	32
	316		316	33
1,574,126			1,574,126	34
14,088,537	**4,937,288**	**0**	**19,025,825**	

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 2018/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 Classification (d)
1	Tucson Electric Power Company	Salt River Project	Salt River Project	NF
2	Tucson Electric Power Company	Salt River Project	Salt River Project	SFP
3	Tucson Electric Power Company	Salt River Project	Salt River Project	SFP
4	Tucson Electric Power Company	Salt River Project	Salt River Project	NF
5	Tucson Electric Power Company	Salt River Project	Salt River Project	SFP
6	Tucson Electric Power Company	Salt River Project	Arizona Public Service Company	NF
7	Tucson Electric Power Company	Salt River Project	Arizona Public Service Company	SFP
8	Tucson Electric Power Company	Public Service Company of New Mex	Tucson Electric Power Company	LFP
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	SFP
14	Tucson Electric Power Company	Public Service Company of New Mex	Public Service Company of New Mex	NF
15	Tucson Electric Power Company	Public Service Company of New Mex	Tucson Electric Power Company	LFP
16	Tucson Electric Power Company	Public Service Company of New Mex	Tucson Electric Power Company	NF
17	Tucson Electric Power Company	Public Service Company of New Mex	Tucson Electric Power Company	SFP
18	Tucson Electric Power Company	Tucson Electric Power Company	Tucson Electric Power Company	NF
19	Tucson Electric Power Company	Tucson Electric Power Company	Public Service Company of New Mex	NF
20	Tucson Electric Power Company	Tucson Electric Power Company	Tucson Electric Power Company	NF
21	Tucson Electric Power Company	Tucson Electric Power Company	Tucson Electric Power Company	SFP
22	Tucson Electric Power Company	Tucson Electric Power Company	Tucson Electric Power Company	SFP
23	Tucson Electric Power Company	Salt River Project	Salt River Project	NF
24	Tucson Electric Power Company	Salt River Project	Arizona Public Service Company	NF
25	Tucson Electric Power Company	Salt River Project	Arizona Public Service Company	SFP
26	Tucson Electric Power Company	Tucson Electric Power Company	Public Service Company of New Mex	NF
27	Tucson Electric Power Company	Tucson Electric Power Company	Public Service Company of New Mex	NF
28	Tucson Electric Power Company	Arizona Public Service Company	Salt River Project	SFP
29	UniSource Energy Services	Salt River Project	Salt River Project	NF
30	UniSource Energy Services	Salt River Project	Arizona Public Service Company	NF
31	UniSource Energy Services	Salt River Project	Arizona Public Service Company	SFP
32	UniSource Energy Services	Salt River Project	Arizona Public Service Company	NF
33	Westar Energy, Inc.	Public Service Company of New Mex	Tucson Electric Power Company	SFP
34	Western Area Power Admin	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 2018/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	Kyrene		53,476	53,476	1
OATT	Jojoba	Kyrene				2
OATT	Jojoba	Kyrene		2,487	2,487	3
OATT	Jojoba	Palo Verde		30,846	30,846	4
OATT	Jojoba	Palo Verde		598,055	598,055	5
OATT	Jojoba	Westwing		47,403	47,403	6
OATT	Jojoba	Westwing		1,803	1,803	7
OATT	Luna	Greenlee	30	170,872	170,872	8
OATT	Luna	Greenlee		19,568	19,568	9
OATT	Luna	Greenlee	3	504	504	10
OATT	Luna	Greenlee	5	425	425	11
OATT	Luna	Greenlee	10	1,440	1,440	12
OATT	Luna	Greenlee		7,241	7,241	13
OATT	Luna	Hidalgo		1,787	1,787	14
OATT	Luna	Springerville	10			15
OATT	Luna	Springerville		1,844	1,844	16
OATT	Luna	Springerville		49,499	49,499	17
OATT	Macho Springs	Greenlee		93	93	18
OATT	Macho Springs	Luna		144	144	19
OATT	Macho Springs	Springerville		341	341	20
OATT	Macho Springs	Springerville		1,842	1,842	21
OATT	Macho Springs	Springerville	10	40,980	40,980	22
OATT	Palo Verde	Jojoba		100	100	23
OATT	Palo Verde	Westwing		53,668	53,668	24
OATT	Palo Verde	Westwing		1,214	1,214	25
OATT	Springerville	Hidalgo		10,002	10,002	26
OATT	Springerville	Luna		12,616	12,616	27
OATT	Westwing	Palo Verde				28
OATT	Jojoba	Palo Verde		291	291	29
OATT	Jojoba	Westwing		1,706	1,706	30
OATT	Jojoba	Westwing		405	405	31
OATT	Palo Verde	Westwing		224,218	224,218	32
OATT	Amrad	Springerville		35	35	33
OATT	Springerville	Holloman		396	396	34
			951	**4,421,473**	**4,421,473**	

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 2018/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.
	128,040		128,040	1
	218		218	2
				3
	69,205		69,205	4
	1,092,759		1,092,759	5
	148,572		148,572	6
	4,863		4,863	7
871,216			871,216	8
	256,667		256,667	9
7,272			7,272	10
12,120			12,120	11
24,240			24,240	12
				13
	10,663		10,663	14
				15
	12,619		12,619	16
	276,146		276,146	17
	542		542	18
	770		770	19
	1,863		1,863	20
	541		541	21
290,064			290,064	22
	442		442	23
	41,599		41,599	24
	2,374		2,374	25
	50,810		50,810	26
	57,146		57,146	27
	1,055		1,055	28
	384		384	29
	6,761		6,761	30
	1,192		1,192	31
	183,550		183,550	32
	225		225	33
				34
14,088,537	**4,937,288**	**0**	**19,025,825**	

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 2018/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	Western Area Power Admin	Public Service Company of New Mex	Public Service Company of New Mex	LFP
2	Western Area Power Admin	Public Service Company of New Mex	Public Service Company of New Mex	SFP
3	Western Area Power Admin - DSW	Salt River Project	Arizona Public Service Company	NF
4	Western Area Power Admin - DSW	Salt River Project	Arizona Public Service Company	SFP
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				
15				
16				
17				
18				
19				
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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 2018/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	Westmesa	Holloman	2	7,130	7,130	1
OATT	Westmesa	Holloman		303	303	2
OATT	Palo Verde	Westwing		698	698	3
OATT	Palo Verde	Westwing		565	565	4
						5
						6
						7
						8
						9
						10
						11
						12
						13
						14
						15
						16
						17
						18
						19
						20
						21
						22
						23
						24
						25
						26
						27
						28
						29
						30
						31
						32
						33
						34
			951	**4,421,473**	**4,421,473**	

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 2018/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.
58,184			58,184	1
				2
	652		652	3
	536		536	4
				5
				6
				7
				8
				9
				10
				11
				12
				13
				14
				15
				16
				17
				18
				19
				20
				21
				22
				23
				24
				25
				26
				27
				28
				29
				30
				31
				32
				33
				34
14,088,537	**4,937,288**	**0**	**19,025,825**	

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: 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.: 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.: 5 Column: a

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.: 8 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.: 9 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.: 16 Column: d

Firm transmission contracts of 25 and 100 MW, expiration January 1, 2021.

Schedule Page: 328 Line No.: 17 Column: i

Losses associated with the energy wheeled on transmission purchases that are paid back in kind.

Schedule Page: 328.1 Line No.: 6 Column: d

Adjustment related to November 2017 WestConnect Non-Firm Point-to-Point Tariff activity.

Schedule Page: 328.1 Line No.: 20 Column: d

Firm transmission contract, expires August 1, 2024. Service was partially redirected to daily and hourly services.

Schedule Page: 328.1 Line No.: 23 Column: d

Firm transmission contracts of 111 and 30 MW, expires January 1, 2024. Includes 111 MW generation dependent firm transmission service per executed service agreement. Service was partially redirected to monthly, daily and hourly services.

Schedule Page: 328.1 Line No.: 27 Column: i

Losses billed to Public Service Company of New Mexico under the FERC approved Operating Procedure 10.

Schedule Page: 328.1 Line No.: 33 Column: d

Firm transmission contract, expires January 1, 2020. Service was partially redirected to daily services.

Schedule Page: 328.2 Line No.: 6 Column: d

Firm transmission contract, expires July 1, 2023. Service was partially redirected to daily and hourly services.

Schedule Page: 328.2 Line No.: 22 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.: 23 Column: d

Firm transmission contract, expires January 1, 2026.

Schedule Page: 328.2 Line No.: 24 Column: i

Losses associated with the energy wheeled on transmission purchases that are paid back in kind.

Schedule Page: 328.2 Line No.: 26 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.: 30 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.: 34 Column: d

Firm transmission contract, expires January 1, 2020. Service was partially redirected to hourly services.

Schedule Page: 328.3 Line No.: 3 Column: i

Losses associated with the energy wheeled on transmission purchases that are paid back in kind.

Schedule Page: 328.3 Line No.: 8 Column: d

Firm transmission contract, expires November 1, 2029. Service was partially redirected to hourly services.

Schedule Page: 328.3 Line No.: 13 Column: i

Losses associated with the energy wheeled on transmission purchases that are paid back in kind.

Schedule Page: 328.3 Line No.: 15 Column: d

Firm transmission contract, expires November 1, 2029. Service was redirected to monthly services.

Schedule Page: 328.3 Line No.: 34 Column: i

No Cost redirect transmission due to line outage.

Schedule Page: 328.4 Line No.: 1 Column: d

Firm transmission contract, expires October 1, 2024.

Schedule Page: 328.4 Line No.: 2 Column: i

Losses associated with the energy wheeled on transmission purchases that are paid back in kind.

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 2018/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)	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	NF	2,346	2,346		26,066		26,066
2	Open Access Technology	NF	300	300		3,570		3,570
3	Public Serv. Co. of NM	LFP	725,696	725,696	3,991,308			3,991,308
4	Public Serv. Co. of NM	LFP	9,452	9,452	832,501			832,501
5	Public Serv. Co. of NM	SFP	66,258	66,258		69,911		69,911
6	Public Serv. Co. of NM	NF	8,957	8,957		87,343		87,343
7	Public Serv. Co. of NM	AD				92,313		92,313
8	Salt River Project	OLF	149,013	149,013	1,777,500			1,777,500
9	Salt River Project	NF	251	251		1,424		1,424
10	Salt River Project	SFP	26,025	26,025		141,779		141,779
11	Tucson Electric Power	OLF	270,617	270,617				
12	Tucson Electric Power	SFP	7,018	7,018		41,715		41,715
13	Tucson Electric Power	NF	3,491	3,491		29,017		29,017
14								
15								
16								
	TOTAL		1,269,424	1,269,424	6,601,309	493,138		7,094,447

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: c
Amounts shown based on transmission reservations.
Schedule Page: 332 Line No.: 2 Column: d
Amounts shown based on transmission reservations.
Schedule Page: 332 Line No.: 2 Column: f
Amounts shown include short term transmission reservations, related ancillary and losses.
Schedule Page: 332 Line No.: 3 Column: b
Contract expires July 1, 2020.
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 set to expire 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 and transmission reservations.
Schedule Page: 332 Line No.: 5 Column: d
Amounts shown based on actual energy flows and transmission reservations.
Schedule Page: 332 Line No.: 5 Column: f
Amounts shown include short term transmission reservations, related ancillary and losses.
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 for Long-Term Firm Point-to-Point Transmission related to Public Service Company of New Mexico Annual Transmission Revenue Requirement recalculation for June 2017 - December 2017.
Schedule Page: 332 Line No.: 7 Column: f
Prior year adjustment for Long-Term Firm Point-to-Point Transmission related to Public Service Company of New Mexico Annual Transmission Revenue Requirement recalculation for June 2017 - December 2017.
Schedule Page: 332 Line No.: 8 Column: b
Contract expires concurrent with the ANPP Participation Agreement.
Schedule Page: 332 Line No.: 8 Column: c
Amounts shown based on actual energy flows.
Schedule Page: 332 Line No.: 8 Column: d
Amounts shown based on actual energy flows.
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: c

Amounts shown based on transmission reservations.

Schedule Page: 332 Line No.: 10 Column: d

Amounts shown based on transmission reservations.

Schedule Page: 332 Line No.: 10 Column: f

Amounts shown include short term transmission reservations, related ancillary and losses.

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.

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 2018/Q4

MISCELLANEOUS GENERAL EXPENSES (Account 930.2) (ELECTRIC)

Line No.	Description (a)	Amount (b)
1	Industry Association Dues	351,771
2	Nuclear Power Research Expenses	
3	Other Experimental and General Research Expenses	
4	Pub & Dist Info to Stkhldrs...expn servicing outstanding Securities	1,028,007
5	Oth Expn >=5,000 show purpose, recipient, amount. Group if < $5,000	417
6	Montana Power Station Facility Services	11,484
7	Palo Verde General Expenses	11,639,556
8	Palo Verde Transmission Line Cost	3,946
9	Director's Fees and Expenses	2,660,579
10	Economic Development	375,000
11	Promotional Materials	156,600
12		
13		
14		
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46	TOTAL	16,227,360

Schedule Page: 335 Line No.: 10 Column: b

Primarily consists of contributions to promote economic development to:(a) The Borderplex Alliance of $250,000; (b) Mesilla Valley Economic Development Alliance of $40,000; (c) Texas Economic Development Corporation of $25,000; (d) New Mexico Economic Development Corporation of $20,000; and (e) Wilson Binkley Advertising & Marketing for the Rank the Best Campaign of $20,000.

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 2018/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			7,297,250		7,297,250
2	Steam Production Plant	11,302,000	-23,144			11,278,856
3	Nuclear Production Plant	26,862,651	-1,317,149			25,545,502
4	Hydraulic Production Plant-Conventional					
5	Hydraulic Production Plant-Pumped Storage					
6	Other Production Plant	11,603,709	6,088			11,609,797
7	Transmission Plant	7,046,929				7,046,929
8	Distribution Plant	21,527,625				21,527,625
9	Regional Transmission and Market Operation					
10	General Plant	10,859,063	6,635			10,865,698
11	Common Plant-Electric					
12	TOTAL	89,201,977	-1,327,570	7,297,250		95,171,657

B. Basis for Amortization Charges

Asset	Term	Basis	Amort Exp	Method
Computer Software	3 -15 years	$102,069,814	$7,297,249	Straight 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 2018/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		15,279	15,279	
3	FERC Annual Fee		167,482	167,482	
4					
5	Public Utility Commission of Texas				
6	Texas 2015 Rate Case Costs		397,101	397,101	1,144,257
7	Texas 2017 Rate Case Costs		1,148,494	1,148,494	3,641,946
8	Texas Energy Efficiency		4,524,472	4,524,472	
9	Texas Community Solar		131,044	131,044	
10	Texas General and Other		401,223	401,223	
11					
12	New Mexico Public Regulation Commission				
13	New Mexico Procurement and IRP Plans		36,922	36,922	
14	New Mexico Energy Efficiency		4,281,361	4,281,361	
15	New Mexico 2015 Rate Case Costs		429,432	429,432	644,152
16	New Mexico General and Other		150,378	150,378	
17	New Mexico Show Cause Order		28,282	28,282	
18					
19	Nuclear Regulatory Commission				
20	PVNGS Unit 1 Fees		871,548	871,548	
21	PVNGS Unit 2 Fees		873,420	873,420	
22	PVNGS Unit 3 Fees		854,952	854,952	
23					
24	Other		15,520	15,520	
25					
26					
27					
28					
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43					
44					
45					
46	TOTAL		14,326,910	14,326,910	5,430,355

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 2018/Q4

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
		15,279					2
		167,482					3
							4
							5
		397,101		182.3	-397,101	747,156	6
		1,148,494	111,369	182.3	-1,119,174	2,634,141	7
		4,524,472					8
		131,044					9
		401,223					10
							11
							12
		36,922					13
		4,281,361					14
		429,432			-429,432	214,720	15
		150,378					16
		28,282					17
							18
							19
		871,548					20
		873,420					21
		854,952					22
							23
		15,520					24
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							45
		14,326,910	111,369		-1,945,707	3,596,017	46

Schedule Page: 350 Line No.: 6 Column: e

Represents Texas rate case costs related to Docket No. 44941, which the Company filed with the PUCT in August 2015. Per the 2015 PUCT Final Order in Docket No. 44941, these costs were being amortized over two years beginning in October 2016. Per the 2017 PUCT Final Order in Docket No. 46831, the unamortized costs will be amortized over three years beginning in January 2018.

Schedule Page: 350 Line No.: 7 Column: e

Represents Texas rate case costs related to Docket No. 46831, which the Company filed with the PUCT in February 2017. These costs are being amortized over three years beginning in January 2018.

Schedule Page: 350 Line No.: 8 Column: c

The Company implemented ASU 2014-09, Revenue from Contracts with Customers, in the first quarter of 2018, and following the adoption of the standard, revenues related to reimbursed costs of energy efficiency programs approved by the Company's regulators are reported in operating revenues from customers. Related expenses are reported in O&M expenses in FERC account 928.

Schedule Page: 350 Line No.: 14 Column: c

The Company implemented ASU 2014-09, Revenue from Contracts with Customers, in the first quarter of 2018, and following the adoption of the standard, revenues related to reimbursed costs of energy efficiency programs approved by the Company's regulators are reported in operating revenues from customers. Related expenses are reported in O&M expenses in FERC account 928.

Schedule Page: 350 Line No.: 15 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. These costs are being amortized over three years beginning in July 2016.

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 2018/Q4

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	8,463,980		
4	Transmission	7,615,905		
5	Regional Market			
6	Distribution	9,497,423		
7	Customer Accounts	8,936,706		
8	Customer Service and Informational			
9	Sales			
10	Administrative and General	34,499,925		
11	TOTAL Operation (Enter Total of lines 3 thru 10)	69,013,939		
12	Maintenance			
13	Production	7,114,667		
14	Transmission	826,450		
15	Regional Market			
16	Distribution	3,962,174		
17	Administrative and General	284,609		
18	TOTAL Maintenance (Total of lines 13 thru 17)	12,187,900		
19	Total Operation and Maintenance			
20	Production (Enter Total of lines 3 and 13)	15,578,647		
21	Transmission (Enter Total of lines 4 and 14)	8,442,355		
22	Regional Market (Enter Total of Lines 5 and 15)			
23	Distribution (Enter Total of lines 6 and 16)	13,459,597		
24	Customer Accounts (Transcribe from line 7)	8,936,706		
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)	34,784,534		
28	TOTAL Oper. and Maint. (Total of lines 20 thru 27)	81,201,839	2,603,276	83,805,115
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 2018/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)	81,201,839	2,603,276	83,805,115
66	Utility Plant			
67	Construction (By Utility Departments)			
68	Electric Plant	25,287,171	1,303,961	26,591,132
69	Gas Plant			
70	Other (provide details in footnote):			
71	TOTAL Construction (Total of lines 68 thru 70)	25,287,171	1,303,961	26,591,132
72	Plant Removal (By Utility Departments)			
73	Electric Plant	21,899	2,385	24,284
74	Gas Plant			
75	Other (provide details in footnote):			
76	TOTAL Plant Removal (Total of lines 73 thru 75)	21,899	2,385	24,284
77	Other Accounts (Specify, provide details in footnote):			
78	In-Kind Donations and Exp for Certain Civic, Political & Rel	350,640	-1,665	348,975
79				
80				
81				
82				
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84				
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86				
87				
88				
89				
90				
91				
92				
93				
94				
95	TOTAL Other Accounts	350,640	-1,665	348,975
96	TOTAL SALARIES AND WAGES	106,861,549	3,907,957	110,769,506

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 2018/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	8,606,045	MWh	826,180	2,633,748	MWh	838,547
2	Reactive Supply and Voltage	8,606,045	MWh	516,363	1,312,253	MWh	225,948
3	Regulation and Frequency Response						
4	Energy Imbalance						
5	Operating Reserve - Spinning						
6	Operating Reserve - Supplement						
7	Other						
8	Total (Lines 1 thru 7)	17,212,090		1,342,543	3,946,001		1,064,495

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 1,766,935 MWh from hourly services (of which 14,218 MWh were sold to El Paso Electric Marketing (El Paso Electric Company's Resource Management Department)); 11,600 MWh from daily services (of which 82 MWh were sold to El Paso Electric Marketing (El Paso Electric Company's Resource Management Department)); 828 MWh from monthly services; 5 MWh from weekly services and 854,380 MWh from yearly contracts, (of which 58,991 MWh were sold to Rio Grande Electric Cooperative, a network customer of El Paso Electric Company).

Schedule Page: 398 Line No.: 1 Column: g

$175,356 pertains to hourly services (of which $1,365 pertains to El Paso Electric Marketing (El Paso Electric Company's Resource Management Department)). $29,375 pertains to daily services (of which $189 pertains to El Paso Electric Marketing (El Paso Electric Company's Resource Management Department)). $58,125 pertains to monthly services. $81 pertains to weekly services and $575,610 pertains to yearly contracts (of which $7,552 pertains to Rio Grande Electric Cooperative, a network customer of El Paso Electric 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 453,446 MWh from hourly services (of which 11,504 MWh were sold to El Paso Electric Marketing (El Paso Electric Company's Resource Management Department)); 8,448 MWh from daily services (of which 82 MWh were sold to El Paso Electric Marketing (El Paso Electric Company's Resource Management Department)); 678 MWh from monthly services; 5 MWh from weekly services and 849,676 MWh from yearly contracts (of which 58,991 MWh were sold to Rio Grande Electric Cooperative, a network customer of El Paso Electric Company).

Schedule Page: 398 Line No.: 2 Column: g

$27,246 pertains to hourly services (of which $690 pertains to El Paso Electric Marketing (El Paso Electric Company's Resource Management Department)). $13,742 pertains to daily services (of which $119 pertains to El Paso Electric Marketing (El Paso Electric Company's Resource Management Department)). $29,832 pertains to monthly services. $51 pertains to weekly services and $155,077 pertains to yearly contracts (of which $4,730 pertains to Rio Grande Electric Cooperative, a network customer of El Paso Electric 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 2018/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	1,137	16	1900		6	679	50	71	
2	February	1,015	28	2000		6	715	50	39	
3	March	1,018	22	1900		7	707	50	47	
4	Total for Quarter 1					19	2,101	150	157	
5	April	1,294	24	1600		10	657	50	72	
6	May	1,705	31	1600		12	648	50	75	
7	June	1,921	26	1600		12	647	50	70	
8	Total for Quarter 2					34	1,952	150	217	
9	July	1,929	23	1600		12	654	50	135	
10	August	1,864	2	1600		13	645	50	159	
11	September	1,701	13	1600		9	666	50	136	
12	Total for Quarter 3					34	1,965	150	430	
13	October	1,523	4	1600		8	759	50	106	
14	November	1,083	12	1900		6	551	50	83	
15	December	1,078	28	1900		6	648	50	89	
16	Total for Quarter 4					20	1,958	150	278	
17	Total Year to Date/Year					107	7,976	600	1,082	

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 2018/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)
1	SOURCES OF ENERGY	
2	Generation (Excluding Station Use):	
3	Steam	3,734,245
4	Nuclear	4,913,858
5	Hydro-Conventional	
6	Hydro-Pumped Storage	
7	Other	1,295,618
8	Less Energy for Pumping	
9	Net Generation (Enter Total of lines 3 through 8)	9,943,721
10	Purchases	2,254,532
11	Power Exchanges:	
12	Received	67,251
13	Delivered	19,107
14	Net Exchanges (Line 12 minus line 13)	48,144
15	Transmission For Other (Wheeling)	
16	Received	4,421,473
17	Delivered	4,421,473
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)	12,246,397

Line No.	Item (a)	MegaWatt Hours (b)
21	DISPOSITION OF ENERGY	
22	Sales to Ultimate Consumers (Including Interdepartmental Sales)	8,034,676
23	Requirements Sales for Resale (See instruction 4, page 311.)	58,991
24	Non-Requirements Sales for Resale (See instruction 4, page 311.)	3,635,328
25	Energy Furnished Without Charge	
26	Energy Used by the Company (Electric Dept Only, Excluding Station Use)	12,953
27	Total Energy Losses	504,449
28	TOTAL (Enter Total of Lines 22 Through 27) (MUST EQUAL LINE 20)	12,246,397

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 2018/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 (a)	Total Monthly Energy (b)	Monthly Non-Requirments Sales for Resale & Associated Losses (c)	MONTHLY PEAK Megawatts (See Instr. 4) (d)	MONTHLY PEAK Day of Month (e)	MONTHLY PEAK Hour (f)
29	January	1,029,050	391,824	1,137	16	1900
30	February	860,954	324,357	1,015	28	2000
31	March	941,933	358,544	1,018	22	1900
32	April	841,094	220,829	1,294	24	1600
33	May	1,004,920	223,421	1,705	31	1600
34	June	1,131,667	236,149	1,921	26	1600
35	July	1,204,715	246,386	1,929	23	1600
36	August	1,246,994	298,435	1,864	2	1600
37	September	1,144,807	351,680	1,701	13	1600
38	October	924,310	276,347	1,523	4	1600
39	November	889,468	308,690	1,083	12	1900
40	December	1,026,485	398,666	1,078	28	1900
41	TOTAL	12,246,397	3,635,328			

Schedule Page: 401 Line No.: 10 Column: b
Includes 947,367 MWhs related to purchases to Freeport-McMoRan 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 947,367 MWhs related to purchases to Freeport-McMoRan 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 947,367 MWhs related to purchases to Freeport-McMoRan 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 947,367 MWhs related to purchases to Freeport-McMoRan 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 92,494 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 92,494 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 59,083 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 59,083 MWhs related to the Company's Power Purchase and Sales Agreement with Freeport-McMoRan dated December 16, 2005.

Schedule Page: 401 Line No.: 31 Column: b
Includes 58,932 MWhs related to the Company's Power Purchase and Sales Agreement with Freeport-McMoRan dated December 16, 2005.

Schedule Page: 401 Line No.: 31 Column: c
Includes 58,932 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 88,886 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 88,886 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 77,374 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 77,374 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 88,352 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 88,352 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 87,346 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 87,346 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 91,464 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 91,464 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 89,022 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 89,022 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 35,464 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 35,464 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 86,922 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 86,922 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 92,028 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 92,028 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 2018/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)	192			92		
7	Plant Hours Connected to Load	6289			1358		
8	Net Continuous Plant Capability (Megawatts)	233			88		
9	When Not Limited by Condenser Water	238			93		
10	When Limited by Condenser Water	233			88		
11	Average Number of Employees	51			0		
12	Net Generation, Exclusive of Plant Use - KWh	542586000			86580000		
13	Cost of Plant: Land and Land Rights	100945			0		
14	Structures and Improvements	7048817			22092666		
15	Equipment Costs	57277081			74082093		
16	Asset Retirement Costs	76983			0		
17	Total Cost	64503826			96174759		
18	Cost per KW of Installed Capacity (line 17/5) Including	242.0406			729.7023		
19	Production Expenses: Oper, Supv, & Engr	821379			429844		
20	Fuel	16448434			2388082		
21	Coolants and Water (Nuclear Plants Only)	0			0		
22	Steam Expenses	1287350			0		
23	Steam From Other Sources	0			0		
24	Steam Transferred (Cr)	0			0		
25	Electric Expenses	220348			0		
26	Misc Steam (or Nuclear) Power Expenses	965484			17		
27	Rents	0			0		
28	Allowances	0			0		
29	Maintenance Supervision and Engineering	628879			5327		
30	Maintenance of Structures	393338			4479		
31	Maintenance of Boiler (or reactor) Plant	2018253			0		
32	Maintenance of Electric Plant	4950979			851135		
33	Maintenance of Misc Steam (or Nuclear) Plant	876075			23605		
34	Total Production Expenses	28610519			3702489		
35	Expenses per Net KWh	0.0527			0.0428		
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	6563793	0	0	794835	0	0
39	Avg Heat Cont - Fuel Burned (btu/indicate if nuclear)	1058100	0	0	1058600	0	0
40	Avg Cost of Fuel/unit, as Delvd f.o.b. during year	2.506	0.000	0.000	3.005	0.000	0.000
41	Average Cost of Fuel per Unit Burned	2.506	0.000	0.000	3.005	0.000	0.000
42	Average Cost of Fuel Burned per Million BTU	2.368	0.000	0.000	2.838	0.000	0.000
43	Average Cost of Fuel Burned per KWh Net Gen	0.030	0.000	0.000	0.028	0.000	0.000
44	Average BTU per KWh Net Generation	12799.000	0.000	0.000	9718.000	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 2018/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
616			372			76			6
8760			6773			1273			7
752			355			64			8
761			375			64			9
752			355			64			10
72			14			0			11
3191659000			1148971000			47287000			12
181900			2313124			10000			13
47635089			76798451			785480			14
401239077			302500237			16153807			15
-325470			240402			15479			16
448730596			381852214			16964766			17
508.7648			724.3024			195.2217			18
1222421			471457			0			19
81265734			27159148			2322266			20
0			0			0			21
1257250			251639			0			22
0			0			0			23
0			0			0			24
3666741			0			0			25
1399304			2292543			85559			26
464612			49548			2090			27
86418			0			0			28
1569215			2914			0			29
849264			67701			7096			30
6000314			0			0			31
10397311			2561353			262388			32
2098014			346211			26770			33
110276598			33202514			2706169			34
0.0346			0.0289			0.0572			35
Gas	Oil		Gas	Oil		Gas	Oil		36
Mcf	BBL		Mcf	BBL		Mcf	BBL		37
29671463	0	0	10076632	0	0	762599	0	0	38
1058600	0	0	1053200	0	0	1032500	0	0	39
2.739	0.000	0.000	2.695	0.000	0.000	3.045	0.000	0.000	40
2.739	0.000	0.000	2.695	0.000	0.000	3.045	0.000	0.000	41
2.587	0.000	0.000	2.559	0.000	0.000	2.949	0.000	0.000	42
0.026	0.000	0.000	0.024	0.000	0.000	0.049	0.000	0.000	43
9841.000	0.000	0.000	9237.000	0.000	0.000	16651.000	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)	638	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	332	0
12	Net Generation, Exclusive of Plant Use - KWh	4913858000	0
13	Cost of Plant: Land and Land Rights	2347713	0
14	Structures and Improvements	529882301	0
15	Equipment Costs	1339136339	0
16	Asset Retirement Costs	-38768493	0
17	Total Cost	1832597860	0
18	Cost per KW of Installed Capacity (line 17/5) Including	2755.3719	0
19	Production Expenses: Oper, Supv, & Engr	12412371	0
20	Fuel	40481983	0
21	Coolants and Water (Nuclear Plants Only)	7276918	0
22	Steam Expenses	5136717	0
23	Steam From Other Sources	0	0
24	Steam Transferred (Cr)	0	0
25	Electric Expenses	5554018	0
26	Misc Steam (or Nuclear) Power Expenses	23275898	0
27	Rents	0	0
28	Allowances	0	0
29	Maintenance Supervision and Engineering	2885471	0
30	Maintenance of Structures	1198840	0
31	Maintenance of Boiler (or reactor) Plant	8937099	0
32	Maintenance of Electric Plant	7063947	0
33	Maintenance of Misc Steam (or Nuclear) Plant	2073945	0
34	Total Production Expenses	116297207	0
35	Expenses per Net KWh	0.0237	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	50608998	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	0.796	0.000	0.000	0.000	0.000	0.000
41	Average Cost of Fuel per Unit Burned	0.796	0.000	0.000	0.000	0.000	0.000
42	Average Cost of Fuel Burned per Million BTU	0.796	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	10299.000	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 $1,187,026.

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 2018/Q4

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		114	388,498
3	Rio Grande PV System	2009	0.06		112	168,882
4	Wrangler CPV System	2011	0.05		48	418,730
5	Stanton PV System	2012	0.03		65	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		8,449	7,447,099
9	Holloman Air Force Base (HAFB)	2018	5.00		3,927	12,630,083
10	Total Solar		8.24		12,779	21,523,674
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 2018/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
8,422,406						2
8,687,594						3
8,723,542			3,912			4
8,552,719						5
6,468,000						6
6,472,403						7
2,482,366			48,842			8
2,526,017						9
52,335,047			52,754			10
						11
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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	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 2018/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)	85.66		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	1,376.22	473.47	18

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 2018/Q4

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 (i)	COST OF LINE (Include in Column (j) Land, Land rights, and clearing right-of-way) Land (j)	Construction and Other Costs (k)	Total Cost (l)	EXPENSES, EXCEPT DEPRECIATION AND TAXES Operation Expenses (m)	Maintenance Expenses (n)	Rents (o)	Total Expenses (p)	Line No.
1780 ACSR	1,559,234	7,027,603	8,586,837			3	3	1
1780 ACSR	1,210,842	5,457,364	6,668,206					2
								3
795 ACSR	121,563	2,469,875	2,591,438					4
795 ACSR	17,633,308	16,440,029	34,073,337					5
795 ACSR	560,443	6,007,788	6,568,231					6
795 ACSR	1,073,978	11,662,177	12,736,155					7
795 ACSR	39,536	446,279	485,815					8
795 ACSR	46,976	530,952	577,928					9
954 ACSR	223,544	1,773,687	1,997,231					10
954 ACSR	100,181	794,875	895,056					11
795 ACSR T2	781,851	6,203,525	6,985,376					12
795 ACSR T2	1,730,809	13,732,936	15,463,745					13
954 ACSR	1,114,625	12,217,983	13,332,608					14
954 ACSR	19,320	6,853,262	6,872,582					15
954 ACSR	154,575	54,832,262	54,986,837					16
								17
								18
Various	5,010,153	102,423,877	107,434,030					19
Various	310,581	30,445,652	30,756,233					20
								21
								22
								23
								24
								25
								26
								27
								28
								29
								30
								31
								32
								33
								34
								35
	31,691,519	279,320,126	311,011,645			3	3	36

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 2018/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	Amrad - Oro Grande, NM	Dist. UA	115.00	24.90	
10	Anthony - Anthony, NM	Dist. UA	115.00	24.90	
11	Apollo - New Mexico	Dist. UA	69.00	23.90	
12	Arroyo - Las Cruces, NM	Trans. UA	345.00	345.00	
13	Arroyo - Las Cruces, NM	Trans. UA	345.00	115.00	13.80
14	Arroyo - Las Cruces, NM	Dist. UA	115.00	23.90	
15	Ascarate - El Paso, TX	Trans. UA	115.00	69.00	13.80
16	Ascarate - El Paso, TX	Dist. UA	69.00	13.80	
17	Ascarate - El Paso, TX	Dist. UA	69.00	4.16	
18	Austin - El Paso, TX	Dist. UA	115.00	13.80	
19	Austin - El Paso, TX	Dist. UA	69.00	4.16	
20	Border Steel - El Paso, TX	Dist. UA	115.00	13.80	
21	Butterfield - El Paso, TX	Dist. UA	115.00	13.80	
22	Caliente - El Paso, TX	Trans. UA	345.00	115.00	13.80
23	Caliente - El Paso, TX	Dist. UA	115.00	13.80	
24	Chaparral - Chaparral, NM	Dist. UA	115.00	13.80	
25	Clint - El Paso, TX	Dist. UA	69.00	13.80	
26	Copper - El Paso, TX	Dist. UA	115.00	13.80	
27	Cox - New Mexico	Trans. UA	115.00	69.00	
28	Coyote - El Paso, TX	Dist. UA	115.00	13.80	
29	Cromo - El Paso, TX	Dist. UA	115.00	13.80	
30	Dallas - El Paso, TX	Dist. UA	67.00	14.40	
31	Dallas - El Paso, TX	Dist. UA	66.00	13.80	
32	Diablo - Sunland Park, NM	Trans. UA	345.00	115.00	13.80
33	Diamond Head - El Paso, TX	Dist. UA	115.00	13.80	
34	Durazno - El Paso, TX	Dist. UA	115.00	13.80	
35	Dyer - El Paso, TX	Dist. UA	67.00	14.40	
36	Dyer - El Paso, TX	Dist. UA	115.00	69.00	
37	EMRLD - New Mexico	Dist. UA	115.00	13.80	
38	Farah - El Paso, TX	Dist. UA	69.00	13.80	
39	Felipe - El Paso, TX	Dist. UA	69.00	23.90	
40	Fort Bliss - El Paso, TX	Dist. UA	115.00	13.20	

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 2018/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.
						1
						2
						3
30	1					4
30	1					5
13	2					6
30	1					7
260	1					8
8	1					9
80	2					10
30	1					11
357	1		Phase Shifting Trans			12
600	3					13
60	2					14
200	2					15
60	2					16
10	1					17
100	2					18
10	1					19
70	2					20
60	2					21
400	2					22
30	1					23
60	2					24
30	1					25
30	1					26
50	1					27
30	1					28
60	2					29
20	1					30
20	1					31
600	3					32
30	1					33
30	1					34
50	2					35
100	1					36
13	1					37
30	1					38
30	1					39
50	2					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 2018/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	Central Temp - El Paso, TX	Dist. UA	115.00	13.80	
2	Global Reach - El Paso, TX	Dist. UA	115.00	13.80	
3	Hatch - New Mexico	Dist. UA	115.00	24.90	
4	Horizon - Horizon, TX	Dist. UA	115.00	13.80	
5	Jornada - Las Cruces, NM	Dist. UA	115.00	23.90	
6	Lane - El Paso, TX	Dist. UA	115.00	69.00	
7	Lane - El Paso, TX	Dist. UA	115.00	13.80	
8	Las Cruces - Las Cruces, NM	Dist. UA	115.00	23.90	
9	LEA - El Paso, TX	Dist. UA	115.00	13.80	
10	Mann - El Paso, TX	Dist. UA	69.00	13.80	
11	Mann - El Paso, TX	Dist. UA	67.00	14.40	
12	Mesa - El Paso, TX	Dist. UA	115.00	13.80	
13	Milagro - El Paso, TX	Dist. UA	115.00	13.80	
14	Montana Pwr St - El Paso, TX	Trans. UA	115.00	13.80	
15	Montoya - El Paso, TX	Dist. UA	115.00	23.90	
16	Montoya - El Paso, TX	Dist. UA	115.00	24.90	
17	Montwood - El Paso, TX	Dist. UA	115.00	23.90	
18	Newman T-1 - El Paso, TX	Trans. UA	345.00	115.00	13.80
19	Newman T-2 - El Paso, TX	Dist. UA	115.00	13.80	
20	Newman T-6 - El Paso, TX	Dist. UA	115.00	13.80	
21	Newman T-8 - El Paso, TX	Dist. UA	115.00	13.80	
22	Newman T-9 - El Paso, TX	Dist. UA	115.00	13.80	
23	Newman T-11 - El Paso, TX	Dist. UA	115.00	13.80	
24	Newman T-13 - El Paso, TX	Dist. UA	115.00	13.80	
25	Newman T-14 - El Paso, TX	Dist. UA	115.00	13.80	
26	Newman T-15 - El Paso, TX	Dist. UA	115.00	13.80	
27	Newman T-16 - El Paso, TX	Dist. UA	115.00	13.80	
28	Patriot T-1 - El Paso, TX	Dist. UA	115.00	13.80	
29	Pendale - El Paso, TX	Dist. UA	115.00	13.80	
30	Pellicano - El Paso, TX	Dist. UA	115.00	23.90	
31	Picacho - New Mexico	Dist. UA	115.00	23.90	
32	Picante T-1 - El Paso, TX	Trans. UA	345.00	115.00	13.80
33	Redeye - New Mexico	Dist. UA	115.00	13.80	
34	Rio Bosque - El Paso, TX	Dist. UA	69.00	13.80	
35	Rio Grande T1,T2 - Sunland Park, NM	Trans. UA	115.00	69.00	
36	Rio Grande T4 - Sunland Park, NM	Dist. UA	66.00	13.80	
37	Rio Grande T5 - Sunland Park, NM	Dist. UA	69.00	13.80	
38	Rio Grande T6 - Sunland Park, NM	Dist. UA	66.00	13.80	
39	Rio Grande T7 - Sunland Park, NM	Dist. UA	115.00	66.40	
40	Rio Grande T12 - Sunland Park, NM	Dist. UA	67.00	14.40	

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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)	
30	1					1
80	2					2
30	1					3
30	1					4
80	2					5
100	1					6
30	1					7
120	2					8
60	2					9
30	1					10
30	1					11
60	2					12
90	3					13
500	4					14
100	2					15
30	1					16
80	2					17
230	1					18
112	1					19
112	1					20
112	1					21
112	1					22
112	1					23
112	1					24
175	1					25
117	1					26
117	1					27
30	1					28
30	1					29
100	2					30
50	1					31
200	1					32
14	1					33
30	1					34
200	2	1				35
50	1					36
60	1					37
60	1					38
150	1					39
25	1					40

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	Character of Substation	VOLTAGE (In MVa)		
			Primary	Secondary	Tertiary
	(a)	(b)	(c)	(d)	(e)
1	Rio Grande T17 - Sunland Park, NM	Dist. UA	115.00	13.80	
2	Ripley - El Paso, TX	Dist. UA	115.00	13.80	
3	Salopek - Las Cruces, NM	Dist. UA	115.00	24.90	
4	Santa Fe - El Paso, TX	Dist. UA	69.00	13.80	
5	Santa Fe - El Paso, TX	Dist. UA	13.80	4.16	
6	Santa Teresa - Santa Teresa, NM	Dist. UA	115.00	23.90	
7	Santa Teresa - Santa Teresa, NM	Dist. UA	115.00	24.90	
8	Scotsdale - El Paso, TX	Dist. UA	115.00	69.00	
9	Scotsdale - El Paso, TX	Dist. UA	115.00	13.80	
10	Shearman - El Paso, TX	Dist. UA	115.00	13.80	
11	Sierra Blanca - Sierra Blanca, NM	Dist. UA	69.00	23.90	
12	Socorro - El Paso, TX	Dist. UA	69.00	13.80	
13	Sol - El Paso, TX	Dist. UA	115.00	13.80	
14	Sparks - El Paso, TX	Dist. UA	115.00	13.80	
15	Sparks - El Paso, TX	Dist. UA	115.00	69.00	
16	Sunset - El Paso, TX	Dist. UA	69.00	13.80	
17	Sunset - El Paso, TX	Dist. UA	69.00	4.16	
18	Sunset North - El Paso, TX	Dist. UA	115.00	13.80	
19	Sunset North - El Paso, TX	Trans. UA	115.00	69.00	14.40
20	Talavera Temp T-1 - Las Cruces, NM	Dist. UA	115.00	23.90	
21	Thorn - El Paso, TX	Dist. UA	115.00	13.80	
22	Transmountain Temp - El Paso, TX	Dist. UA	115.00	24.90	
23	Viscount - El Paso, TX	Dist. UA	67.00	14.40	
24	Vista - El Paso, TX	Dist. UA	115.00	13.80	
25	White Sands - New Mexico	Dist. UA	115.00	13.80	
26	Wrangler - El Paso, TX	Dist. UA	115.00	13.80	
27					
28	5,000 to 10,000 kVA				
29					
30	Farmer - Van Horn, TX	Dist. UA	69.00	23.90	
31	Five Points - El Paso, TX	Dist. UA	13.80	4.16	
32	Hanes - New Mexico	Dist UA	22.90	4.16	
33	Midway - El Paso, TX	Dist. UA	13.80	4.16	
34	Range - New Mexico	Dist. UA	24.90	13.20	
35	S.P. Pipeline - El Paso, TX	Dist. UA	13.80	2.40	
36	Valley - El Paso, TX	Dist. UA	67.00	14.40	
37	Amrad - Oro Grande, NM	Dist. UA	115.00	24.90	
38					
39	1,000 to 5,000 kVA				
40					

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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.
132	1					1
80	2					2
75	3					3
30	1					4
11	3					5
30	1					6
30	1					7
100	1					8
100	2					9
30	1					10
18	1					11
30	1					12
60	2					13
80	2					14
89	1					15
60	2					16
10	3					17
60	2					18
70	1					19
13	1					20
60	2					21
20	1					22
30	1					23
60	2					24
30	1					25
50	1					26
						27
						28
						29
10	1					30
6	3					31
6	1					32
6	1					33
8	3					34
6	1					35
8	1					36
8	1					37
						38
						39
						40

SUBSTATIONS

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Line No.	Name and Location of Substation (a)	Character of Substation (b)	VOLTAGE (In MVa) Primary (c)	Secondary (d)	Tertiary (e)
1	Coronado - El Paso, TX	Dist. UA	13.80	4.16	
2	Fabens - El Paso, TX	Dist. UA	67.00	4.16	
3	Fresno - El Paso, TX	Dist. UA	13.80	4.16	
4	Frontera - El Paso, TX	Dist. UA	13.80	4.16	
5	Grace - El Paso, TX	Dist. UA	14.40	4.16	
6	Hacienda - El Paso, TX	Dist. UA	13.80	4.16	
7	Hatch - New Mexico	Dist. UA	23.90	4.16	
8	Kemp - El Paso, TX	Dist. UA	13.80	4.16	
9	Latta - El Paso, TX	Dist. UA	13.80	4.16	
10	Melendres - Las Cruces, NM	Dist. UA	23.90	4.16	
11	Mission - El Paso, TX	Dist. UA	13.80	4.16	
12	Missouri - Las Cruces, NM	Dist. UA	23.90	4.16	
13	Newell - El Paso, TX	Dist. UA	13.80	4.16	
14	Octavia - El Paso, TX	Dist. UA	13.80	4.16	
15	Ranchland - El Paso, TX	Dist. UA	13.80	4.16	
16	Summit - El Paso, TX	Dist. UA	13.80	4.16	
17	UTEP - El Paso, TX	Dist. UA	13.80	4.16	
18	Westside - Las Cruces, NM	Dist. UA	24.90	4.16	
19	White - El Paso, TX	Dist. UA	13.80	4.16	
20	Diana - El Paso, TX	Dist. UA	13.80	4.16	
21	Mar - New Mexico	Dist. UA	24.90	4.16	
22	Sierra Blanca - Sierra Blanca, NM	Dist. UA	23.50	4.16	
23					
24	300 to 999 kVA				
25					
26	Fort Hancock - Hudspeth County, TX	Dist. UA	24.90	4.16	
27	La Mesa - New Mexico	Dist. UA	23.90	4.16	
28	Dallas - El Paso, TX	Dist. UA	13.80	4.16	
29	PORTABLE SUBSTATIONS				
30	(All sizes)				
31	Mobile Substation #354	Dist. UA	14.40	4.16	
32	Mobile Substation #355	Dist. UA	23.90	4.16	
33	Mobile Substation #356	Dist. UA	13.80	4.16	
34	Mobile Substation #357	Dist. UA	115.00	24.90	
35	Mobile Substation #359	Dist. UA	13.80	4.16	
36	Mobile Substation #429	Dist. UA	115.00	13.80	
37					
38	SPARE TRANSFORMERS	N/A			
39					
40					

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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)	
3	1					1
3	3					2
2	1					3
2	1					4
2	1					5
5	1					6
1	1					7
2	1					8
2	1					9
3	3					10
5	1					11
3	1					12
3	1					13
2	1					14
4	2					15
3	2					16
4	1					17
3	1					18
2	1					19
3	1					20
4	1					21
1	1					22
						23
						24
						25
1	1					26
1	1					27
4	2					28
						29
						30
5	1					31
2	1					32
4	1					33
24	1					34
10	1					35
24	1					36
						37
		19				38
						39
						40

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Afton substation is a switching transmission substation. The Company does not own the transformers on site.

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