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 2017/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 El Paso Electric Company	02 Year/Period of Report End of 2017/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, El Paso, TX 79901	
05 Name of Contact Person Russell G. Gibson	06 Title of Contact Person Vice President & Controller
07 Address of Contact Person *(Street, City, State, Zip Code)* P.O. Box 982, El Paso, TX 79960-0982; 100 North Stanton, El Paso, TX 79901	

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

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 /s/ Russell G. Gibson 02 Title Vice President & Controller	03 Signature /s/ Russell G. Gibson	04 Date Signed *(Mo, Da, Yr)* 04/10/2018

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 2017/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".

Line No.	Title of Schedule (a)	Reference Page No. (b)	Remarks (c)
1	General Information	101	
2	Control Over Respondent	102	Not Applicable
3	Corporations Controlled by Respondent	103	Not Applicable
4	Officers	104	
5	Directors	105	
6	Information on Formula Rates	106(a)(b)	
7	Important Changes During the Year	108-109	
8	Comparative Balance Sheet	110-113	
9	Statement of Income for the Year	114-117	
10	Statement of Retained Earnings for the Year	118-119	
11	Statement of Cash Flows	120-121	
12	Notes to Financial Statements	122-123	
13	Statement of Accum Comp Income, Comp Income, and Hedging Activities	122(a)(b)	
14	Summary of Utility Plant & Accumulated Provisions for Dep, Amort & Dep	200-201	
15	Nuclear Fuel Materials	202-203	
16	Electric Plant in Service	204-207	
17	Electric Plant Leased to Others	213	None
18	Electric Plant Held for Future Use	214	None
19	Construction Work in Progress-Electric	216	
20	Accumulated Provision for Depreciation of Electric Utility Plant	219	
21	Investment of Subsidiary Companies	224-225	None
22	Materials and Supplies	227	
23	Allowances	228(ab)-229(ab)	
24	Extraordinary Property Losses	230	None
25	Unrecovered Plant and Regulatory Study Costs	230	None
26	Transmission Service and Generation Interconnection Study Costs	231	
27	Other Regulatory Assets	232	
28	Miscellaneous Deferred Debits	233	
29	Accumulated Deferred Income Taxes	234	
30	Capital Stock	250-251	
31	Other Paid-in Capital	253	
32	Capital Stock Expense	254	
33	Long-Term Debt	256-257	
34	Reconciliation of Reported Net Income with Taxable Inc for Fed Inc Tax	261	
35	Taxes Accrued, Prepaid and Charged During the Year	262-263	
36	Accumulated Deferred Investment Tax Credits	266-267	

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 2017/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)
37	Other Deferred Credits	269	
38	Accumulated Deferred Income Taxes-Accelerated Amortization Property	272-273	Not Applicable
39	Accumulated Deferred Income Taxes-Other Property	274-275	
40	Accumulated Deferred Income Taxes-Other	276-277	
41	Other Regulatory Liabilities	278	
42	Electric Operating Revenues	300-301	
43	Regional Transmission Service Revenues (Account 457.1)	302	Not Applicable
44	Sales of Electricity by Rate Schedules	304	
45	Sales for Resale	310-311	
46	Electric Operation and Maintenance Expenses	320-323	
47	Purchased Power	326-327	
48	Transmission of Electricity for Others	328-330	
49	Transmission of Electricity by ISO/RTOs	331	Not Applicable
50	Transmission of Electricity by Others	332	
51	Miscellaneous General Expenses-Electric	335	
52	Depreciation and Amortization of Electric Plant	336-337	
53	Regulatory Commission Expenses	350-351	
54	Research, Development and Demonstration Activities	352-353	None
55	Distribution of Salaries and Wages	354-355	
56	Common Utility Plant and Expenses	356	Not Applicable
57	Amounts included in ISO/RTO Settlement Statements	397	Not Applicable
58	Purchase and Sale of Ancillary Services	398	
59	Monthly Transmission System Peak Load	400	
60	Monthly ISO/RTO Transmission System Peak Load	400a	Not Applicable
61	Electric Energy Account	401	
62	Monthly Peaks and Output	401	
63	Steam Electric Generating Plant Statistics	402-403	
64	Hydroelectric Generating Plant Statistics	406-407	Not Applicable
65	Pumped Storage Generating Plant Statistics	408-409	Not Applicable
66	Generating Plant Statistics Pages	410-411	

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 2017/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".

Stockholders' Reports Check appropriate box:

[X] Two copies will be submitted

[ ] No annual report to stockholders is prepared

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 2017/Q4

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
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 2017/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	674,039
2	Senior Vice President and Chief Financial Officer	Nathan T. Hirschi	364,712
3	Senior Vice President - Operations	Steven T. Buraczyk	334,808
4	Senior Vice President - Corporate Development and		
5	Chief Compliance Officer	Rocky R. Miracle	324,808
6	Senior Vice President - Public and Customer Affairs		
7	and Chief Human Resources Officer	William A. Stiller	314,750
8	Senior Vice President - General Counsel	John R. Boomer	166,731
9	Senior Vice President - General Counsel and		
10	Assistant Secretary	Adrian J. Rodriguez	251,617
11	Vice President - Regulatory Affairs	James A. Schichtl	216,423
12	Vice President - Transmission and Distribution		
13	and System Planning	Robert C. Doyle	252,885
14	Vice President - Controller	Russell G. Gibson	242,865
15	Vice President - Public, Government and		
16	Customer Affairs	Eduardo Gutierrez	211,865
17	Vice President - Generation and System Planning		
18	and Dispatch	David C. Hawkins	237,827
19	Vice President - Customer Care	Kerry B. Lore	218,923
20	Vice President - Power Generation	Andres R. Ramirez	269,904
21	Vice President - Community Outreach	Guillermo Silva, Jr.	168,923
22	Vice President - Compliance and Chief Risk Officer	Henry W. Soza	231,885
23	Vice President - Renewables Development	Richard E. Turner	206,885
24	Vice President - Human Resources and Community		
25	Outreach	Victor F. Rueda	
26	Corporate Secretary	Jessica M. Goldman	124,866
27			
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Schedule Page: 104 Line No.: 1 Column: b

On May 25, 2017, Mary E. Kipp was appointed by the Board of Directors of the Company to serve as President of the Company concurrently with her position as the Company's Chief Executive Officer. Ms. Kipp has served as the Company's Chief Executive Officer since December 2015.

Schedule Page: 104 Line No.: 5 Column: b

On May 25, 2017, Rocky R. Miracle, formerly Senior Vice President of Corporate Services and Chief Compliance Officer, was appointed Senior Vice President of Corporate Development and Chief Compliance Officer.

Schedule Page: 104 Line No.: 8 Column: b

On July 7, 2017, John R. Boomer, Senior Vice President and General Counsel, resigned from the Company.

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

On September 18, 2017, Adrian J. Rodriguez was promoted to Senior Vice President, General Counsel and Assistant Secretary. Formerly, Mr. Rodriguez served as Vice President, General Counsel and Assistant Secretary from May 2017 to September 2017, and Principal Attorney from July 2016 to May 2017.

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

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

Schedule Page: 104 Line No.: 20 Column: b

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

Schedule Page: 104 Line No.: 25 Column: b

On March 5, 2018, Victor F. Rueda was appointed Vice President of Human Resources and Community Outreach. Mr. Rueda served as Vice President of Human Resources of Andeavor (formerly Western Refining, Inc.), from 2006 until 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 2017/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	John Robert Brown - Former Director	Brownco Capital, LLC
9		6080 Surety Drive, Suite 205
10		El Paso, Texas 79905
11		
12	James W. Cicconi - Director***	El Paso Electric Company
13		100 North Stanton
14		El Paso, Texas 79901
15		
16	Edward Escudero - Director and Vice Chairman of the Board***	High Desert Capital, LLC
17		6080 Surety Drive
18		El Paso, Texas 79905
19		
20	James W. Harris - Director	OP Food Products, LLC
21		Harris Financial Advisors, LLC
22		Post Office Box 38
23		Manns Harbor, North Carolina 27953
24		
25	Woodley L. Hunt - Director	Hunt Companies, Inc.
26		4401 North Mesa Street
27		El Paso, Texas 79902
28		
29	Mary E. Kipp - Director and President and CEO	El Paso Electric Company
30		100 North Stanton
31		El Paso, Texas 79901
32		
33	Raymond Palacios, Jr. - Director	Bravo Cadillac
34		6555 Montana Avenue
35		El Paso, Texas 79925
36		
37	Thomas V. Shockley, III - Former Director	El Paso Electric Company
38		100 North Stanton
39		El Paso, Texas 79901
40		
41	Eric B. Siegel - Director**	11100 Santa Monica Boulevard, Suite 2000
42		Los Angeles, California 90025
43		
44	Stephen N. Wertheimer - Director***	W Capital Partners
45		400 Park Avenue, Suite 910
46		New York, New York 10022
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 2017/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	Charles A. Yamarone - Director and Chairman of the Board***	Houlihan Lokey
2		10250 Constellation Boulevard, 5th Floor
3		Los Angeles, California 90067
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Schedule Page: 105 Line No.: 5 Column: a

On May 25, 2017, Paul M. Barbas was appointed to the Board of Directors filling the unexpired term of Thomas V. Shockley, III.

Schedule Page: 105 Line No.: 8 Column: a

On May 25, 2017, John Robert Brown retired from the Board of Directors in accordance with the director retirement age policy in the Company’s Corporate Governance Guidelines.

Schedule Page: 105 Line No.: 29 Column: a

On May 25, 2017, Mary E. Kipp was appointed to serve as President of the Company concurrently with her position as the Chief Executive Officer.

Schedule Page: 105 Line No.: 33 Column: a

On May 25, 2017, Raymond Palacios, Jr., was appointed to the Board of Directors filling the unexpired term of John Robert Brown.

Schedule Page: 105 Line No.: 37 Column: a

On May 25, 2017, Thomas V. Shockley, III, retired from the Board of Directors in accordance with the director retirement age policy in the Company's Corporate Governance Guidelines.

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 2017/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 2017/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	20170911-5125	09/11/2017		2017 Annual Update Filing	18
2		09/11/2017			
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Schedule Page: 1061 Line No.: 1 Column: d

The 2017 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 (Mo, Da, Yr)	Year/Period of Report
El Paso Electric Company	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2017/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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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 2017/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 passed an ordinance amending its existing franchise agreement with the Company. The amendment will increase the supplemental fee reserved for economic development by an additional 1.00%, increasing the total franchise fee to 5.00% of gross revenues, and will extend the expiration date of the franchise agreement by 30 years to July 31, 2060. The 2018 amendment will not become effective, however, until a tariff that allows the Company to recover the cost of the franchise fee increase from customers within the City of El Paso is approved and non-appealable. The Company filed the proposed tariff with the City of El Paso on March 23, 2018, and the Company cannot predict as to if or when the tariff will be approved.

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:

None.

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

None.

7. Changes in Articles of Incorporation:

There were no changes to the Articles of Incorporation. On July 27, 2017, the Board of Directors of the Company amended and restated the Bylaws of the Company (the "Amended and Restated Bylaws"). The Amended and Restated Bylaws amended the Company’s existing Bylaws to provide for, among other things, the position of Vice Chairman of the Board (Article V, Section 5), modifications to the compensation of directors (Article III, Section 14), the duties of certain officers (Article V, Sections 4 and 6), and the definition of "Continuing Directors" (Article VII, Section 8), the duties and powers of the person to preside at meetings of the shareholders of the Company and the conduct of such meetings (Article II, Section 13), and other technical, conforming and clarifying changes, including changing references to the Texas Business Organizations Code instead of the Texas Business Corporation Act.

8. Important Wage Scale Changes:

Base salaries for non-union employees were increased by an average of approximately 3% effective in January 2017 compared to 2016 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 September 2017 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 C, J, and K 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 its final order in the Company's rate case pending 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 establishes baseline revenue requirements for recovery of future transmission and distribution investment costs, 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 allows 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 allows for the Company to recover revenues associated with the relate back of rates to consumption on and after July 18, 2017 through a separate surcharge.

New base rates, including additional surcharges associated with rate case expenses and the relate back of rates to consumption on and after July 18, 2017 through December 31, 2017 were implemented in January 2018.

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, were decreased before the Company files its next rate case. Following the enactment of the Tax Cuts and Jobs Act of 2017 (the "TCJA") on December 22, 2017, and in compliance with the 2017 PUCT Final Order, on

March 1, 2018, the Company filed 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 tax law changes. This filing was assigned PUCT Docket No. 48124. On March 27, 2018, the PUCT approved the Company's proposed tax credits on an interim basis, subject to refund or surcharge, for customer billing effective April 1, 2018. The refund tariff will be reflected in rates over a period of a year and will be updated annually until new base rates are implemented pursuant to the Company's next rate case filing. The refund tariff case is pending.

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. Additionally, the settlement modifies and tightens the Palo Verde Nuclear Generating Station ("Palo Verde") performance rewards measurement bands beginning with the 2018 performance period. The financial results for the twelve months ended December 31, 2017 include a $5.0 million, pre-tax increase to income reflecting the settlement of the Texas fuel reconciliation proceeding. This amount includes 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. Texas jurisdictional fuel and purchased power costs subject to prudence review are costs from April 1, 2016 through December 31, 2017 that total approximately $250.9 million.

New Mexico Order Commencing Review of the Effects of the Federal Tax Cuts and Jobs Act of 2017 on Regulated New Mexico Utilities. On January 24, 2018, the NMPRC initiated an investigation into the impact of the TCJA on New Mexico utilities, Case No. 18-00016-UT. Following the Company’s filed response to the NMPRC’s queries, the NMPRC issued an order on April 4, 2018 requiring that the Company 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 resulting from the TCJA. The proposed rate rider is required to be implemented by May 1, 2018 and is subject to reconciliation. In accordance with the NMPRC order, the Company is developing a proposed interim rate rider for filing with the NMPRC and will consult with the New Mexico Attorney General for approval as to the form of the filing. The annualized credits expected to be refunded to New Mexico customers beginning May 1, 2018 approximates $4.9 million. The order further requires that the Company record and track a regulatory liability for the change in federal corporate income tax rate on the Company’s excess accumulated deferred income taxes, consistent with the effective date of the TCJA, and subject to amortization determined by the Commission in the Company’s next general rate case. As discussed in Footnote I. Income Taxes, the December 31, 2017 regulatory-basis balance sheet reflects the recording of such a regulatory liability.

Inquiry Regarding the Effect of the Tax Cuts and Jobs Act on Commission-Jurisdictional Rates and Order to Show Cause. On March 15, 2018, the Federal Energy Regulatory Commission ("FERC") issued two show cause orders under section 206 of the Federal Power Act and Rule 209(a) of the Commission’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 orders, either (1) propose revisions to their transmission rates under their open access transmission tariffs or transmission owner tariffs on file with the Commission, or (2) show cause why they should not be required to do so. The Company is included in the list of public utilities impacted by the FERC orders and is currently evaluating a response to the orders. The Company’s existing wholesale transmission rates were approved by FERC in 1999.

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 May 25, 2017, Mary E. Kipp was appointed by the Board of Directors of the Company to serve as President of the Company concurrently with her position as the Company's Chief Executive Officer. Ms. Kipp has served as the Company's Chief Executive Officer since December 2015.

On May 25, 2017, J. Robert Brown retired from the Board of Directors of the Company in accordance with the director retirement policy in the Company's Corporate Governance Guidelines.

On May 25, 2017, Thomas V. Shockley, III, retired from the Board of Directors of the Company in accordance with the director retirement policy in the Company's Corporate Governance Guidelines.

On May 25, 2017, Paul M. Barbas, was appointed to the Board of Directors of the Company. Formerly, Mr. Barbas served as President and Chief Executive Officer of DPL Inc., a midsize utility in Dayton, Ohio, and its principal subsidiary, The Dayton Power and Light Company, from October 2006 to December 2011.

On May 25, 2017, Raymond Palacios, Jr., was appointed to the Board of Directors of the Company. Mr. Palacios has served as President of Bravo Cadillac in El Paso, Texas since 2000, and President of Bravo Chevrolet Cadillac in Las Cruces, New Mexico since 2004.

On July 7, 2017, John R. Boomer, Senior Vice President, resigned from the Company.

On September 18, 2017, Adrian J. Rodriguez was appointed Senior Vice President, General Counsel and Assistant Secretary. Formerly, Mr. Rodriguez served as Vice President, General Counsel and Assistant Secretary from May 2017 to September 2017; Principal Attorney from July 2016 to May 2017; Senior Attorney from November 2014 to July 2016; and Staff Attorney from 2013 to November 2014.

On March 5, 2018, Victor F. Rueda was appointed Vice President of Human Resources and Community Outreach. Mr. Rueda served as Vice President of Human Resources of Andeavor (formerly Western Refining, Inc.), from 2006 until 2017.

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

None.

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	4,912,424,556	4,720,359,747
3	Construction Work in Progress (107)	200-201	146,057,827	154,738,506
4	TOTAL Utility Plant (Enter Total of lines 2 and 3)		5,058,482,383	4,875,098,253
5	(Less) Accum. Prov. for Depr. Amort. Depl. (108, 110, 111, 115)	200-201	2,240,335,407	2,161,720,490
6	Net Utility Plant (Enter Total of line 4 less 5)		2,818,146,976	2,713,377,763
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)		195,938,084	196,173,010
12	(Less) Accum. Prov. for Amort. of Nucl. Fuel Assemblies (120.5)	202-203	74,727,129	76,343,039
13	Net Nuclear Fuel (Enter Total of lines 7-11 less 12)		121,210,955	119,829,971
14	Net Utility Plant (Enter Total of lines 6 and 13)		2,939,357,931	2,833,207,734
15	Utility Plant Adjustments (116)		0	-947,680
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)		1,764,256	1,455,555
25	Sinking Funds (125)		0	0
26	Depreciation Fund (126)		0	0
27	Amortization Fund - Federal (127)		0	0
28	Other Special Funds (128)		293,016,062	262,154,162
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)		295,489,764	264,319,163
33	**CURRENT AND ACCRUED ASSETS**			
34	Cash and Working Funds (Non-major Only) (130)		0	0
35	Cash (131)		6,701,768	8,068,258
36	Special Deposits (132-134)		0	0
37	Working Fund (135)		66,552	172,070
38	Temporary Cash Investments (136)		221,525	179,627
39	Notes Receivable (141)		0	0
40	Customer Accounts Receivable (142)		54,852,721	55,437,716
41	Other Accounts Receivable (143)		13,880,761	14,240,188
42	(Less) Accum. Prov. for Uncollectible Acct.-Credit (144)		2,336,990	2,184,779
43	Notes Receivable from Associated Companies (145)		0	0
44	Accounts Receivable from Assoc. Companies (146)		0	0
45	Fuel Stock (151)	227	2,071,842	1,831,509
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	48,791,808	45,355,549
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	40,560	27,823

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 2017/Q4

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	6,086	1,106
55	Gas Stored Underground - Current (164.1)		0	0
56	Liquefied Natural Gas Stored and Held for Processing (164.2-164.3)		0	0
57	Prepayments (165)		10,297,791	9,699,364
58	Advances for Gas (166-167)		0	0
59	Interest and Dividends Receivable (171)		3,459	6,388
60	Rents Receivable (172)		0	0
61	Accrued Utility Revenues (173)		22,185,000	20,952,000
62	Miscellaneous Current and Accrued Assets (174)		-19,103	-25,406
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)		156,763,780	153,761,413
68	**DEFERRED DEBITS**			
69	Unamortized Debt Expenses (181)		12,843,774	13,300,775
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	96,746,932	145,850,294
73	Prelim. Survey and Investigation Charges (Electric) (183)		955,259	865,320
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)		-71,727	-345,325
77	Temporary Facilities (185)		0	0
78	Miscellaneous Deferred Debits (186)	233	5,815,807	5,632,375
79	Def. Losses from Disposition of Utility Plt. (187)		0	0
80	Research, Devel. and Demonstration Expend. (188)	352-353	0	0
81	Unamortized Loss on Reaquired Debt (189)		15,687,238	16,573,162
82	Accumulated Deferred Income Taxes (190)	234	191,950,416	251,438,660
83	Unrecovered Purchased Gas Costs (191)		0	0
84	Total Deferred Debits (lines 69 through 83)		323,927,699	433,315,261
85	TOTAL ASSETS (lines 14-16, 32, 67, and 84)		3,715,539,174	3,683,655,891

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 2017/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	65,824,151
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)		312,697,384	310,164,281
7	Other Paid-In Capital (208-211)	253	3,390,298	2,448,606
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	1,188,438,459	1,142,889,432
12	Unappropriated Undistributed Subsidiary Earnings (216.1)	118-119	0	0
13	(Less) Reaquired Capital Stock (217)	250-251	420,505,805	421,514,793
14	Noncorporate Proprietorship (Non-major only) (218)		0	0
15	Accumulated Other Comprehensive Income (219)	122(a)(b)	11,058,360	-7,116,015
16	Total Proprietary Capital (lines 2 through 15)		1,160,566,445	1,092,354,723
17	LONG-TERM DEBT			
18	Bonds (221)	256-257	159,835,000	193,135,000
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	1,000,000,000	1,000,000,000
22	Unamortized Premium on Long-Term Debt (225)		6,813,217	6,935,167
23	(Less) Unamortized Discount on Long-Term Debt-Debit (226)		3,623,116	3,740,286
24	Total Long-Term Debt (lines 18 through 23)		1,163,025,101	1,196,329,881
25	OTHER NONCURRENT LIABILITIES			
26	Obligations Under Capital Leases - Noncurrent (227)		45,000,000	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)		110,254,454	127,168,099
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)		93,028,714	81,799,925
35	Total Other Noncurrent Liabilities (lines 26 through 34)		248,283,168	253,968,024
36	CURRENT AND ACCRUED LIABILITIES			
37	Notes Payable (231)		85,000,000	44,000,000
38	Accounts Payable (232)		59,270,210	62,953,407
39	Notes Payable to Associated Companies (233)		0	0
40	Accounts Payable to Associated Companies (234)		0	0
41	Customer Deposits (235)		7,013,549	6,753,534
42	Taxes Accrued (236)	262-263	32,817,188	28,776,698
43	Interest Accrued (237)		11,613,171	11,585,596
44	Dividends Declared (238)		0	0
45	Matured Long-Term Debt (239)		0	0

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

Line No.	Title of Account (a)	Ref. Page No. (b)	Current Year End of Quarter/Year Balance (c)	Prior Year End Balance 12/31 (d)
46	Matured Interest (240)		0	0
47	Tax Collections Payable (241)		1,647,615	1,746,875
48	Miscellaneous Current and Accrued Liabilities (242)		20,406,508	21,207,903
49	Obligations Under Capital Leases-Current (243)		89,389,759	89,274,728
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)		307,158,000	266,298,741
55	DEFERRED CREDITS			
56	Customer Advances for Construction (252)		20,559,598	18,868,550
57	Accumulated Deferred Investment Tax Credits (255)	266-267	20,392,372	19,772,475
58	Deferred Gains from Disposition of Utility Plant (256)		0	0
59	Other Deferred Credits (253)	269	4,433,668	1,622,814
60	Other Regulatory Liabilities (254)	278	297,855,890	39,901,322
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)		482,460,890	772,657,141
64	Accum. Deferred Income Taxes-Other (283)		10,804,042	21,882,220
65	Total Deferred Credits (lines 56 through 64)		836,506,460	874,704,522
66	TOTAL LIABILITIES AND STOCKHOLDER EQUITY (lines 16, 24, 35, 54 and 65)		3,715,539,174	3,683,655,891

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 2017/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	916,796,846	886,936,330		
3	Operating Expenses					
4	Operation Expenses (401)	320-323	480,804,299	468,065,677		
5	Maintenance Expenses (402)	320-323	69,458,396	66,746,006		
6	Depreciation Expense (403)	336-337	84,170,742	79,038,903		
7	Depreciation Expense for Asset Retirement Costs (403.1)	336-337	-1,137,735	-1,159,369		
8	Amort. & Depl. of Utility Plant (404-405)	336-337	6,409,172	5,302,468		
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)		1,674,952	678,723		
13	(Less) Regulatory Credits (407.4)		261,240	130,620		
14	Taxes Other Than Income Taxes (408.1)	262-263	70,862,859	65,532,681		
15	Income Taxes - Federal (409.1)	262-263	-8,528,717	-7,933,389		
16	- Other (409.1)	262-263	-193,536	775,079		
17	Provision for Deferred Income Taxes (410.1)	234, 272-277	184,203,783	236,095,452		
18	(Less) Provision for Deferred Income Taxes-Cr. (411.1)	234, 272-277	136,812,581	185,306,185		
19	Investment Tax Credit Adj. - Net (411.4)	266	619,897	-1,552,972		
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)		7,648,643	7,171,920		
25	TOTAL Utility Operating Expenses (Enter Total of lines 4 thru 24)		758,918,934	733,324,374		
26	Net Util Oper Inc (Enter Tot line 2 less 25) Carry to Pg117,line 27		157,877,912	153,611,956		

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 2017/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
916,796,846	886,936,330					2
						3
480,804,299	468,065,677					4
69,458,396	66,746,006					5
84,170,742	79,038,903					6
-1,137,735	-1,159,369					7
6,409,172	5,302,468					8
						9
						10
						11
1,674,952	678,723					12
261,240	130,620					13
70,862,859	65,532,681					14
-8,528,717	-7,933,389					15
-193,536	775,079					16
184,203,783	236,095,452					17
136,812,581	185,306,185					18
619,897	-1,552,972					19
						20
						21
						22
						23
7,648,643	7,171,920					24
758,918,934	733,324,374					25
157,877,912	153,611,956					26

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)		157,877,912	153,611,956		
28	Other Income and Deductions					
29	Other Income					
30	Nonutilty Operating Income					
31	Revenues From Merchandising, Jobbing and Contract Work (415)		551,171	642,611		
32	(Less) Costs and Exp. of Merchandising, Job. & Contract Work (416)		827,980	889,146		
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)		6,817,160	6,564,865		
38	Allowance for Other Funds Used During Construction (419.1)		3,024,921	7,022,504		
39	Miscellaneous Nonoperating Income (421)		17,154,888	14,485,711		
40	Gain on Disposition of Property (421.1)		846,238	997,434		
41	TOTAL Other Income (Enter Total of lines 31 thru 40)		27,566,398	28,823,979		
42	Other Income Deductions					
43	Loss on Disposition of Property (421.2)		15,180	947,683		
44	Miscellaneous Amortization (425)			158,343		
45	Donations (426.1)		1,154,604	1,293,118		
46	Life Insurance (426.2)		372,968	358,874		
47	Penalties (426.3)		3,569	1,000		
48	Exp. for Certain Civic, Political & Related Activities (426.4)		717,511	722,434		
49	Other Deductions (426.5)		856,344	2,120,685		
50	TOTAL Other Income Deductions (Total of lines 43 thru 49)		3,120,176	5,602,137		
51	Taxes Applic. to Other Income and Deductions					
52	Taxes Other Than Income Taxes (408.2)	262-263	9,705	7,923		
53	Income Taxes-Federal (409.2)	262-263	10,909,613	10,168,454		
54	Income Taxes-Other (409.2)	262-263	442,940	449,563		
55	Provision for Deferred Inc. Taxes (410.2)	234, 272-277	311,034	788,521		
56	(Less) Provision for Deferred Income Taxes-Cr. (411.2)	234, 272-277	286,499	531,298		
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)		11,386,793	10,883,163		
60	Net Other Income and Deductions (Total of lines 41, 50, 59)		13,059,429	12,338,679		
61	Interest Charges					
62	Interest on Long-Term Debt (427)		71,177,625	69,667,572		
63	Amort. of Debt Disc. and Expense (428)		1,028,393	1,106,865		
64	Amortization of Loss on Reaquired Debt (428.1)		885,924	885,924		
65	(Less) Amort. of Premium on Debt-Credit (429)		121,950	116,333		
66	(Less) Amortization of Gain on Reaquired Debt-Credit (429.1)					
67	Interest on Debt to Assoc. Companies (430)					
68	Other Interest Expense (431)		2,237,756	1,433,391		
69	(Less) Allowance for Borrowed Funds Used During Construction-Cr. (432)		2,974,276	4,982,916		
70	Net Interest Charges (Total of lines 62 thru 69)		72,233,472	67,994,503		
71	Income Before Extraordinary Items (Total of lines 27, 60 and 70)		98,703,869	97,956,132		
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)		98,703,869	97,956,132		

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 2017/Q4

STATEMENT OF RETAINED EARNINGS

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

Line No.	Item (a)	Contra Primary Account Affected (b)	Current Quarter/Year Year to Date Balance (c)	Previous Quarter/Year Year to Date Balance (d)
	UNAPPROPRIATED RETAINED EARNINGS (Account 216)			
1	Balance-Beginning of Period		1,142,889,432	1,094,535,966
2	Changes			
3	Adjustments to Retained Earnings (Account 439)			
4	Federal Income Tax Effect: Cummulative Effect Retained Earnings Adjustment			
5	(ASU) 2016-09 Compensation-Stock Compensation (Topic 718)			
6	Improvement to Employee Share-Based Payment Accounting	190	182,628	
7				
8				
9	TOTAL Credits to Retained Earnings (Acct. 439)		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)		98,703,869	97,956,132
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		-53,337,470	(49,602,666)
32				
33				
34				
35				
36	TOTAL Dividends Declared-Common Stock (Acct. 438)		-53,337,470	(49,602,666)
37	Transfers from Acct 216.1, Unapprop. Undistrib. Subsidiary Earnings			
38	Balance - End of Period (Total 1,9,15,16,22,29,36,37)		1,188,438,459	1,142,889,432
	APPROPRIATED RETAINED EARNINGS (Account 215)			
39				
40				

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)		1,188,438,459	1,142,889,432
	UNAPPROPRIATED UNDISTRIBUTED SUBSIDIARY EARNINGS (Account			
	Report only on an Annual Basis, no Quarterly			
49	Balance-Beginning of Year (Debit or Credit)			
50	Equity in Earnings for Year (Credit) (Account 418.1)			
51	(Less) Dividends Received (Debit)			
52				
53	Balance-End of Year (Total lines 49 thru 52)			

Name of Respondent El Paso Electric Company	This Report Is: (1) [X] An Original (2) [ ] A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2017/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)	98,703,869	97,956,132
3	Noncash Charges (Credits) to Income:		
4	Depreciation and Depletion	84,170,742	79,038,903
5	Amortization of Other	20,546,826	17,812,027
6	Amortization of Nuclear Fuel	42,689,141	44,001,663
7			
8	Deferred Income Taxes (Net)	47,415,742	51,046,490
9	Investment Tax Credit Adjustment (Net)	619,897	-1,552,972
10	Net (Increase) Decrease in Receivables	-137,824	-17,510,667
11	Net (Increase) Decrease in Inventory	-3,059,832	293,057
12	Net (Increase) Decrease in Allowances Inventory	-12,737	-27,693
13	Net Increase (Decrease) in Payables and Accrued Expenses	3,201,811	1,414,303
14	Net (Increase) Decrease in Other Regulatory Assets	-7,403,523	-19,352,175
15	Net Increase (Decrease) in Other Regulatory Liabilities	17,092,813	-3,767,976
16	(Less) Allowance for Other Funds Used During Construction	3,024,921	7,022,504
17	(Less) Undistributed Earnings from Subsidiary Companies		
18	Other (provide details in footnote):	-6,203,513	-2,430,856
19			
20	Deferred Charges and Credits	-5,142,612	-6,438,358
21	Net (Increase) Decrease in Prepayments and Other	-692,304	-1,183,644
22	Net Cash Provided by (Used in) Operating Activities (Total 2 thru 21)	288,763,575	232,275,730
23			
24	Cash Flows from Investment Activities:		
25	Construction and Acquisition of Plant (including land):		
26	Gross Additions to Utility Plant (less nuclear fuel)	-196,305,192	-237,366,911
27	Gross Additions to Nuclear Fuel	-43,705,644	-47,551,046
28	Gross Additions to Common Utility Plant		
29	Gross Additions to Nonutility Plant		
30	(Less) Allowance for Other Funds Used During Construction	-3,024,921	-7,022,504
31	Other (provide details in footnote):		
32			
33			
34	Cash Outflows for Plant (Total of lines 26 thru 33)	-236,985,915	-277,895,453
35			
36	Acquisition of Other Noncurrent Assets (d)		
37	Proceeds from Disposal of Noncurrent Assets (d)	280,894	4,840,917
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 2017/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			
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)	-102,920,452	-99,497,276
54	Investment in Decomissioning Trust Fund (Sales and Maturities)	97,036,586	91,268,313
55	Other (provided details in footnote):	-1,557,360	4,425,581
56	Net Cash Provided by (Used in) Investing Activities		
57	Total of lines 34 thru 55)	-244,146,247	-276,857,918
58			
59	Cash Flows from Financing Activities:		
60	Proceeds from Issuance of:		
61	Long-Term Debt (b)		157,051,500
62	Preferred Stock		
63	Common Stock		
64	Other: Financing and Other Capital Lease Obligations- Proceeds	638,458,140	355,606,788
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)	638,458,140	512,658,288
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):	-1,369,331	-2,067,397
77	Financing and Capital Lease Obligations	-596,498,777	-415,771,127
78	Net Decrease in Short-Term Debt (c)		
79	Tax (Obligations) Benefits from Long-Term Incentive Plans		-363,963
80	Dividends on Preferred Stock		
81	Dividends on Common Stock	-53,337,470	-49,602,666
82	Net Cash Provided by (Used in) Financing Activities		
83	(Total of lines 70 thru 81)	-46,047,438	44,853,135
84			
85	Net Increase (Decrease) in Cash and Cash Equivalents		
86	(Total of lines 22,57 and 83)	-1,430,110	270,947
87			
88	Cash and Cash Equivalents at Beginning of Period	8,419,955	8,149,008
89			
90	Cash and Cash Equivalents at End of period	6,989,845	8,419,955

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	2017	2016
Other:		
Net Gains on Equity Investments	$ (10,625,851)	$ (7,640,235)
Net Gain on Sale of Property, Plant and Equipment	0	402,654
Amortization of Unearned Compensation	5,091,867	4,252,534
Unrealized (Gains) Losses on Investments in Debt Securities	(314,317)	121,784
Other Operating Activities	(355,212)	432,407
Total	$ (6,203,513)	$ (2,430,856)

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	2017	2016
Other:		
Net Customer Advances for Construction	$ 1,691,047	$ 3,347,819
Net Salvage Value and Cost of Removal	(3,248,407)	1,077,762
Total	$ (1,557,360)	$ 4,425,581

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 (the "FERC") as set forth in its applicable Uniform System of Accounts and published accounting releases which is a comprehensive basis of accounting other than U.S. Generally Accepted Accounting Principles ("GAAP") used in the 2017 Form 10-K filed by El Paso Electric Company with the Securities and Exchange Commission. Notes A through O of the regulatory-basis financial statements are from the 2017 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 O 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 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.

GAAP requires earnings per share information on the income statement and the classification of tax assets related to an uncertainty in income taxes as a reduction to the related tax asset rather than as an increase to current liabilities. GAAP also requires the classification of interest and penalties related to uncertain tax positions as tax expense rather than as interest and penalty expense.

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.		2017	2016
	Assets and Other Debits (Pages 110-111)		
2	Utility plant	$ (930,329)	$ (928,794)
5	Accumulated provision for depreciation, amortization and depletion	(920,160)	(917,389)
11	Nuclear fuel under capital lease	(1,005)	(1,331)
12	Accumulated provision for amortization of nuclear fuel	(252)	(741)
15	Utility plant adjustments	0	948
18	Non utility property	(709)	(709)
24	Other investments	(1,764)	(1,456)
28	Other special funds	(293,016)	(262,154)
67	Total current and accrued assets	28	10,437
84	Total deferred debits	75,207	(42,449)
	Liabilities and Other Credits (Pages 112-113)		
2	Common stock issued	0	(2)
6	Premium on capital stock	13,419	12,479
7	Other paid-in capital	(3,390)	(2,449)
10	Capital stock expense	(341)	(341)
11	Retained earnings	(28,771)	(28,328)
24	Total long-term debt	32,963	(817)
35	Total other noncurrent liabilities	(248,283)	(253,968)
54	Total current and accrued liabilities	9,066	37,110
65	Total deferred credits	(6,521)	(71,744)
	Statements of Income for the Year (Pages 114-117)		
25	Total utility operating expenses	(40,376)	(41,249)
26	Net utility operating income	40,376	41,249
60	Net other income and deductions	5,313	6,361
70	Net interest charges	(4,872)	(5,120)
78	Net income	(442)	(1,188)
	Statement of Retained Earnings (Pages 118-119)		
1	Balance – beginning of period	$ (28,328)	$ (27,140)
48	Total retained earnings	(28,770)	(28,328)
	Statement of Cash Flows (Pages 120-121)		
22	Net cash provided by (used in) operating activities	$ (202)	$ (1,126)
57	Net cash provided by (used in) investing activities	202	1,126

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, 2017 and 2016 consist of the following (in thousands):

	2017	2016
Cash and Cash Equivalents:		
Cash (131)	$ 6,702	$ 8,068
Working funds (135)	67	172
Temporary cash investments (136)	221	180
Cash and cash equivalents at end of period	$ 6,990	$ 8,420
Amortization of Other:		
ARO depreciation (403.1)	$ (1,138)	$ (1,159)
Other utility plant (404)	6,409	5,302
Regulatory assets (407.3)	1,675	679
Regulatory liabilities (407.4)	(261)	(131)
ARO accretion expense (411.10)	7,649	7,172
Miscellaneous amortization (425)	0	158
Debt expense (428)	1,028	1,107
Loss on reacquired debt (428.1)	886	886
Debt premium (429)	(122)	(116)
Interest rate lock losses	533	499
Nuclear fuel financing issuance costs	211	161
Dry cask storage amortization	1,147	1,660
Coal reclamation amortization	575	1,009
Texas rate case amortization	1,526	381
New Mexico rate case amortization	429	204
	$ 20,547	$ 17,812

Utility Plant Adjustments

The following table summarizes amounts reflected as Utility Plant Adjustments for the New Mexico jurisdiction as of December 31, 2017 and 2016 (in thousands):

	December 31, 2016	2017 Activity Additions (Debits)	2017 Activity Amortization (Credits)	December 31, 2017
Utility Plant Adjustment (a)	$ 17,848	$ —	$ —	$ 17,848
Accumulated Amortization (a)	(17,848)	—	—	(17,848)
Four Corners reserve for unrecovered cost (b)	(948)	948	—	—
	$ (948)	$ 948	$ —	$ —

(a) Represents the New Mexico jurisdictional difference between FERC regulatory-basis values and GAAP values related to Steam and Other Production assets. Established in 1998 by the Stipulation and Settlement Agreement in New Mexico Public Regulation Commission Case No. 2722. FERC account 116 was utilized to maintain the original cost concept for utility plant and is consistent with FERC's policy on plant write ups. The Company is amortizing this asset over the remaining lives of each respective production unit.

(b) Represents the estimated reserve for unrecovered plant cost in connection with the sale of Four Corners.

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

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

Use of Estimates. The preparation of financial statements in conformity with regulatory accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the regulatory-basis financial statements and the reported amounts of revenues and expenses during the reporting period. The Company evaluates its estimates on an on-going basis, including those related to depreciation, unbilled revenue (or "Accrued Utility 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 2017 and 2016 was 2.50% and 2.49%, 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.

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 E.

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 AFUDC average rates used in 2017 and 2016 were 5.38% and 6.43%, 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 F. 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 nuclear decommissioning or the pension and other post-retirement benefit trust funds.

Investments. The Company’s marketable securities, included in decommissioning trust funds which are reflected in Other Special Funds in the regulatory-basis balance sheet, are reported at fair value and consist of cash, equity securities and municipal, federal and corporate bonds in trust funds established for decommissioning of its interest in Palo Verde. Such marketable 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 marketable 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 N.

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 N.

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 Net of Energy Expenses. The Company accrues revenues for services rendered, including unbilled electric service revenues. Energy expenses are stated at actual cost incurred. 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 which is adjusted monthly, as approved by the NMPRC. The Company's FERC sales for resale customer is billed under a formula-based rate and fuel factor and a fuel adjustment clause which is adjusted monthly. The Company’s recovery of energy expenses is subject to periodic reconciliations of actual energy expenses incurred to actual fuel revenues collected. The difference between energy 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 C and Note D.

Revenues. Revenues related to the sale of electricity are generally recorded when service is provided or electricity is delivered to customers. The billing of electricity sales to retail customers is based on the reading of their meters, which occurs on a systematic basis throughout the month. Accrued Utility Revenues are recorded for estimated amounts of energy delivered in the period following the customers billing cycle to the end of the month. Accrued Utility Revenues are estimated based on monthly generation volumes and by applying an average revenue/kWh to the number of estimated kWhs delivered but not billed. The Company recorded $22.2 million and $21.0 million of Accrued Utility Revenues as of December 31, 2017 and 2016, respectively. The Company presents revenues net of sales taxes in its regulatory-basis statement of income.

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 2017 and 2016 are as follows (in thousands):

	2017	2016
Balance at beginning of year	$ 2,185	$ 2,078
Additions:		
Charged to costs and expense	3,149	2,424
Recovery of previous write-offs	1,122	1,395
Uncollectible receivables written off	4,119	3,712
Balance at end of year	$ 2,337	$ 2,185

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. During the third quarter of 2016, the Company changed its accounting for state income taxes from the flow-through method to the normalization method in accordance with the final orders from the PUCT and the NMPRC in its 2015 rate cases, effective January 1, 2016. See Note C for further discussion. 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 returned to customers in which case they are recorded as a regulatory asset or liability. See Note I for further discussion. 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 I.

On December 22, 2017, 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, with the exception of the discontinuance of bonus depreciation for regulated public utilities which was effective for assets acquired and placed into service after September 27, 2017. The TCJA includes significant changes to the Internal Revenue Code of 1986, as amended, (the "IRC"), including amendments which 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 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 September 27, 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 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 D and I 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 (the "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 G.

Pension and Post-retirement Benefit Accounting. See Note L for a discussion of the Company's accounting policies for its employee benefits.

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. The FERC has not officially stated its position with respect to all of these standards. Accordingly, 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.

In March 2016, the FASB issued Accounting Standards Update ("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 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 replaces the existing revenue recognition guidance, and 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. More specifically, the standard requires entities to recognize revenue through the application of a five-step model, which includes the: (i) identification of the contract; (ii) identification of the performance obligations; (iii) determination of the transaction price; (iv) allocation of the transaction price to the performance obligations; and (v) the recognition of revenue as the entity satisfies the performance obligations. The Company will adopt the new standard for reporting periods beginning on January 1, 2018, and intends use the modified retrospective approach.

The Company has analyzed the impact of the new standard on its various revenue and cash flow streams, and the impact on changes to business processes, systems and controls to support recognition under the new guidance. Tariff sales to customers are determined to be in the scope of the new standard and represent a significant portion of the Company’s total operating revenues. The Company has determined that the timing or pattern of revenue recognition from tariff sales will not change. Implementation of the new standard will also not significantly change the timing or pattern of revenue recognition from other revenue streams. Upon adoption of the standard, the Company expects its disclosures to disaggregate revenues primarily by tariff based categories and off-system sales.

In January 2016, the FASB issued ASU 2016-01, Financial Instruments - Overall (Subtopic 825-10): Recognition and Measurement of Financial Assets and Liabilities to enhance the reporting model for financial instruments by addressing certain aspects of recognition, measurement, presentation, and disclosure. ASU 2016-01 generally requires entities to measure equity investments that do not result in consolidation and are not accounted for under the equity method at fair value and recognize any changes in fair value in net income. The guidance for classifying and measuring investments in debt securities and loans is not changed by this ASU, but requires entities to record changes in other comprehensive income. Financial assets and financial liabilities must be separately presented by measurement category on the regulatory-basis balance sheet or in the accompanying notes to the regulatory-basis financial statements. ASU 2016-01 clarifies the need for a valuation allowance on a deferred tax asset related to available-for-sale securities in combination with the entity's other deferred tax assets. The provisions of this ASU become effective for reporting periods beginning after December 15, 2017. Upon adoption of the new standard, the Company expects to record the cumulative effects as of January 1, 2018 which will result in a net reduction to accumulated other comprehensive income of $41.0 million, net of tax, and a corresponding increase in retained earnings for unrealized gains (losses) related to equity securities owned by the Company.

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 regulatory-basis 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 leases guidance for capital leases and operating leases. The impact of leases reported in the Company's operating results and statement of cash flows are 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 leases are recorded in regard to financial position 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. Implementation of the standard will be required for reporting periods beginning after December 15, 2018. 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. The Company is currently in the process of evaluating the impact of the new standard, which includes continuing to monitor activities of the FASB, including the impact of the recently issued ASU 2018-01, and the proposed project to allow 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. ASU 2018-01, Land Easement Practical expedient for Transition to Topic 842, 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 Accounting Standards Codification ("ASC") Topic 840. The Company currently anticipates that it will apply the practical expedient under ASU 2018-01 to its existing or expired land easements as part of its transition to Topic 842. The Company's evaluation process also includes evaluating the impact, if any, on changes to business processes, systems and controls to support recognition and disclosure under the new guidance; however, at this time the Company is unable to determine the impact this standard will have on the financial statements and related disclosures.

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 current 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. The provisions of 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 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 regulatory-basis statement of cash flows. The provisions of ASU 2016-15 will be required for reporting periods beginning after December 15, 2017. ASU 2016-15 will be applied using a retrospective transition method to each period presented. If it is impracticable to apply ASU 2016-15 retrospectively for some of the issues, the amendments for those issues may be applied prospectively as of the earliest date practicable. The Company is currently assessing the future impact of this ASU.

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 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 amendments in ASU 2017-07 will be required for reporting periods beginning after December 15, 2017 for GAAP purposes. On December 28, 2017, the FERC issued guidance under Docket No. AI18-1-000 to provide guidance for regulated utilities with respect to ASU 2017-07. Based on this guidance, the Company will continue to record all components of net periodic pension and postretirement benefit costs in operating expense in its regulatory-basis statement of income. The Company may elect to follow the capitalization under ASU No. 2017-07 for regulatory reporting and if it does so, will disclose the potential rate impact of such accounting practice as required in the FERC guidance.

In May 2017, the FASB issued ASU 2017-09, Compensation - Stock Compensation (Topic 718), Scope of Modification Accounting, to provide guidance about when to account for a change to the terms or conditions of a share-based payment award as a modification. Under ASU 2017-09, modification accounting is required only if the fair value, the vesting conditions, or the classification of the award (as equity or liability) changes as a result of the change in terms or conditions. The amendments of ASU 2017-09 will be required for reporting periods beginning after December 15, 2017. ASU 2017-09 should be applied prospectively to an award modified on or after the adoption date. The Company is assessing the future impact of ASU 2017-09; however, it currently does not expect the impact of this ASU to be significant to the Company's financial conditions, results of operations or cash flows.

In February 2018, the FASB issued ASU 2018-02, Income Statement - Reporting Comprehensive Income (Topic 220) as a result of concerns raised by stakeholders due to the TCJA. More specifically, the concerns raised are that because the adjustment due to the reduction of the historical corporate income tax rate of 35% to the newly enacted corporate income tax rate of 21% is required to be made for accumulated deferred income taxes, the tax effect of items within accumulated other comprehensive income ("AOCI") do not reflect the appropriate tax rate under current accounting standards which would result in "stranded taxes". ASU 2018-02 allows companies to reclassify stranded taxes from AOCI to retained earnings. The amount of the reclassification would be the difference between the historical corporate income tax rate of 35% and the newly enacted 21% 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 in the process of evaluating the impact of ASU 2018-02 and its impact on regulated utilities. At December 31, 2017, the Company has $7.2 million in stranded taxes in AOCI.

C. 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) 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 Docket No. 44941, 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 (the "2016 Unopposed Settlement"). On August 25, 2016, the PUCT approved the 2016 Unopposed Settlement and issued the 2016 PUCT Final Order, as proposed. The 2016 PUCT Final Order provided for: (i) an annual non-fuel base rate increase, lower annual depreciation expense, a revised return on equity for AFUDC purposes, and the inclusion of substantially all new plant in service in rate base; (ii) an additional annual non-fuel base rate increase of $3.7 million related to Four Corners Generating Station ("Four Corners") costs, which was collected through a surcharge that terminated on July 11, 2017; (iii) removing the separate rate treatment for residential customers with solar systems that the Company had proposed in its August 10, 2015 filing; (iv) allowing the Company to recover $3.1 million in rate case expenses through a separate surcharge; and (v) allowing the Company to recover revenues associated with the relate back of rates to consumption on and after January 12, 2016 through March 31, 2016 through a separate surcharge.

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 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 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 its final order in the Company's rate case pending 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 establishes baseline revenue requirements for recovery of future transmission and distribution investment costs, 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 allows 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 allows for the Company to recover revenues associated with the relate back of rates to consumption on and after July 18, 2017 through a separate surcharge.

New base rates, including additional surcharges associated with rate case expenses and the relate back of rates to consumption on and after July 18, 2017 through December 31, 2017 were implemented in January 2018.

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, were decreased before the Company files its next 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 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 tax law changes. This filing was assigned PUCT Docket No. 48124. On March 27, 2018, the PUCT approved the Company's proposed tax credits on an interim basis, subject to refund or surcharge, for customer billing effective April 1, 2018. The refund tariff will be reflected in rates over a period of a year and will be updated annually until new base rates are implemented pursuant to the Company's next rate case filing. The refund tariff case is pending.

Energy Efficiency Cost Recovery Factor. On May 1, 2017, the Company filed its annual application, which was assigned PUCT Docket No. 47125, to establish its energy efficiency cost recovery factor ("EECRF") for 2018. In addition to projected energy efficiency costs for 2018 and a true-up 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 staff of the PUCT, 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.

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 (the "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 fuel reconciliation proceedings.

On November 30, 2016, the Company filed a request, 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. As of September 30, 2017, the Company had over-recovered fuel costs in the amount of $1.1 million for the Texas jurisdiction. On October 13, 2017, the Company filed a request, 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 and will continue thereafter until changed by the PUCT. At December 31, 2017, the Company had a net fuel over-recovery balance of approximately $5.8 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. Additionally, the settlement modifies and tightens the Palo Verde performance rewards measurement bands beginning with the 2018 performance period. The financial results for the twelve months ended December 31, 2017 include 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. Texas jurisdictional fuel and purchased power costs subject to prudence review are costs from April 1, 2016 through December 31, 2017 that total approximately $250.9 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 3 MW solar photovoltaic system located at the Company's 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 3 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 regulatory authorities to expand its community solar program to include 2 MW of solar powered generation from the 10 MW solar photovoltaic facility located at the Company’s Newman Power Station and to reduce rates under the Community Solar tariff. The case before the PUCT was assigned Docket No. 48181 and is currently pending.

Four Corners Generating Station. On February 17, 2015, the Company and Arizona Public Service Company ("APS") entered into an asset purchase agreement (the "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. See Note E for further details on the sale of Four Corners.

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 (the "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 the 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 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. NMPRC Case No. 15-00109-UT required the Company to make a rate filing in New Mexico in the second quarter of 2017 using a historical test year ended December 31, 2016. On March 24, 2017, the Company, NMPRC Utility Division Staff and the New Mexico Attorney General filed a Joint Motion to Modify Filing Date Stated in Final Order requesting that the rate filing date be changed to no later than July 31, 2019, using the appropriate historical test year period. The joint request was approved by the NMPRC on April 12, 2017.

New Mexico Order Commencing Review of the Effects of the Federal Tax Cuts and Jobs Act of 2017 on Regulated New Mexico Utilities. On January 24, 2018, the NMPRC initiated an investigation into the impact of the TCJA on New Mexico utilities, Case No. 18-00016-UT. Following the Company's filed response to the NMPRC's queries, the NMPRC issued an order on April 4, 2018 requiring that the Company 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 resulting from the TCJA. The proposed rate rider is required to be implemented by May 1, 2018 and is subject to reconciliation. In accordance with the NMPRC order, the Company is developing a proposed interim rate rider for filing with the NMPRC and will consult with the New Mexico Attorney General for approval as to the form of the filing. The annualized credits expected to be refunded to New Mexico customers beginning May 1, 2018 approximates $4.9 million. The order further requires that the Company record and track a regulatory liability for the change in federal corporate income tax rate on the Company's excess accumulated deferred income taxes, consistent with the effective date of the TCJA, and subject to amortization determined by the Commission in the Company's next general rate case. As discussed in Footnote I. Income Taxes, the December 31, 2017 regulatory-basis balance sheet reflects the recording of such a regulatory liability.

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 (the "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 was approved in Case No. 15-00127-UT. New Mexico jurisdictional costs subject to prudence review are costs from January 1, 2015 through December 31, 2017 that total approximately $173.1 million. At December 31, 2017, the Company had a net fuel over-recovery balance of approximately $0.4 million 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 NMPRC Case No. 18-00006-UT. Hearings in the case are scheduled to begin in July 2018.

5 MW Holloman Air Force Base ("HAFB") Facility Certificate of Convenience and Necessity ("CCN"). On October 7, 2015, in NMPRC Case No. 15-00185-UT, the NMPRC issued a final order approving a CCN for a 5 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 which was approved by final order issued October 5, 2016 in NMPRC Case No. 16-00224-UT. Construction of the solar generation facility is expected to be completed in the third quarter of 2018.

New Mexico Efficient Use of Energy Recovery Factor. On July 1, 2016, the Company filed its annual application requesting approval of its 2017 Energy Efficiency and Load Management Plan and to establish energy efficiency cost recovery factors 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 case 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 and authorizing recovery in 2017 of a base incentive of $0.4 million. The Company's energy efficiency cost recovery factors were approved and effective in customer bills beginning on March 1, 2017.

On July 1, 2016, the Company filed its 2015 Annual Report for Energy Efficiency Programs, which included an incentive for verified 2015 program performance of $0.3 million, which was approved in Case No. 13-00176-UT. The Company recorded the $0.3 million approved incentive in operating revenues in the first quarter of 2017. In addition, on June 30, 2017, the Company filed its 2016 Annual Report for Energy Efficiency Programs, which included an incentive for verified 2016 program performance of $0.4 million that was approved in Case No. 13-00176-UT. The Company recorded the $0.4 million approved incentive in operating revenues in the third quarter of 2017.

Revolving Credit Facility, Issuance of Long-Term Debt, and Securities Financing. 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 ("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 its 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.

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

Revolving Credit Facility; 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 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 order also approves 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.

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

United States 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 United States/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 E for discussion of spent fuel storage and disposal costs.

Inquiry Regarding the Effect of the Tax Cuts and Jobs Act 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 Commission'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 orders, either (1) propose revisions to their transmission rates under their open access transmission tariffs or transmission owner tariffs on file with the Commission, or (2) show cause why they should not be required to do so. The Company is included in the list of public utilities impacted by the FERC orders and is currently evaluating a response to the orders. The Company's existing wholesale transmission rates were approved by FERC in 1999.

Sales for Resale and Network Transmission Service to Rio Grande Electric Cooperative

The Company provides firm capacity and associated energy to the Rio Grande Electric Cooperative ("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 Open Access Transmission Tariff ("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.

D. 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, 2017	December 31, 2016
Regulatory assets			
Regulatory tax assets	(a)	$ 56,651	$ 98,841
Final coal reclamation	(b)(c)	4,726	8,181
Four Corners decommissioning	(d)	6,604	1,400
Nuclear fuel postload daily financing charge	(c)	3,795	4,100
Texas 2015 rate case costs (e)	January 2021	1,144	2,670
Texas 2017 rate case costs	January 2021	3,642	246
Texas relate back surcharge (f)	January 2019	8,591	6,455
Texas demand response program	(g)	133	—
Texas military base discount and recovery factor	(h)	213	—
New Mexico renewable energy credits and related costs (i)	June 2022	5,823	6,937
New Mexico 2010 FPPCAC audit	June 2019	326	398
New Mexico Palo Verde deferred depreciation	(j)	4,263	4,415
New Mexico 2015 rate case costs	June 2019	644	1,074
New Mexico 2017 rate case costs		—	10
New Mexico demand response program	(k)	192	—
Undercollection of fuel revenues	(l)	—	11,123
Total regulatory assets		$ 96,747	$ 145,850
Regulatory liabilities			
Regulatory tax liabilities	(m)	$ 288,775	$ 35,187
Texas energy efficiency	(n)	895	1,288
New Mexico energy efficiency	(n)	1,394	2,159
Texas military base discount and recovery factor	(h)	—	184
New Mexico gain on sale of assets (o)	June 2019	567	828
Overcollection of fuel revenues	(l)	6,225	255
Total regulatory liabilities		$ 297,856	$ 39,901

(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 the 2016 Texas Fuel Reconciliation and will be recovered over seven years through June 2023. The New Mexico amortization period is anticipated to be established in the next general rate case.

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

(d) This item relates to the decommissioning of Four Corners. The Texas portion was approved for recovery in the 2017 PUCT Final Order and will be recovered over seven years through July 2024. The New Mexico amortization period is anticipated to be established in the next New Mexico general rate case.
(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 surcharge 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. See Note C.
(g) Recovery of this item will be addressed in the next Texas EECRF filing.
(h) This item represents the net asset/net liability related to the military discount which is recovered from non-military customers through a recovery factor that is set annually.
(i) 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 New Mexico general rate case.
(j) The amortization period for this item is based upon the Nuclear Regulatory Commission license life for each unit at Palo Verde.
(k) Amortization period is anticipated to be established in next New Mexico general rate case.
(l) This item is recovered or refunded through fuel adjustment mechanism in each jurisdiction.
(m) 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 I for further details.
(n) This item is recovered or credited through a recovery factor that is set annually.
(o) This item relates to the gains on the sales of assets the Company shares with its New Mexico customers over a three year period.

E. 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, 2017 (in thousands):

	Gross Plant	Accumulated Depreciation	Net Plant
Nuclear production	$ 1,909,766	$ (1,239,042)	$ 670,724
Steam and other	1,017,120	(282,134)	734,986
Total production	2,926,886	(1,521,176)	1,405,710
Transmission	476,433	(224,290)	252,143
Distribution	1,170,991	(361,186)	809,805
General	232,506	(72,023)	160,483
Intangible	105,609	(61,660)	43,949
Total	$ 4,912,425	$ (2,240,335)	$ 2,672,090

The Company owns a 15.8% interest in each of the three nuclear generating units and common facilities at Palo Verde, in Wintersburg, Arizona. The Palo Verde Participants include the Company and six other utilities: APS, Southern California Edison Company ("SCE"), PNM, Southern California Public Power Authority, Salt River Project Agricultural Improvement and Power District ("SRP") 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, 2017 and 2016 is as follows (in thousands):

	December 31, 2017		December 31, 2016	
	Palo Verde	Other (a)	Palo Verde	Other (a)
Electric plant in service	$ 1,909,766	$ 87,641	$ 1,867,543	$ 87,457
Accumulated depreciation	(1,239,042)	(65,590)	(1,222,958)	(64,686)
Construction work in progress	40,946	1,014	50,598	1,895
Total	$ 711,670	$ 23,065	$ 695,183	$ 24,666

(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 2016 and 2017 and for the next five years (in thousands):

2016	$ 5,302
2017	6,409
2018 (estimated)	6,835
2019 (estimated)	6,485
2020 (estimated)	6,048
2021 (estimated)	5,128
2022 (estimated)	4,328

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 (the "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, other operations, maintenance and capital costs. The Company's share of direct expenses in Palo Verde and other jointly-owned utility plants is reflected in fuel expense, other operations expense, maintenance 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 Nuclear Regulatory Commission ("NRC") regulates the operation of all commercial nuclear power reactors in the United States, 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 external trusts 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, 2017, the Company's decommissioning trust fund had a balance of $286.9 million, which is above its minimum funding level. The Company monitors the status of its decommissioning funds and adjusts deposits, if necessary.

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. 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 "NWPA"), 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 (the "Standard Contract") 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. On August 18, 2014, APS and the DOE entered into a settlement agreement stipulating to a dismissal of the lawsuit. Pursuant to the terms of the August 18, 2014 settlement agreement, APS files annual claims for the period July 1 of the then-previous year to June 30 of the then-current year. 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 are presented below (in thousands):

Costs Recovery Period	Amount Refunded	Amount Credited to Customers through Fuel Adjustment Clauses	Period Credited to Customers
January 2007 – June 2011	$ 9,076	$ 7,944	September 2014
July 2011 – June 2014	6,643	5,759	March 2015
July 2014 – June 2015	1,884	1,581	March 2016
July 2015 – June 2016	1,779	1,432	March 2017

On October 31, 2017, APS filed an $8.9 million claim for the period July 1, 2016 through June 30, 2017. The Company's share of this claim is approximately $1.4 million. In February 2018, the DOE approved this claim. The Company received the refund in March 2018, and the majority of the reimbursement received by the Company will 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 United States government's obligation to accept and store spent fuel are not favorably resolved, APS will evaluate alternative storage solutions that may obviate the need to expand the ISFSI to accommodate all of the fuel that will be irradiated during the period of extended operation.

Liability and Insurance Matters. The Palo Verde Participants have insurance for public liability resulting from nuclear energy hazards to the full limit of liability under federal law, which is currently at $13.4 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 $127.3 million, subject to an annual limit of $19.0 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 $60.4 million, with an annual payment limitation of approximately $9.0 million.

The Palo Verde Participants maintain $2.75 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 $2.25 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 $13.0 million for the current policy period.

Palo Verde Operations and Maintenance Expense. Included in other operations and maintenance expenses are expenses associated with Palo Verde as follows (in thousands):

Years Ended December 31,	
2017	**2016**
$ 99,364	$ 96,914

Four Corners

On July 6, 2016, the Company sold its interests in Four Corners for $32.0 million to 4C Acquisition, LLC, an affiliate of APS ("APS's affiliate"), and Pinnacle West Capital Corporation ("Pinnacle West"), the parent company of APS and APS's affiliate. No significant gain or loss was recorded for this sale. APS's affiliate assumed responsibility for all Four Corners capital expenditures made after July 6, 2016, which assumption is guaranteed by Pinnacle West. In addition, APS's affiliate will indemnify the Company against certain liabilities and costs related to the future operation of Four Corners, which indemnification is guaranteed by Pinnacle West. See Note C for a discussion of regulatory filings associated with Four Corners.

F. 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 Palo Verde decommissioning study. See Note E. 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, 2017 is $286.9 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 Palo Verde decommissioning 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 E. 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, 2016 through December 31, 2017, 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 Palo Verde decommissioning study. In 2016, the settled liabilities reflect the sale of the Company's interest in Four Corners including the related ARO.

	2017	2016
ARO liability at beginning of year	$ 81,800	$ 81,621
Liabilities incurred	138	—
Liabilities settled	(19)	(6,993)
Revisions to estimate	3,461	—
Accretion expense	7,649	7,172
ARO liability at end of year	$ 93,029	$ 81,800

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 which the Company routinely exercises. The amount of cost of removal collected in rates for non-legal liabilities has not been material.

G. 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 (the "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, 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 expense recognized related to restricted stock and other stock-based awards in 2017 and 2016 is presented below (in thousands):

	2017	2016
Expense (a)	$ 2,997	$ 2,594
Deferred tax benefit	1,049	908
Current tax benefit recognized	318	183

(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 2017 and 2016 is presented below (in thousands):

	2017	2016
Aggregated intrinsic value	$ 3,711	$ 2,515
Fair value at grant date	2,803	1,993

The unvested restricted stock transactions for 2017 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, 2016 (b)	109,393	$ 39.90		
Stock awards	70,273	49.78		
Vested	(68,470)	40.93		
Forfeitures	(4,961)	40.18		
Restricted shares outstanding at December 31, 2017 (b)	106,235	45.76	$ 2,005	$ 5,880

(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-base awards granted during 2017 and 2016 were:

	2017	2016
Weighted average fair value per share	$ 49.78	$ 40.95

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	Aggregate Intrinsic Value (In thousands)
January 31, 2018	175%	68,379	$ 1,499	2015-2017	$ 3,569
January 25, 2017	32%	11,314	932	2014-2016	512
January 27, 2016	0%	0	851	2013-2015	—

In 2018, 2019 and 2020, 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, 2017, the maximum number of shares that can be issued under the plan are 280,159 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, 2016 (a)	166,444	$ 34.40		
Performance shares awards	51,493	42.62		
Performance shares vested	(11,314)	26.36		
Performance shares expired	(24,057)	26.36		
Performance shares forfeited	(9,975)	39.53		
Performance shares outstanding at December 31, 2017 (a)	172,591	38.21	$ 2,048	$ 9,553

(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 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 CEO retention grant.

A summary of information related to performance shares for 2017 and 2016 is presented below:

	2017	2016
Weighted average per share grant date fair value per share of performance shares awarded	$ 42.62	$ 38.11
Fair value of performance shares vested (in thousands)	298	—
Intrinsic value of performance shares vested (in thousands) (a)	512	—
Compensation expense (in thousands) (b) (c)	2,012	1,655
Deferred tax benefit related to compensation expense (in thousands) (b)	704	579

(a) Based on a 100% performance level.
(b) Includes adjustments for estimated forfeitures.
(c) Includes CEO retention grant.

Repurchase Program

No shares of the Company's common stock were repurchased during the twelve months ended December 31, 2017. Detail regarding the Company's stock repurchase program are presented below:

	Since 1999 (a)	Authorized Shares
Shares repurchased (b)	25,406,184	
Cost, including commission (in thousands)	$ 423,647	
Total remaining shares available for repurchase at December 31, 2017		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 outside of the Company's repurchase programs. 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 awarded 256,929 shares, net of shares withheld for taxes, out of treasury stock during 2017.

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 may be retired.

Dividend Policy

On December 29, 2017, the Company paid $13.6 million in quarterly cash dividends to shareholders. The Company paid a total of $53.3 million and $49.6 million in cash dividends during the twelve months ended December 31, 2017 and 2016, respectively. On February 1, 2018, the Board of Directors declared a quarterly cash dividend of $0.335 per share payable on March 30, 2018 to shareholders of record as of the close of business on March 16, 2018.

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

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

	December 31, 2017	December 31, 2016
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
4.50% 2012 Series A refunding bonds, due 2042 (4.63% effective interest rate)	59,235	59,235
7.25% 2009 Series B refunding bonds, due 2040 (7.49% effective interest rate)	37,100	37,100
1.875% 2012 Series A refunding bonds, due 2032 (2.35% effective interest rate)	—	33,300
Total Account 221	159,835	193,135
Other Long –Term Debt (Accounts 224, 225 and 226):		
Senior Notes (2):		
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
3.30% Senior Notes, net of discount, due 2022 (3.43% 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
Total Account 224	1,000,000	1,000,000
Unamortized premium on long-term debt Account 225	6,813	6,935
Unamortized discount on long-term debt Account 226	(3,623)	(3,740)
Total long-term debt	$ 1,163,025	$ 1,196,330
Obligations Under Capital Lease – Noncurrent (Account 227):		
RGRT Senior Notes (3):		
5.04% Senior Notes, Series C, due 2020 (5.16% effective interest rate)	$ 45,000	$ 45,000
Total Capital Lease Obligations Noncurrent	$ 45,000	$ 45,000
Obligations Under Capital Lease – Current (Account 243):		
RGRT Senior Notes (3):		
4.47% Senior Notes, Series B, due 2017 (4.62% effective interest rate)	$ —	$ 50,000
Revolving Credit Facility (4)	89,390	39,275
Total Capital Lease Obligations Current	$ 89,390	$ 89,275

1. Pollution Control Bonds ("PCBs")

The Company had four series of tax exempt unsecured PCBs in aggregate principal amount of $193.1 million. In September 2017, the $33.3 million 2012 Series A 1.875% PCBs, which were subject to mandatory tender for purchase, were redeemed and retired utilizing funds borrowed under the RCF. As of December 31, 2017, the Company's aggregate principal amount on PCBs was $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.

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 N. 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 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 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.

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 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 these RGRT Notes, respectively, matured and were paid with borrowings from the RCF. The Company guarantees the payment of principal and interest on the RGRT Notes. In the Company’s regulatory-basis financial statements, the obligations to the RGRT are reported as obligations under capital leases of nuclear fuel.

RGRT pays interest on the RGRT Notes on February 15 and August 15 of each year until maturity. RGRT may redeem the RGRT 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 agreement requires compliance with certain covenants, including a total debt to capitalization ratio. The Company was in compliance with these requirements throughout 2017.

The sale of the RGRT Notes was made by RGRT in reliance on a private placement exemption from registration under the Securities Act of 1933, as amended. 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 will enable future nuclear fuel financing requirements of RGRT to be met with a combination of the RGRT Notes and amounts borrowed from the RCF.

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. The Company still has the option to extend the facility by one additional year to January 2021 and to increase the RCF by up to $50 million (up to a total of $400 million) upon the satisfaction of certain conditions, more fully set forth in the agreement, including obtaining commitments from lenders or third party financial institutions.

The RCF provides that amounts borrowed by the Company may be used for, among other things, working capital and general corporate purposes. Any amounts borrowed by RGRT may be used, among other things, to finance the acquisition and processing of nuclear fuel. Amounts borrowed by RGRT are guaranteed by the Company and the balance borrowed under the RCF 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 is unsecured. The RCF requires compliance with certain covenants, including a total debt to capitalization ratio. The Company was in compliance with these requirements throughout 2017. In August 2015 and 2017, $15.0 million aggregate principal amount of Series A 3.67% Senior Notes and $50.0 million aggregate principal amount of Series B 4.47% Senior Notes of RGRT, respectively, matured and were paid with borrowings from the RCF. As of December 31, 2017, the total amount borrowed by RGRT was $89.4 million for nuclear fuel under the RCF. As of December 31, 2017, $85.0 million of borrowings were outstanding under this facility for working capital and general corporate purposes. The weighted average interest rate on the RCF was 2.7% as of December 31, 2017.

As of December 31, 2017, the principal amount of scheduled maturities for the next five years of long-term debt are as follows (in thousands):

2018	$ —
2019	—
2020	45,000
2021	—
2022	—

I. Income Taxes

On December 22, 2017, the TCJA was enacted. The TCJA includes significant changes to the IRC, including amendments which 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 September 27, 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 results for the twelve months ended December 31, 2017 contain provisional estimates of the impact of the TCJA. These amounts are considered provisional because they use estimates for which tax returns have not yet been filed and because estimated amounts may be impacted by future regulatory and accounting guidance if and when issued. The Company will adjust these provisional amounts as further information becomes available and as we refine our calculations. As permitted by recent guidance issued by the Securities and Exchange Commission, these adjustments will occur during a reasonable "measurement period" not to exceed twelve months from the date of enactment.

Provisional 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 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, as a result of concerns raised by stakeholders due to the TCJA. ASU 2018-02 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 in the process of evaluating the impact of ASU 2018-02 and its impact on regulated utilities. At December 31, 2017, the Company has $7.2 million in stranded taxes in AOCI.

The provisional tax effects of temporary differences that give rise to significant portions of the deferred tax assets and liabilities at December 31, 2017 and 2016 are presented below (in thousands):

	December 31, 2017	December 31, 2016
Deferred tax assets:		
Plant, principally due to capitalized costs	$ 30,269	$ 58,613
Benefits of tax loss carryforwards	24,852	61,293
Pensions and benefits	32,534	57,698
Alternative minimum tax credit carryforward	16,620	16,620
Regulatory liabilities related to income taxes	65,846	6,120
Asset retirement obligation	19,530	30,462
Other	2,299	20,633
Total gross deferred tax assets	191,950	251,439
Deferred tax liabilities:		
Plant, principally due to depreciation and basis differences	(421,974)	(664,228)
Regulatory assets related to income taxes	(42,250)	(81,066)
Decommissioning	(24,728)	(36,934)
Other	(4,313)	(12,312)
Total gross deferred tax liabilities	(493,265)	(794,540)
Net accumulated deferred income taxes	$ (301,315)	$ (543,101)

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 2017 and 2016 as follows (in thousands):

	Years Ended December 31, 2017	Years Ended December 31, 2016
Income tax expense:		
Federal:		
Current	$ 2,381	$ 2,235
Deferred	45,241	47,412
Investment tax credit	620	(1,553)
Total federal income tax	$ 48,242	$ 48,094
State:		
Current	$ 250	$ 1,225
Deferred	2,174	3,634
Total state income tax	$ 2,424	$ 4,859

As of December 31, 2017, the Company had $16.6 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 (to the extent the credits exceed the Company's regular tax liability for the year) in 2018, 2019 and 2020. Any AMT credits remaining after 2020 will be refunded in 2021. As of December 31, 2017, the Company had $23.8 million of federal and $1.4 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 35% to book income before federal income tax as follows (in thousands):

	Years Ended December 31, 2017	2016
Federal income tax expense computed on income at statutory rate	$ 52,279	$ 52,818
Difference due to:		
State income taxes (federal effect)	(848)	(1,701)
Investment Tax Credit, net of deferred taxes	403	(1,009)
Allowance for equity funds used during construction	295	(314)
Amortization of excess deferred taxes	962	849
Amortization of regulatory assets and liabilities	217	(544)
Permanent tax differences	(5,066)	(2,292)
Other	—	287
Total federal income tax expense	$ 48,242	$ 48,094

The Company files income tax returns in the United States 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 2013. 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.

In the third quarter of 2016, the Company changed its accounting for state income taxes from the flow-through method to the normalization method in accordance with the 2016 PUCT Final Order and the NMPRC Final Order. Under the flow-through method, the Company previously recorded deferred state income taxes and regulatory liabilities and assets offsetting such deferred state income taxes at the expected cash flow to be reflected in future rates. Upon implementation of normalization, the Company began amortizing the net regulatory asset for deferred state income taxes to deferred income tax expense over a 15 year period as allowed by the regulators. In the third quarter of 2016, the Company began recording deferred state income tax expense as required by normalization, retroactive to January 2016 as provided in the final orders. The impact of the change was additional income tax expense of $1.9 million and $5.1 million for the years ended December 31, 2017 and 2016, respectively.

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, 2017 and 2016.

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, 2017, the Company recognized a benefit of approximately $0.2 million. For the year ended December 31, 2016 the Company recognized an expense of approximately $0.1 million. The Company had approximately $0.7 million and $0.8 million accrued for the payment of interest and penalties at December 31, 2017 and 2016, respectively.

J. Commitments, Contingencies and Uncertainties

Power Purchase and Sale Contracts

To supplement its own generation and operating reserve requirements and to meet required renewable portfolio standards, 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 renewable portfolio 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	Term	Commercial Operation Date
Power Purchase and Sale Agreement	Freeport	25 MW	December 2008 through December 2018	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	NRG	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 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 2018.

The Company has entered into several power purchase agreements to help meet its renewable portfolio requirements. Namely, the Company has a 25-year power purchase 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 I, LLC to provide for additional or replacement photovoltaic modules. The Company also entered into a 20-year contract with NRG Solar Roadrunner LLC ("NRG") 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 power purchase 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 its Newman Power Station ("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.

Environmental Litigation and Investigations. Since July 2011, the U.S. Department of Justice (the "DOJ"), on behalf of the EPA, and APS have been engaged in substantive settlement negotiations in an effort to resolve certain of the 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 Clean Air Act ("CAA") to reduce sulfur dioxide ("SO2"), nitrogen oxides ("NOx"), and particulate matter ("PM"), and that defendants 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 New Mexico a settlement agreement ("CAA Settlement Agreement") resolving this matter. On August 17, 2015, the U.S. District Court for New Mexico 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, 2017, 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 which expires in June 2033 with a renewal option of 25 years. The Company also has several other leases for office, parking facilities and equipment which expire within the next 5 years. The Company has transmission and distribution lines which are operated under various land rights agreements, including easements, leases, permits and franchises. The majority of these agreements include renewal options which 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. In August 2015 and August 2017, $15.0 million and $50.0 million, respectively, matured and were paid with borrowings from the RCF. The Company guarantees the payment of principal and interest on the 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 $2.4 million and $1.7 million for 2017 and 2016, respectively. As of December 31, 2017, the Company’s minimum future rental payments for the next five years are as follows (in thousands):

2018	$	951
2019		893
2020		820
2021		675
2022		595

Union Matters

The Company has approximately 1,100 employees, about 38% 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 the power plants, substations, line crews, meter reading and collection, facilities services, and customer service. The Company entered into a new 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 on September 3, 2018, respectively.

K. 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 C and Note J for discussion of the effects of government legislation and regulation on the Company as well as certain pending legal proceedings.

L. Employee Benefits

Retirement Plans

The Company's Retirement Income Plan (the "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 Internal Revenue Service ("IRS"), 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,			
	2017		2016	
	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	$ 337,768	$ 27,462	$ 325,706	$ 26,958
Service cost	8,156	362	7,705	296
Interest cost	12,196	863	12,161	878
Actuarial loss	20,829	2,217	7,988	1,267
Benefits paid	(16,960)	(2,512)	(15,792)	(1,937)
Benefit obligation at end of year	361,989	28,392	337,768	27,462
Change in plan assets:				
Fair value of plan assets at end of prior year	269,766	—	260,035	—
Actual return on plan assets	44,283	—	18,223	—
Employer contribution	7,300	2,512	7,300	1,937
Benefits paid	(16,960)	(2,512)	(15,792)	(1,937)
Fair value of plan assets at end of year	304,389	—	269,766	—
Funded status at end of year	$ (57,600)	$ (28,392)	$ (68,002)	$ (27,462)

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

	December 31,			
	2017		2016	
	Retirement Income Plan	Non-Qualified Retirement Plans	Retirement Income Plan	Non-Qualified Retirement Plans
Current liabilities	$ —	$ (2,154)	$ —	$ (2,696)
Noncurrent liabilities	(57,600)	(26,238)	(68,002)	(24,766)
Total	$ (57,600)	$ (28,392)	$ (68,002)	$ (27,462)

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

	December 31,			
	2017		2016	
	Retirement Income Plan	Non-Qualified Retirement Plans	Retirement Income Plan	Non-Qualified Retirement Plans
Projected benefit obligation	$ (361,989)	$ (28,392)	$ (337,768)	$ (27,462)
Accumulated benefit obligation	(329,279)	(25,370)	(314,071)	(25,550)
Fair value of plan assets	304,389	—	269,766	—

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

	Years Ended December 31,			
	2017		2016	
	Retirement Income Plan	Non-Qualified Retirement Plans	Retirement Income Plan	Non-Qualified Retirement Plans
Net loss	$ 109,215	$ 11,408	$ 121,052	$ 10,073
Prior service benefit	(20,410)	(146)	(23,877)	(185)
Total	$ 88,805	$ 11,262	$ 97,175	$ 9,888

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

	December 31,					
	2017			2016		
		Non-Qualified			Non-Qualified	
	Retirement Income Plan	Supplemental Retirement Plan	Excess Benefit Plan	Retirement Income Plan	Supplemental Retirement Plan	Excess Benefit Plan
Discount rate	3.77%	3.40%	3.81%	4.29%	3.76%	4.34%
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, 2017 retirement plans' projected benefit obligation by 12.4%. A 1% decrease in the discount rate would increase the December 31, 2017 retirement plans' projected benefit obligation by 15.6%.

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

	Years Ended December 31,			
	2017		2016	
	Retirement Income Plan	Non-Qualified Retirement Plans	Retirement Income Plan	Non-Qualified Retirement Plans
Service cost	$ 8,156	$ 362	$ 7,705	$ 296
Interest cost	12,196	863	12,161	878
Expected return on plan assets	(19,189)	—	(18,879)	—
Amortization of:				
Net loss	7,572	882	6,554	785
Prior service benefit	(3,467)	(39)	(3,467)	(39)
Net periodic benefit cost	$ 5,268	$ 2,068	$ 4,074	$ 1,920

In 2016, the Company changed the method used to estimate the service and interest components of net periodic benefit cost for pension benefits. This change, compared to the previous method, resulted in a decrease of approximately $2.9 million in the service cost and interest cost components in 2016. Historically, the Company estimated service and interest costs utilizing a single weighted-average discount rate derived from the yield curve used to measure the benefit obligation at the beginning of the period. In 2016, the Company elected to utilize a full yield curve approach to estimate these components by applying the specific spot rates along the yield curve used in the determination of the benefit obligation to the relevant projected cash flows. The Company believes the new approach provides a more precise measurement of service and interest costs by aligning the timing of the plan’s liability cash flows to the corresponding spot rates on the yield curve. The Company accounted for this change as a change in accounting estimate and accordingly, accounted for this prospectively.

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

	Years Ended December 31,			
	2017		2016	
	Retirement Income Plan	Non-Qualified Retirement Plans	Retirement Income Plan	Non-Qualified Retirement Plans
Net (gain) loss	$ (4,265)	$ 2,217	$ 8,644	$ 1,266
Amortization of:				
Net loss	(7,572)	(882)	(6,554)	(785)
Prior service benefit	3,467	39	3,467	39
Total recognized in other comprehensive income	$ (8,370)	$ 1,374	$ 5,557	$ 520

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

	Years Ended December 31,			
	2017		2016	
	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	$ (3,102)	$ 3,442	$ 9,631	$ 2,440

The following are amounts in accumulated other comprehensive income that are expected to be recognized as components of net periodic benefit cost during 2018 (in thousands):

	Retirement Income Plan	Non-Qualified Retirement Plans
Net loss	$ 7,450	$ 960
Prior service benefit	(3,470)	(40)

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

	2017			2016		
		Non-Qualified			Non-Qualified	
	Retirement Income Plan	Supplemental Retirement Plan	Excess Benefit Plan	Retirement Income Plan	Supplemental Retirement Plan	Excess Benefit Plan
Discount rate						
Benefit obligation	4.30%	3.76%	4.35%	4.57%	3.99%	4.63%
Service cost	4.51%	N/A	4.52%	4.83%	N/A	4.87%
Interest cost	3.70%	2.94%	3.78%	3.86%	3.04%	3.9%
Expected long-term return on plan assets	7.0%	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% effective January 1, 2018, 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, 2017
Equity securities	50%
Fixed income	40%
Alternative investments	10%
Total	100%

As of January 1, 2018, the long-term rate of return assumption was updated to be gross of administrative expenses paid to the trust. Net of administrative expenses, the reported long-term rate of return would have been 7.0%.

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 and equity securities of real estate companies, primarily in real estate investment trusts, and other property trusts. 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 and real estate 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 are 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, 2017 and 2016, 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, 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 estate funds	15,779	15,779	—	—
Total Common Collective Trusts	298,954	298,954	—	—
Limited Partnership Interest in Real Estate (b)(c)	3,853			
Total Plan Investments	$ 304,389	$ 300,536	$ —	$ —

Description of Securities	**Fair Value as of December 31, 2016**	**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	$ 932	$ 932	$ —	$ —
Common Collective Trusts (a)				
Equity funds	144,081	144,081	—	—
Fixed income funds	109,356	109,356	—	—
Real estate funds	8,406	8,406	—	—
Total Common Collective Trusts	261,843	261,843	—	—
Limited Partnership Interest in Real Estate (b)(c)	6,991			
Total Plan Investments	$ 269,766	$ 262,775	$ —	$ —

(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.

(c) In the first quarter of 2016, the Company implemented ASU 2015-07, Fair Value Measurement (Topic 820) which eliminates the requirement to categorize investments in the fair value hierarchy if the fair value is measured at NAV per share (or its equivalent) using the practical expedient in the FASB's fair value measurement guidance. The fair value amounts presented in the table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the regulatory-basis balance sheet.

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, 2015	$ 8,588
Sale of land	(775)
Unrealized loss in fair value	(822)
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

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, 2017 and 2016. 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, 2017 and 2016.

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 Department of Labor ("DOL") regulations.

The Company contributes at least the minimum funding amounts required by the IRS for the Retirement Plan, as actuarially calculated.

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
2018	$ 17,166	$ 2,154
2019	17,656	2,032
2020	17,938	1,975
2021	18,612	1,926
2022	19,247	1,876
2023-2027	105,915	8,754

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 2017 and 2016 were $4.4 million and $4.1 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 (the "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, the IRS tax deductible limit, 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,	
	2017	2016
Change in benefit obligation:		
Benefit obligation at end of prior year	$ 73,515	$ 92,643
Service cost	2,236	2,769
Interest cost	2,723	3,167
Actuarial (gain) loss	(8,319)	10,751
Amendment (a)	—	(32,697)
Benefits paid	(4,087)	(4,428)
Retiree contributions	1,222	1,310
Benefit obligation at end of year	67,290	73,515
Change in plan assets:		
Fair value of plan assets at end of prior year	39,115	38,090
Actual return on plan assets	4,173	2,443
Employer contribution	450	1,700
Benefits paid	(4,087)	(4,428)
Retiree contributions	1,222	1,310
Fair value of plan assets at end of year	40,873	39,115
Funded status at end of year	$ (26,417)	$ (34,400)

(a) During October 2016, the Company approved and communicated a plan amendment that resulted in a remeasurement of the Company's Other Post-retirement Benefit Plan. Effective January 1, 2017, retirees and dependents that are less than 65 years of age are offered a choice between a $1,000 and $2,250 deductible plan. Additionally, retirees and dependents that are 65 years of age or greater were covered by a fully insured Medicare advantage plan.

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

	December 31, 2017	December 31, 2016
Current liabilities	$ —	$ —
Noncurrent liabilities	(26,417)	(34,400)
Total	$ (26,417)	$ (34,400)

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

	December 31, 2017	December 31, 2016
Net gain	$ (35,194)	$ (26,285)
Prior service benefit	(34,857)	(41,009)
Total	$ (70,051)	$ (67,294)

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

	December 31, 2017	December 31, 2016
Discount rate at end of year	3.79%	4.36%
Health care cost trend rates:		
Initial		
Pre-65 medical	6.25%	6.50%
Post-65 medical	4.50%	4.50%
Pre-65 drug	7.25%	7.50%
Post-65 drug	10.00%	10.50%
Ultimate	4.50%	4.50%
Year ultimate reached (a)	2026	2026

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

The Company reassesses various actuarial assumptions at least on an annual basis. The discount rate is reviewed and updated at each measurement date. The discount rate used to measure the fiscal year end obligation is based on a segmented spot rate yield curve that matches projected future payments with the appropriate interest rate applicable to the timing of the projected future benefit payments. A 1% increase in the discount rate would decrease the December 31, 2017 accumulated post-retirement benefit obligation by 14.2%. A 1% decrease in the discount rate would increase the December 31, 2017 accumulated post-retirement benefit obligation by 18.5%.

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

	Years Ended December 31, 2017	Years Ended December 31, 2016
Service cost	$ 2,236	$ 2,769
Interest cost	2,723	3,167
Expected return on plan assets	(1,907)	(1,835)
Amortization of:		
Prior service benefit	(6,151)	(3,901)
Net gain	(1,678)	(2,374)
Net periodic benefit	$ (4,777)	$ (2,174)

In 2016, the Company changed the method used to estimate the service and interest components of net periodic benefit cost for other post-retirement benefits. This change, compared to the previous method, resulted in a decrease of approximately $0.8 million in the service cost and interest cost components in 2016. Historically, the Company estimated service and interest costs utilizing a single weighted-average discount rate derived from the yield curve used to measure the benefit obligation at the beginning of the period. In 2016, the Company elected to utilize a full yield curve approach to estimate these components by applying the specific spot rates along the yield curve used in the determination of the benefit obligation to the relevant projected cash flows. The Company believes the new approach provides a more precise measurement of service and interest costs by aligning the timing of the plan's liability cash flows to the corresponding spot rates on the yield curve. The Company accounted for this change as a change in accounting estimate and accordingly, accounted for this prospectively.

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

	Years Ended December 31,	
	2017	2016
Net (gain) loss	$ (10,586)	$ 10,143
Prior service benefit	—	(32,697)
Amortization of:		
Prior service benefit	6,151	3,901
Net gain	1,678	2,374
Total recognized in other comprehensive income	$ (2,757)	$ (16,279)

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

	Years Ended December 31,	
	2017	2016
Total recognized in net periodic benefit cost and other comprehensive income	$ (7,534)	$ (18,453)

The amount in accumulated other comprehensive income that is expected to be recognized as a component of net periodic benefit cost during 2018 is a prior service benefit of $6.2 million and a net gain of $2.1 million.

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

	2017	2016 (a)	
		January 1 - September 30	October 1 - December 31
Discount rate			
Benefit obligation	4.37%	4.59%	3.75%
Service cost	4.59%	4.91%	4.03%
Interest cost	3.76%	3.86%	3.15%
Expected long-term return on plan assets	4.875	4.875%	
Health care cost trend rates:			
Initial			
Pre-65 medical	6.5%	7.0%	
Post-65 medical	4.5%	7.0%	
Pre-65 drug	7.5%	7.0%	
Post-65 drug	10.5%	7.0%	
Ultimate	4.5%	4.5%	
Year ultimate reached (b)	2026	2026	

(a) The actuarial assumptions are evaluated by the Company at each measurement date. The OPEB Plan was remeasured at October 1, 2016 due to a plan amendment.

(b) 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, 2017 benefit obligation by $11.3 million or $8.8 million, respectively. In addition, a 1% change in said rate would increase or decrease the aggregate 2017 service and interest cost components of the net periodic benefit cost by $1.1 million or $0.8 million, respectively.

The Company's overall expected long-term rate of return on assets is 7.85%, effective January 1, 2018, on a pre-tax basis. The expected gross long-term rate of return on assets on an after-tax basis is 6.12% effective January 1, 2018. The trust's tax rate was assumed to be 35% at January 1, 2017 and 22% at January 1, 2018. 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, 2017
Equity securities	48%
Fixed income	33%
Alternative investments	19%
Total	100%

As of January 1, 2018, the long-term rate of return assumption was updated to be gross of administrative expenses paid from the trust. Net of administrative expenses, the reported long-term rate of return would have been 7.5%.

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 commercial real estate securities, known as 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 will remain 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 are 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, 2017 and 2016, 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, 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	17,823	17,823	—	—
Real estate funds	1,657	1,657	—	—
Total Institutional Funds	39,342	39,342	—	—
Limited Partnership Interest in Real Estate (b) (c)	722			
Total Plan Investments	$ 40,873	$ 40,151	$ —	$ —

Description of Securities	Fair Value as of December 31, 2016	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Institutional Funds (a)				
Equity funds	$ 26,133	$ 26,133	$ —	$ —
Fixed income funds	11,671	11,671	—	—
Total Institutional Funds	37,804	37,804	—	—
Limited Partnership Interest in Real Estate (b) (c)	1,311			
Total Plan Investments	$ 39,115	$ 37,804	$	$

(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.

(c) In the first quarter of 2016, the Company implemented ASU 2015-07, Fair Value Measurement (Topic 820) which eliminates the requirement to categorize investments in the fair value hierarchy if the fair value is measured at NAV per share (or its equivalent) using the practical expedient in the FASB's fair value measurement guidance. The fair value amounts presented in the table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the regulatory-basis balance sheet.

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, 2015	$ 1,610
Sale of land	(145)
Unrealized loss in fair value	(154)
Balance at December 31, 2016	1,311
Sale of land	(504)
Unrealized loss in fair value	(85)
Balance at December 31, 2017	$ 722

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, 2017 and 2016. 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, 2017 and 2016.

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 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):

2018	$ 2,260
2019	2,404
2020	2,607
2021	2,771
2022	2,937
2023-2027	16,440

Annual Short-Term Incentive Plan

The Annual Short-Term Incentive Plan (the "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 earnings per share and certain operations and maintenance expenses. The operational performance goals are based on reliability, customer satisfaction, and compliance. If a specified level of earnings per share is not attained, no amounts will be paid under the Incentive Plan, unless the Compensation Committee determines otherwise. In 2017, the Company reached the required levels of earnings per share, certain operations and maintenance expenses, customer satisfaction, and compliance goals for an incentive payment of $9.7 million. In 2016, the Company achieved required levels of similar goals for incentive payments of $12.5 million.

M. 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, as amended in 2010, the Company pays to the City of El Paso, on a quarterly basis, a fee equal to 4.00% 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 an amendment in 2010 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. 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 currently set to expire on July 31, 2030.

An amendment to the franchise agreement passed by the City of El Paso on March 20, 2018, will increase the supplemental fee reserved for economic development by an additional 1.00%, increasing the total franchise fee to 5.00% of gross revenues, and will extend the expiration date of the franchise agreement to July 31, 2060. The 2018 amendment will not become effective, however, until a tariff that allows the Company to recover the cost of the franchise fee increase from customers within the City of El Paso is approved and non-appealable. The Company filed the proposed tariff with the City of El Paso on March 23, 2018, and the Company cannot predict as to if or when the tariff will be approved.

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 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.

Military Installations

The Company serves HAFB, White Sands Missile Range ("White Sands") and Fort Bliss. These military installations represent approximately 2.5% 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, with HAFB's other power requirements and limited wheeling services provided under the applicable New Mexico tariffs.

N. 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,			
	2017		2016	
	Carrying Amount	Estimated Fair Value	Carrying Amount	Estimated Fair Value
Pollution Control Bonds (1)	$ 159,835	$ 169,186	$ 193,135	$ 206,818
Senior Notes	1,003,190	1,211,922	1,003,195	1,112,285
RGRT Senior Notes (2)	45,000	47,070	95,000	98,855
RCF (2)	174,390	174,390	83,275	83,275
Total	$ 1,382,415	$ 1,602,568	$ 1,374,605	$ 1,501,233

(1) In September 2017, the $33.3 million 2012 Series A 1.875% Pollution Control Bonds which were subject to mandatory tender for purchase were redeemed and retired utilizing funds borrowed under the RCF.

(2) Nuclear fuel capital lease obligations, as of December 31, 2017 and December 31, 2016, is funded through $45 million and $95 million RGRT Senior Notes and $89.4 million and $39.3 million, respectively under the RCF. In August 2017, RGRT's $50.0 million Series B 4.47% Senior Notes matured and were paid utilizing funds borrowed under the RCF. As of December 31, 2017, $85.0 million was outstanding under the RCF for working capital or general corporate purposes. As of December 31, 2016, $44.0 million amount 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 2018, 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, 2017, 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 decommissioning trust funds in the regulatory-basis balance sheet, are reported at fair value which was $286.9 million and $255.7 million at December 31, 2017 and 2016, respectively. These securities are classified as available for sale and recorded at their estimated fair value using the FASB guidance for certain investments in debt and equity securities. The reported fair values include gross unrealized losses on marketable securities 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, 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 (1):						
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)
Common Stock	962	(210)	—	—	962	(210)
Total Temporarily Impaired Securities	$ 49,503	$ (852)	$ 42,496	$ (2,207)	$ 91,999	$ (3,059)

(1) Includes approximately 146 securities.

	December 31, 2016					
	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	$ 11,582	$ (239)	$ 436	$ (22)	$ 12,018	$ (261)
U.S. Government Bonds	31,655	(762)	17,976	(835)	49,631	(1,597)
Municipal Debt Obligations	9,596	(394)	4,067	(372)	13,663	(766)
Corporate Debt Obligations	7,971	(172)	2,092	(172)	10,063	(344)
Total Debt Securities	60,804	(1,567)	24,571	(1,401)	85,375	(2,968)
Common Stock	2,760	(167)	—	—	2,760	(167)
Institutional Funds-International Equity	22,945	(110)	—	—	22,945	(110)
Total Temporarily Impaired Securities	$ 86,509	$ (1,844)	$ 24,571	$ (1,401)	$ 111,080	$ (3,245)

(2) Includes approximately 152 securities.

The Company monitors the length of time specific securities trade below its cost basis along with the amount and percentage of the unrealized loss in determining if a decline in fair value of marketable securities below recorded cost is considered to be other than temporary. The Company recognizes impairment losses on certain of its 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, 2017 and 2016, the Company recognized other than temporary impairment losses on its available-for-sale securities as follows (in thousands):

	2017	2016
Unrealized holding losses included in pre-tax income	$ —	$ (352)

The reported securities also include gross unrealized gains on marketable securities 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, 2017		December 31, 2016	
	Fair Value	Unrealized Gains	Fair Value	Unrealized Gains
Description of Securities:				
Federal Agency Mortgage Backed Securities	$ 5,933	$ 203	$ 7,430	$ 319
U.S. Government Bonds	11,129	256	12,237	138
Municipal Debt Obligations	2,558	109	2,481	144
Corporate Debt Obligations	19,514	1,067	12,350	655
Total Debt Securities	39,134	1,635	34,498	1,256
Common Stock	52,879	32,625	61,884	34,066
Equity Mutual Funds	67,186	12,962	42,244	3,345
Institutional Funds-International Equity	28,804	5,908	—	—
Cash and Cash Equivalents	6,864	—	6,002	—
Total	$ 194,867	$ 53,130	$ 144,628	$ 38,667

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, 2017 is as follows (in thousands):

	Total	2018	2019 through 2022	2023 through 2027	2028 and Beyond
Federal Agency Mortgage Backed Securities	$ 20,732	$ —	$ 18	$ 280	$ 20,434
U.S. Government Bonds	58,181	5,251	27,181	11,663	14,086
Municipal Debt Obligations	16,584	511	7,690	7,064	1,319
Corporate Debt Obligations	34,674	215	16,946	7,601	9,912

The Company's marketable securities in its decommissioning trust funds are sold from time to time and the Company uses the specific identification basis to determine the amount to reclassify from accumulated other comprehensive income into net income. The proceeds from the sale of these securities during the twelve months ended December 31, 2017 and 2016 and the related effects on pre-tax income are as follows (in thousands):

	2017	2016
Proceeds from sales of available-for-sale securities	$ 97,037	$ 91,268
Gross realized gains included in pre-tax income	$ 11,773	$ 9,212
Gross realized losses included in pre-tax income	(1,147)	(1,220)
Gross unrealized losses included in pre-tax income	—	(352)
Net gains included in pre-tax income	$ 10,626	$ 7,640
Net unrealized holding gains included in accumulated other comprehensive income	$ 25,275	$ 8,444
Net gains reclassified out of accumulated other comprehensive income	(10,626)	(7,640)
Net gains in other comprehensive income	$ 14,649	$ 804

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 nuclear decommissioning trust 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 nuclear decommissioning trust 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 Company's decommissioning trust funds 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 Company's decommissioning trust funds and investments in debt securities at December 31, 2017 and 2016, 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, 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	—
Common Stock	53,841	53,841	—	—
Equity Mutual Funds	67,186	67,186	—	—
Institutional Funds-International Equity	28,804	28,804	—	—
Cash and Cash Equivalents	6,864	6,864	—	—
Total Available for Sale	$ 286,866	$ 214,876	$ 71,990	$ —

Description of Securities	Fair Value as of December 31, 2016	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	$ 1,421	$ —	$ —	$ 1,421
Available for Sale:				
Federal Agency Mortgage Backed Securities	$ 19,448	$ —	$ 19,448	$ —
U.S. Government Bonds	61,868	61,868	—	—
Municipal Debt Obligations	16,144	—	16,144	—
Corporate Debt Obligations	22,413	—	22,413	—
Subtotal, Debt Securities	119,873	61,868	58,005	—
Common Stock	64,644	64,644	—	—
Equity Mutual Funds	42,244	42,244	—	—
Institutional Funds-International Equity	22,945	22,945	—	—
Cash and Cash Equivalents	6,002	6,002	—	—
Total Available for Sale	$ 255,708	$ 197,703	$ 58,005	$ —

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

	2017	2016
Balance at January 1	$ 1,421	$ 1,543
Net unrealized gains (losses) in fair value recognized in oncome (a)	314	(122)
Balance at December 31	$ 1,735	$ 1,421

(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, 2017 and 2016. 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, 2017 and 2016.

O. Supplemental Statements of Cash Flows Disclosures

	Years Ended December 31, 2017	Years Ended December 31, 2016
Cash paid for:		
Interest on long-term debt and borrowing under the revolving credit facility	$ 70,523	$ 69,990
Income tax, net of refund	2,055	2,328
Non-cash investing and financing activities:		
Sale of interest in Four Corners Generating Station (a)	—	27,720
Changes in accrued plant additions	(5,090)	4,789
Grants of restricted shares of common stock	1,171	1,236
Issuance of performance shares	932	—

(a) The Company sold its interest in Four Corners in July 2016. The sales proceeds were reduced by the settlement of other obligations between the Company and APS and its affiliate, 4C Acquisition, LLC. See Note E.

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 2017/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	27,764,941			(29,868,700)
2	Preceding Qtr/Yr to Date Reclassifications from Acct 219 to Net Income	(6,206,182)			(1,422,220)
3	Preceding Quarter/Year to Date Changes in Fair Value	6,903,785			7,363,039
4	Total (lines 2 and 3)	697,603			5,940,819
5	Balance of Account 219 at End of Preceding Quarter/Year	28,462,544			(23,927,881)
6	Balance of Account 219 at Beginning of Current Year	28,462,544			(23,927,881)
7	Current Qtr/Yr to Date Reclassifications from Acct 219 to Net Income	(8,523,889)			(1,813,331)
8	Current Quarter/Year to Date Changes in Fair Value	20,251,071			7,951,360
9	Total (lines 7 and 8)	11,727,182			6,138,029
10	Balance of Account 219 at End of Current Quarter/Year	40,189,726			(17,789,852)

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 2017/Q4

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		(11,810,046)	(13,913,805)		
2		159,368	(7,469,034)		
3			14,266,824		
4		159,368	6,797,790	97,956,132	104,753,922
5		(11,650,678)	(7,116,015)		
6		(11,650,678)	(7,116,015)		
7		309,164	(10,028,056)		
8			28,202,431		
9		309,164	18,174,375	98,703,869	116,878,244
10		(11,341,514)	11,058,360		

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

The Company's decommissioning trust funds include marketable securities which are reported at fair value. These securities are classified as available for sale under Financial Accounting Standards Board ("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.

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

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

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

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

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
El Paso Electric Company	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2017/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)	4,073,574,596	4,073,574,596
4	Property Under Capital Leases		
5	Plant Purchased or Sold		
6	Completed Construction not Classified	838,849,960	838,849,960
7	Experimental Plant Unclassified		
8	Total (3 thru 7)	4,912,424,556	4,912,424,556
9	Leased to Others		
10	Held for Future Use		
11	Construction Work in Progress	146,057,827	146,057,827
12	Acquisition Adjustments		
13	Total Utility Plant (8 thru 12)	5,058,482,383	5,058,482,383
14	Accum Prov for Depr, Amort, & Depl	2,240,335,407	2,240,335,407
15	Net Utility Plant (13 less 14)	2,818,146,976	2,818,146,976
16	Detail of Accum Prov for Depr, Amort & Depl		
17	In Service:		
18	Depreciation	2,178,675,282	2,178,675,282
19	Amort & Depl of Producing Nat Gas Land/Land Right		
20	Amort of Underground Storage Land/Land Rights		
21	Amort of Other Utility Plant	61,660,125	61,660,125
22	Total In Service (18 thru 21)	2,240,335,407	2,240,335,407
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)	2,240,335,407	2,240,335,407

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 2017/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
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					24
					25
					26
					27
					28
					29
					30
					31
					32
					33

NUCLEAR FUEL MATERIALS (Account 120.1 through 120.6 and 157)

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

Line No.	Description of item (a)	Balance Beginning of Year (b)	Changes during Year Additions (c)
1	Nuclear Fuel in process of Refinement, Conv, Enrichment & Fab (120.1)		
2	Fabrication		
3	Nuclear Materials		
4	Allowance for Funds Used during Construction		
5	(Other Overhead Construction Costs, provide details in footnote)		
6	SUBTOTAL (Total 2 thru 5)		
7	Nuclear Fuel Materials and Assemblies		
8	In Stock (120.2)		
9	In Reactor (120.3)		
10	SUBTOTAL (Total 8 & 9)		
11	Spent Nuclear Fuel (120.4)		
12	Nuclear Fuel Under Capital Leases (120.6)	196,173,010	39,720,959
13	(Less) Accum Prov for Amortization of Nuclear Fuel Assem (120.5)	76,343,039	-2,756,540
14	TOTAL Nuclear Fuel Stock (Total 6, 10, 11, 12, less 13)	119,829,971	
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)		

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
	39,955,885	195,938,084	12
-41,096,515	39,955,885	74,727,129	13
		121,210,955	14
			15
			16
			17
			18
			19
			20
			21
			22

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

During 2017, the Company capitalized approximately $2.5 million of costs, including interest on trust borrowings, issuance costs and accrued interest on the senior notes and trustee fees in connection with the financing of nuclear fuel through the trust. 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 2017 reloads for Palo Verde Units 1 and 2.

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 2017 reloads for Palo Verde Units 1 and 2.

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

ll of the Company's nuclear fuel financing is accomplished through the RGRT trust that has amounts borrowed through senior notes and borrowings under a revolving credit facility. The assets and liabilities of the trust are reported on the Company's regulatory basis balance sheets. The total amount borrowed for nuclear fuel by the trust at December 31, 2017 was $134.4 million of which $89.4 million had been borrowed under the revolving credit facility, and $45 million was borrowed through senior notes. The Company paid at maturity the $50 million of senior notes in August 2017 with borrowings under the Company's revolving credit facility.

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 2017/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	134,178,937	22,170,840
5	TOTAL Intangible Plant (Enter Total of lines 2, 3, and 4)	134,178,937	22,170,840
6	2. PRODUCTION PLANT		
7	A. Steam Production Plant		
8	(310) Land and Land Rights	282,846	
9	(311) Structures and Improvements	53,480,065	1,283,938
10	(312) Boiler Plant Equipment	156,017,632	6,518,757
11	(313) Engines and Engine-Driven Generators	68,238,646	790,062
12	(314) Turbogenerator Units	128,366,265	22,622,498
13	(315) Accessory Electric Equipment	34,807,272	46,588
14	(316) Misc. Power Plant Equipment	52,516,656	289,550
15	(317) Asset Retirement Costs for Steam Production	2,215,138	
16	TOTAL Steam Production Plant (Enter Total of lines 8 thru 15)	495,924,520	31,551,393
17	B. Nuclear Production Plant		
18	(320) Land and Land Rights	2,347,713	
19	(321) Structures and Improvements	526,665,602	4,768,081
20	(322) Reactor Plant Equipment	768,464,150	10,079,034
21	(323) Turbogenerator Units	243,665,737	10,891,379
22	(324) Accessory Electric Equipment	176,360,052	2,401,430
23	(325) Misc. Power Plant Equipment	116,317,227	14,587,399
24	(326) Asset Retirement Costs for Nuclear Production	-42,229,190	
25	TOTAL Nuclear Production Plant (Enter Total of lines 18 thru 24)	1,791,591,291	42,727,323
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	100,003,518	514,228
39	(342) Fuel Holders, Products, and Accessories	19,379,817	-81,654
40	(343) Prime Movers	299,885,605	1,285,678
41	(344) Generators	40,460,049	6,225,937
42	(345) Accessory Electric Equipment	25,136,888	1,374,986
43	(346) Misc. Power Plant Equipment	6,962,813	117,822
44	(347) Asset Retirement Costs for Other Production	204,814	
45	TOTAL Other Prod. Plant (Enter Total of lines 37 thru 44)	494,640,880	9,436,997
46	TOTAL Prod. Plant (Enter Total of lines 16, 25, 35, and 45)	2,782,156,691	83,715,713

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 2017/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
805,651			155,544,126		4
805,651			155,544,126		5
					6
					7
			282,846		8
80,097			54,683,906		9
910,491			161,625,898		10
3,482,012			65,546,696		11
7,272,190			143,716,573		12
			34,853,860		13
33,076			52,773,130		14
	-2,463,625		-248,487		15
11,777,866	-2,463,625		513,234,422		16
					17
			2,347,713		18
1,551,383			529,882,300		19
654,375			777,888,809		20
1,906,884			252,650,232		21
240,280			178,521,202		22
828,531			130,076,095		23
	3,460,697		-38,768,493		24
5,181,453	3,460,697		1,832,597,858		25
					26
					27
					28
					29
					30
					31
					32
					33
					34
					35
					36
			2,607,376		37
			100,517,746		38
			19,298,163		39
204,330			300,966,953		40
39,284			46,646,702		41
			26,511,874		42
			7,080,635		43
	51,067		255,881		44
243,614	51,067		503,885,330		45
17,202,933	1,048,139		2,849,717,610		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	14,497,199	540,150
49	(352) Structures and Improvements	10,724,473	421,104
50	(353) Station Equipment	187,890,084	8,748,779
51	(354) Towers and Fixtures	28,375,751	3,293,594
52	(355) Poles and Fixtures	129,180,920	9,875,729
53	(356) Overhead Conductors and Devices	95,738,740	1,078,321
54	(357) Underground Conduit		
55	(358) Underground Conductors and Devices		
56	(359) Roads and Trails	2,214,575	17,066
57	(359.1) Asset Retirement Costs for Transmission Plant		
58	TOTAL Transmission Plant (Enter Total of lines 48 thru 57)	468,621,742	23,974,743
59	4. DISTRIBUTION PLANT		
60	(360) Land and Land Rights	7,232,311	99,507
61	(361) Structures and Improvements	10,606,938	3,581,378
62	(362) Station Equipment	201,337,945	11,925,797
63	(363) Storage Battery Equipment		
64	(364) Poles, Towers, and Fixtures	162,065,785	6,467,937
65	(365) Overhead Conductors and Devices	97,583,328	4,582,595
66	(366) Underground Conduit	123,709,425	5,067,904
67	(367) Underground Conductors and Devices	137,572,400	11,681,822
68	(368) Line Transformers	247,497,720	15,340,480
69	(369) Services	47,355,277	2,990,342
70	(370) Meters	52,598,768	2,686,807
71	(371) Installations on Customer Premises	13,089,687	707,130
72	(372) Leased Property on Customer Premises		
73	(373) Street Lighting and Signal Systems	10,939,583	373,863
74	(374) Asset Retirement Costs for Distribution Plant		
75	TOTAL Distribution Plant (Enter Total of lines 60 thru 74)	1,111,589,167	65,505,562
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	1,549,284	135,872
87	(390) Structures and Improvements	104,507,734	5,638,785
88	(391) Office Furniture and Equipment	25,714,599	6,856,497
89	(392) Transportation Equipment	43,914,035	3,478,522
90	(393) Stores Equipment	53,347	
91	(394) Tools, Shop and Garage Equipment	3,889,164	803,244
92	(395) Laboratory Equipment	3,794,086	931,011
93	(396) Power Operated Equipment	8,490,417	249,304
94	(397) Communication Equipment	28,232,628	4,106,803
95	(398) Miscellaneous Equipment	3,667,916	730,250
96	SUBTOTAL (Enter Total of lines 86 thru 95)	223,813,210	22,930,288
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)	223,813,210	23,017,688
100	TOTAL (Accounts 101 and 106)	4,720,359,747	218,384,546
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)	4,720,359,747	218,384,546

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
			15,037,349		48
			11,145,577		49
1,053,037			195,585,826		50
			31,669,345		51
86,212			138,970,437		52
18,901			96,798,160		53
					54
					55
			2,231,641		56
					57
1,158,150			491,438,335		58
					59
			7,331,818		60
			14,188,316		61
2,040,737			211,223,005		62
					63
736,428			167,797,294		64
625,348			101,540,575		65
			128,777,329		66
760,396			148,493,826		67
1,572,066			261,266,134		68
			50,345,619		69
			55,285,575		70
350,450			13,446,367		71
					72
18,947			11,294,499		73
					74
6,104,372			1,170,990,357		75
					76
					77
					78
					79
					80
					81
					82
					83
					84
					85
			1,685,156		86
			110,146,519		87
266,261			32,304,835		88
1,415,686		-48,600	45,928,271		89
			53,347		90
56,112			4,636,296		91
103,854			4,621,243		92
77,155		48,600	8,711,166		93
177,702			32,161,729		94
			4,398,166		95
2,096,770			244,646,728		96
					97
			87,400		98
2,096,770			244,734,128		99
27,367,876	1,048,139		4,912,424,556		100
					101
					102
					103
27,367,876	1,048,139		4,912,424,556		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 2017/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	40,950,046
2	SCOTSDALE SUBSTATION TRANSFORMER AND SWITCHGEAR REPLACEMENT	7,635,119
3	RIO GRANDE TO SUNSET TRANSMISSION LINE REBUILD	6,354,302
4	HOLLOMAN AIR FORCE BASE SOLAR FACILITY - 5MW	4,604,445
5	SPARKS SUBSTATION TRANSFORMER ADDITION	4,122,592
6	DISTRIBUTION COMMERCIAL CONSTRUCTION - TEXAS	3,976,793
7	LANE TO COPPER TRANSMISSION LINE REBUILD	3,888,733
8	AFTON TO AIRPORT TRANSMISSION LINE	2,874,114
9	TRANSMOUNTAIN SUBSTATION	2,858,121
10	DISTRIBUTION BETTERMENT - TEXAS	2,834,834
11	PELLICANO SUBSTATION TRANSFORMER ADDITION	2,759,063
12	ARIZONA INTERCONNECTION PROJECT TRANSMISSION LINE ACCESS	2,680,399
13	SANTA FE REGULATOR AND SWITCHGEAR REPLACEMENT	2,408,613
14	NEWMAN UNIT 5 STEAM TURBINE UPGRADE	2,032,364
15	DISTRIBUTION RESIDENTIAL CONSTRUCTION - TEXAS	1,954,094
16	GLOBAL REACH SUBSTATION TRANSFORMER AND SWITCHGEAR	1,887,320
17	ASSET RESOURCE MANAGEMENT EXPANSION FOR TRANSMISSION AND SUBSTATION	1,688,755
18	MONTANA POWER STATION BLACK START GENERATORS	1,675,699
19	NEWMAN UNIT 5 GT4 WET COMPRESSION UPGRADE	1,607,166
20	DALLAS SUBSTATION TRANSFORMER REPLACEMENT	1,494,541
21	SUNSET NORTH SUBSTATION AUTO TRANSFORMER REPLACEMENT	1,479,383
22	TRANSMISSION BLANKET PROJECT	1,439,316
23	RIO BOSQUE 69KV CAPITAL PROJECT	1,419,835
24	TRANSPORTATION CAPITAL BLANKET	1,339,769
25	MONTANA POWER STATION SUBSTATION BREAKER UPGRADE	1,226,182
26	SUNSET UNDERGROUND BREAKER UPGRADE	1,214,442
27	TEXAS AREA 4KV CONVERSIONS	1,211,418
28	FABENS SUBSTATION CAPACITOR BANK	1,148,959
29	PICANTE SUBSTATION REACTOR ADDITION	1,123,550
30	NEWMAN CAPITAL IMPROVEMENTS	1,102,466
31	AFTON NORTH SUBSTATION	1,031,764
32	ANTHONY SUBSTATION TRANSFORMER REPLACEMENT	1,008,400
33	FARMER-ALAMO STRUCTURE REPLACEMENT	1,004,793
34	MINOR PROJECTS	30,020,437
35		
36		
37		
38		
39		
40		
41		
42		
43	TOTAL	146,057,827

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	2,106,257,017	2,106,257,017		
2	Depreciation Provisions for Year, Charged to				
3	(403) Depreciation Expense	84,170,742	84,170,742		
4	(403.1) Depreciation Expense for Asset Retirement Costs	-1,137,735	-1,137,735		
5	(413) Exp. of Elec. Plt. Leas. to Others				
6	Transportation Expenses-Clearing	1,101,359	1,101,359		
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)	84,134,366	84,134,366		
11	Net Charges for Plant Retired:				
12	Book Cost of Plant Retired	27,140,178	27,140,178		
13	Cost of Removal	4,358,856	4,358,856		
14	Salvage (Credit)	20,217,268	20,217,268		
15	TOTAL Net Chrgs. for Plant Ret. (Enter Total of lines 12 thru 14)	11,281,766	11,281,766		
16	Other Debit or Cr. Items (Describe, details in footnote):				
17					
18	Book Cost or Asset Retirement Costs Retired	-434,335	-434,335		
19	Balance End of Year (Enter Totals of lines 1, 10, 15, 16, and 18)	2,178,675,282	2,178,675,282		
	Section B. Balances at End of Year According to Functional Classification				
20	Steam Production	240,970,177	240,970,177		
21	Nuclear Production	1,239,042,694	1,239,042,694		
22	Hydraulic Production-Conventional				
23	Hydraulic Production-Pumped Storage				
24	Other Production	41,164,190	41,164,190		
25	Transmission	224,289,707	224,289,707		
26	Distribution	361,185,772	361,185,772		
27	Regional Transmission and Market Operation				
28	General	72,022,742	72,022,742		
29	TOTAL (Enter Total of lines 20 thru 28)	2,178,675,282	2,178,675,282		

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 2017/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)	1,831,509	2,071,842	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)	31,853,106	32,791,142	Production
8	Transmission Plant (Estimated)	5,524,582	6,781,772	Transmission
9	Distribution Plant (Estimated)	5,317,545	6,254,151	Distribution
10	Regional Transmission and Market Operation Plant (Estimated)			
11	Assigned to - Other (provide details in footnote)	2,660,316	2,964,743	Various
12	TOTAL Account 154 (Enter Total of lines 5 thru 11)	45,355,549	48,791,808	
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)	1,106	6,086	
17				
18				
19				
20	TOTAL Materials and Supplies (Per Balance Sheet)	47,188,164	50,869,736	

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 2017/Q4

Allowances (Accounts 158.1 and 158.2)

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

Line No.	SO2 Allowances Inventory (Account 158.1) (a)	Current Year No. (b)	Current Year Amt. (c)	2018 No. (d)	2018 Amt. (e)
1	Balance-Beginning of Year	14,321.00		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	21.00			
21	Cost of Sales/Transfers:				
22					
23					
24					
25					
26					
27					
28	Total				
29	Balance-End of Year	14,300.00		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				

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.

2019		2020		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		24,732.00		1
								2
								3
				361.00		361.00		4
								5
								6
								7
								8
								9
								10
								11
								12
								13
								14
								15
								16
								17
								18
								19
						21.00		20
								21
								22
								23
								24
								25
								26
								27
								28
359.00		359.00		9,695.00		25,072.00		29
								30
								31
								32
								33
								34
								35
								36
								37
								38
								39
								40
								41
								42
								43
								44
								45
								46

Name of Respondent El Paso Electric Company	This Report is: (1) X An Original (2) _ A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2017/Q4

FOOTNOTE DATA

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

The Balance-Beginning of the Year 2017 reflects allowances from both the Acid Rain Program ("ARP") accounts for the Newman, MPS, and Rio Grande Generating Station ("Rio Grande") as well as the new EPA trading rule Cross-State Air Pollution Rule ("CSAPR") for Newman, Copper, and MPS. The entries reported for 2017 represent CSAPR allowances deposited into the Company's account for years 2016 and 2017.

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 2021 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, 2017.

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

The Company has not purchased any allowances; however, at December 29, 2017 SO2 allowances were trading at approximately $0.50 per ton (allowance)under Acid Rain and $3.00 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 2017/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)	2018 No. (d)	2018 Amt. (e)
1	Balance-Beginning of Year	1,316.00	27,823	520.00	
2					
3	Acquired During Year:				
4	Issued (Less Withheld Allow)	183.00			
5	Returned by EPA				
6					
7					
8	Purchases/Transfers:				
9	Evolution Markets	1,150.00	121,500		
10					
11					
12					
13					
14					
15	Total	1,150.00	121,500		
16					
17	Relinquished During Year:				
18	Charges to Account 509	2,788.00	108,763		
19	Other:				
20	Returned to EPA	73.00			
21	Cost of Sales/Transfers:				
22					
23					
24					
25					
26					
27					
28	Total				
29	Balance-End of Year	-212.00	40,560	520.00	
30					
31	Sales:				
32	Net Sales Proceeds(Assoc. Co.)				
33	Net Sales Proceeds (Other)				
34	Gains				
35	Losses				
	Allowances Withheld (Acct 158.2)				
36	Balance-Beginning of Year				
37	Add: Withheld by EPA				
38	Deduct: Returned by EPA				
39	Cost of Sales				
40	Balance-End of Year				
41					
42	Sales:				
43	Net Sales Proceeds (Assoc. Co.)				
44	Net Sales Proceeds (Other)				
45	Gains				
46	Losses				

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
El Paso Electric Company	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2017/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.

2019		2020		Future Years		Totals		Line
No. (f)	Amt. (g)	No. (h)	Amt. (i)	No. (j)	Amt. (k)	No. (l)	Amt. (m)	No.
						1,836.00	27,823	1
								2
								3
						183.00		4
								5
								6
								7
								8
						1,150.00	121,500	9
								10
								11
								12
								13
								14
						1,150.00	121,500	15
								16
								17
						2,788.00	108,763	18
								19
						73.00		20
								21
								22
								23
								24
								25
								26
								27
								28
						308.00	40,560	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 both CSAPR Annual and Ozone Season allocations. Please note that NOx Seasonal and NOx annual allowances are not interchangeable.

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

Represents 183 NOx allowances eligible for annual emission use in 2017. Due to the annual program being remanded by the EPA, EPE was not issued any additional allowances.

Schedule Page: 229 Line No.: 18 Column: b

Includes the NOx allowances expected to be purchased for the 2017 compliance year.

Schedule Page: 229 Line No.: 18 Column: c

Includes the NOx allowances expected to be purchased for the 2017 compliance year.

Schedule Page: 229 Line No.: 29 Column: b

The negative balance at the end of the year 2017 is due to the EPA remanding the NOx annual program for facilities in the state of Texas. EPE was not required to purchase any additional credits/allowances to cover 2017 emissions and no allowances were issued to EPE for future years. In addition, the EPA changed the classification of all Texas facilities from seasonal group to seasonal group 2 which impacted the NOx allowance balance.

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 2017/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					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
18					
19					
20					
21	**Generation Studies**				
22	LA450S	102,379	186-000	(102,379)	186-000
23	V20S	41,190	186-000	(41,190)	186-000
24	AC200S	8,849	186-000	(8,849)	186-000
25					
26					
27					
28					
29					
30					
31					
32					
33					
34					
35					
36					
37					
38					
39					
40					

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
El Paso Electric Company	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2017/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	98,840,584	13,540,310	Various	55,729,933	56,650,961
2						
3	Rio Grande Resources Trust:					
4	Nuclear Fuel Postload Daily Finance Charge	4,100,055	2,646,502	518	2,951,082	3,795,475
5						
6	Coal Reclamation	8,180,818		407.3/501	3,455,142	4,725,676
7						
8	Four Corners Decommissioning	1,400,433	5,532,395	928/407.3	329,310	6,603,518
9						
10	Net Undercollection of Fuel Revenues:					
11	Texas	11,122,910		440s	11,122,910	
12						
13						
14	Texas:					
15	2015 Texas Rate Case Costs	2,669,925	690	928	1,526,358	1,144,257
16	2017 Texas Rate Case Costs	245,991	3,453,955	928	58,000	3,641,946
17	Demand Response Program		132,815			132,815
18						
19	Texas Relate Back Surcharge	6,455,308	8,793,066	131	6,656,784	8,591,590
20						
21	Texas Military Base Discount and Recovery		2,767,335	142	2,554,603	212,732
22						
23	New Mexico Renewable Energy:					
24	Credits and Related Costs	6,936,771	1,459	407.3	1,115,040	5,823,190
25						
26	New Mexico:					
27	2010 FPPCAC Audit	398,073		407.3	72,372	325,701
28	2015 New Mexico Rate Case Costs	1,073,584		928	429,432	644,152
29	2017 New Mexico Rate Case Costs	10,441	34,092	928	44,533	
30	Demand Response Program		191,702			191,702
31						
32	Palo Verde Deferred Depreciation	4,415,401		407.3	152,184	4,263,217
33						
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42						
43						
44	**TOTAL :**	145,850,294	37,094,321		86,197,683	96,746,932

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

On December 22, 2017, the TCJA was enacted which reduced the corporate federal income tax rate from 35% to 21%. The reduction in the corporate federal income tax rate resulted in a decrease to regulatory tax assets of $39.3 million.

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 represents the cost to reclaim the land disturbed during the coal mining that was not previously reclaimed while the mine was in operation.

On February 17, 2015, the Company and APS entered into an asset purchase agreement (the "Purchase and Sale Agreement") providing for the purchase by APS of the Company's interests in Four Corners Power Plant. The Four Corners transaction 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. A final order approving the Stipulation and Agreement was adopted by the PUCT on March 30, 2017. The signatories of the Stipulation and Agreement in Docket No. 44805 agreed to support the recovery of the Company's Four Corner's final coal reclamation costs in the 2016 Fuel Reconciliation.

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 FPPPCAC over a seven-year period beginning with the rate case to be filed after closing the sale of Four Corners on July 6, 2016.

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

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. A final order approving the Stipulation and Agreement was adopted by the PUCT on March 30, 2017. The signatories of the Stipulation and Agreement in Docket No. 44805 agreed to support the recovery of the Company's Four Corner's decommissioning costs in the 2017 Texas rate case, PUCT Docket No. 46831. 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.

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 Four Corners on July 6, 2016.

Schedule Page: 232 Line No.: 15 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 sucharge beginning October 1, 2016 and ending September 30, 2018. The 2017 PUCT Final Order in the Company's 2017 rate case, Docket No. 46831, approved a revised recovery period for these costs beginning January 2018.

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

On December 18, 2017, the PUCT issued the 2017 PUCT Final Order in the Company's rate case pending 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.: 17 Column: a

Represents costs associated with the Company's Demand Response Pilot Program. This progam 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.: 19 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 in January 2018 and will be in effect over 12 months.

Schedule Page: 232 Line No.: 21 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.: 24 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.: 27 Column: a

Represents costs incurred for a Fuel and Purchased Power Adjustment Clause (FPPCAC) audit. The Company requested such amounts in 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.: 28 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.: 29 Column: a

NMPRC Case No. 15-00109-UT required the Company to make a rate filing in New Mexico in the second quarter of 2017. On March 24, 2017, the Company, NMPRC Utility Division Staff and the New Mexico Attorney General filed a Joint Motion to Modify Filing Date Stated in Final Order requesting that the rate filing date be changed to no later than July 31, 2019. The joint request was approved by the NMPRC on April 12, 2017. These costs represent costs deferred and subsequently expensed upon approval of aforementioned joint request.

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

On February 22, 2017, the NMPRC approved 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.: 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 2017/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	-271,878	414,763			142,885
2						
3	Miscellaneous	2,103	3,619			5,722
4						
5	Reimbursable Transmission &					
6	Distribution Projects	228,836	510,816	131	565,790	173,862
7						
8	El Paso Water Utilities Land					
9	Lease	1,374,104	361,866	507	450,322	1,285,648
10						
11	Palo Verde:					
12	Water Agreement Deposit	3,827,116		519	112,076	3,715,040
13	Pooled Inventory Management	429,203				429,203
14						
15						
16						
17						
18						
19						
20						
21						
22						
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46						
47	Misc. Work in Progress	42,891				63,447
48	Deferred Regulatory Comm. Expenses (See pages 350 - 351)					
49	TOTAL	5,632,375				5,815,807

Schedule Page: 233 Line No.: 9 Column: c

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

Schedule Page: 233 Line No.: 9 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.: 12 Column: a

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

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

Represents miscellaneous charges pending final classification.

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
El Paso Electric Company	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2017/Q4

ACCUMULATED DEFERRED INCOME TAXES (Account 190)

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

Line No.	Description and Location (a)	Balance of Begining of Year (b)	Balance at End of Year (c)
1	Electric		
2		251,005,671	191,748,713
3			
4			
5			
6			
7	Other		
8	TOTAL Electric (Enter Total of lines 2 thru 7)	251,005,671	191,748,713
9	Gas		
10			
11			
12			
13			
14			
15	Other		
16	TOTAL Gas (Enter Total of lines 10 thru 15		
17	Other (Specify)	432,989	201,703
18	TOTAL (Acct 190) (Total of lines 8, 16 and 17)	251,438,660	191,950,416

Notes

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

El Paso Electric Company
Account 190 - FERC ONLY
For the Year Ended December 31, 2017

< 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	58,612,835	30,268,810
Benefits of tax loss carryforwards	61,293,291	24,852,174
Pensions and benefits	57,698,350	32,534,442
Alternative minimum tax credit carryforward	16,619,874	16,619,874
Regulatory liabilities related to income taxes	6,120,102	65,846,277
Asset retirement obligation	30,461,545	19,530,203
Other	20,199,674	2,096,933
Net deferred tax assets	251,005,671	191,748,713

< Page 234 Line 17 Column (a) >

	Balance at Beginning of Year	Balance at End of Year
OTHER (Specify)		
Deferred tax assets:		
Other capitalized costs	0	0
Decommissioning costs	432,989	201,703
Net deferred tax assets	432,989	201,703
Total Account 190	251,438,660	191,950,416

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 2017/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, 2017, 1,342,428			
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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19				
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27				
28	Note: For additional information see the			
29	El Paso Electric Company 2017 Form 10-K			
30	filed with the SEC February 28, 2018.			
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42				

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	25,244,350	420,505,805			3
65,828,688	65,828,688	25,244,350	420,505,805			4
						5
						6
						7
						8
						9
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						42

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
El Paso Electric Company	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2017/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	211. Other Paid-in Capital	
2	Deferred Compensation:	
3	Performance Awards	3,390,298
4		
5		
6		
7		
8		
9		
10		
11		
12		
13		
14		
15		
16		
17		
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32		
33		
34		
35		
36		
37		
38		
39		
40	TOTAL	3,390,298

Schedule Page: 253 Line No.: 3 Column: b

Represents deferred compensation related to grants of performance share awards to certain officers in 2015, 2016 and 2017 under the Company's existing long-term incentive plans, which provide for the issuance of Company stock based on the achievement of certain performance criteria over a three-year period.

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 2017/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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20		
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	2012 Series A Four Corners Pollution Control Bonds		
7			
8	Subtotal	159,835,000	2,876,910
9			
10	Account 222		
11			
12	Subtotal		
13			
14	Account 224		
15			
16	2005 Senior Notes	400,000,000	5,239,886
17			2,312,000 D
18	2008 Senior Notes	150,000,000	1,714,035
19			1,281,000 D
20	2012 Senior Notes	150,000,000	1,338,657
21			318,000 D
22	2014 Senior Notes	150,000,000	1,787,396
23			532,500 D
24	2016 Senior Notes	150,000,000	1,762,201
25			-7,051,500 P
26	Treasury Rate Lock Agreements		
27	Subtotal	1,000,000,000	9,234,175
28			
29	Interest on obligations under capital lease (Rio Grande Resources Trust):		
30	$45 million RGRT Senior Notes		
31	Revolving Credit Facility		
32			
33	TOTAL	1,159,835,000	12,111,085

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)	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
					416,249	6
						7
				159,835,000	10,375,324	8
						9
						10
						11
						12
						13
						14
						15
05/17/05	05/15/35	05/17/05	05/15/35	400,000,000	24,000,000	16
						17
06/03/08	03/15/38	06/03/08	03/15/38	150,000,000	11,250,000	18
						19
12/06/12	12/15/22	12/06/12	12/15/22	150,000,000	4,950,000	20
						21
12/01/14	12/01/44	12/01/14	12/01/44	150,000,000	7,500,000	22
						23
03/24/16	12/01/44	03/24/16	12/01/44	150,000,000	7,500,000	24
						25
					531,967	26
				1,000,000,000	55,731,967	27
						28
						29
					3,658,667	30
					1,411,667	31
						32
				1,159,835,000	71,177,625	33

Schedule Page: 256 Line No.: 6 Column: b

In September 2017, the $33.3 million 2012 Series A 1.875% PCBs, which were subject to mandatory tender for purchase, were redeemed and retired.

Schedule Page: 256 Line No.: 29 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.: 30 Column: b

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

Schedule Page: 256 Line No.: 31 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 2017/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)	98,703,869
2		
3		
4	Taxable Income Not Reported on Books	
5	(see page 261 footnote)	-26,834,065
6		
7		
8		
9	Deductions Recorded on Books Not Deducted for Return	
10	(see page 261 footnote)	103,197
11		
12		
13		
14	Income Recorded on Books Not Included in Return	
15	(see page 261 footnote)	11,727,865
16		
17		
18		
19	Deductions on Return Not Charged Against Book Income	
20	(see page 261 footnote)	-58,262,990
21		
22		
23		
24	Federal Income Taxes (detail below)	48,242,128
25		
26		
27	Federal Tax Net Income	73,680,004
28	Show Computation of Tax:	
29		
30		
31	Tax computed at statutory rate	52,279,431
32	ITC Amortization Net of Deferred Taxes	402,993
33	Amortization of Excess Deferred Taxes	962,016
34	Permanent differences	-5,066,258
35	State Income Taxes (Federal effect)	-848,348
36	Amortization of Regulatory Assets	216,964
37	Allowance for Equity Funds Used During Construction	295,324
38	Other	6
39		
40		
41		
42	Total federal income tax expense (benefit)	48,242,128
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	(3,097,931)
Capitalized Construction Interest and Capitalized Costs	(23,599,198)
Unbilled Revenue	(136,936)
Taxable Income Not Reported on Books	(26,834,065)

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

Meals and Entertainment	118,836
Lobbying	693,737
Debt Issuance Costs	2,675,857
Employee Benefits	(4,343,867)
Taxes Other Than Federal	958,634
Deductions Recorded on Books Not Deducted for Return	103,197

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

Insurance Refund	(8,691,326)
Decommissioning Trust Interest Net of Fees	(2,684,203)
AFUDC	22,995,135
Other	108,259
Income Reported on Books Not Included in Return	11,727,865

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

Depreciation and Amortization Differences	(70,283,878)
Coal Reclamation	(599,334)
Deferred Fuel	17,092,751
Section 174 R&D	(2,114,814)
SFAS 143 Asset Retirement Obligation	2,956,911
Legal Expense Accrual	(79,443)
Decommissioning Costs	(8,818,395)
Repair Allowance	1,408,810
State Income Taxes	2,174,402
Deductions on Return not Charged Against Book Income	(58,262,990)

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

Net Income	98,703,869
Federal and State Income Tax Expense	50,665,934
Pre-Tax Income	149,369,803
Tax Rate	35%
Tax Computed at Statutory Rate	52,279,431

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 2017/Q4

TAXES ACCRUED, PREPAID AND CHARGED DURING YEAR

1. Give particulars (details) of the combined prepaid and accrued tax accounts and show the total taxes charged to operations and other accounts during the year. Do not include gasoline and other sales taxes which have been charged to the accounts to which the taxed material was charged. If the actual, or estimated amounts of such taxes are know, show the amounts in a footnote and designate whether estimated or actual amounts.
2. Include on this page, taxes paid during the year and charged direct to final accounts, (not charged to prepaid or accrued taxes.) Enter the amounts in both columns (d) and (e). The balancing of this page is not affected by the inclusion of these taxes.
3. Include in column (d) taxes charged during the year, taxes charged to operations and other accounts through (a) accruals credited to taxes accrued, (b)amounts credited to proportions of prepaid taxes chargeable to current year, and (c) taxes paid and charged direct to operations or accounts other than accrued and prepaid tax accounts.
4. List the aggregate of each kind of tax in such manner that the total tax for each State and subdivision can readily be ascertained.

Line No.	Kind of Tax (See instruction 5) (a)	BALANCE AT BEGINNING OF YEAR: Taxes Accrued (Account 236) (b)	BALANCE AT BEGINNING OF YEAR: 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	25,705		2,502,231	3,719,100	25,705
3	Prior Years	3,183,256		-271,336	193,000	-25,705
4	FUTA			51,283	51,283	
5	Insurance Contributions			7,489,910	7,489,910	
6	Subtotal	3,208,961		9,772,088	11,453,293	
7						
8	State County & Local - TX					
9	Ad Valorem	11,751,861		14,018,261	11,769,450	
10	Gross Receipts	2,413,929		11,536,740	11,526,251	
11	Unemployment			61,644	61,644	
12	Franchise Tax / Margin Tax	-1,080,012		103,247	-1,159,484	
13	Use Tax	549,785		5,744,265	5,804,404	
14	Regulatory Commission	592,594		1,109,921	1,082,818	
15	Franchise Fees (OSR)	4,940,203	10,853	22,702,088	22,580,127	
16	Subtotal	19,168,360	10,853	55,276,166	51,665,210	
17						
18	State County & Local - NM					
19	Ad Valorem	2,668,782	1,622	4,308,717	4,333,621	
20	Income	1,206	50	4,418	50	
21	Unemployment			22,772	22,772	
22	Compensating	56,432		798,894	754,027	
23	Regulatory Commission	958,661		977,083	958,662	
24	Franchise Fees (OSR)	223,825	30,295	3,972,976	4,043,159	
25	L.C. Fran., Pumping Facility					
26	Payroll Taxes					
27	Worker's Comp Fee					
28						
29						
30	Other Taxes			-18,022	-18,022	
31	Subtotal	3,908,906	31,967	10,066,838	10,094,269	
32						
33						
34	State County & Local - AZ					
35	Ad Valorem	3,707,679		7,215,113	7,309,047	
36	Income	-1,217,208	720,466	141,740	-697,290	
37	Palo Verde Payroll Taxes			2,953,606	2,953,606	
38	Sales & Use Taxes			2,101		
39	Subtotal	2,490,471	720,466	10,312,560	9,565,363	
40						
41	TOTAL	28,776,698	763,286	85,427,652	82,778,135	

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 2017/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
-276,175	940,694	-8,528,717		182,628	10,848,320	2
2,758,200	13,575				-271,336	3
		39,866			11,417	4
		5,822,476			1,667,434	5
2,482,025	954,269	-2,666,375		182,628	12,255,835	6
						7
						8
14,000,672		13,901,700			116,561	9
2,424,418		11,536,739			1	10
		47,921			13,723	11
1,279,816	1,097,097	47,627			55,620	12
489,646		50,557			5,693,708	13
619,697		1,109,921				14
5,061,042	9,731	22,702,088				15
23,875,291	1,106,828	49,396,553			5,879,613	16
						17
						18
2,643,797	1,541	4,386,495			-77,778	19
5,524		-308,568			312,986	20
		17,702			5,070	21
101,299		7,616			791,278	22
977,082		977,083				23
214,968	91,621	113,083			3,859,893	24
						25
						26
						27
						28
						29
		-18,022				30
3,942,670	93,162	5,175,389			4,891,449	31
						32
						33
						34
3,613,745		7,215,113				35
-1,098,644		67,405			74,335	36
		2,952,521			1,085	37
2,101					2,101	38
2,517,202		10,235,039			77,521	39
						40
32,817,188	2,154,259	62,140,606		182,628	23,104,418	41

ACCUMULATED DEFERRED INVESTMENT TAX CREDITS (Account 255)

Report below information applicable to Account 255. Where appropriate, segregate the balances and transactions by utility and nonutility operations. Explain by footnote any correction adjustments to the account balance shown in column (g).Include in column (i) the average period over which the tax credits are amortized.

Line No.	Account Subdivisions (a)	Balance at Beginning of Year (b)	Deferred for Year 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%	19,219,381			411.4/420	1,503,791	
6	30%	553,094	411.4	2,170,387	411.4	46,699	
7							
8	TOTAL	19,772,475		2,170,387		1,550,490	
9	Other (List separately and show 3%, 4%, 7%, 10% and TOTAL)						
10			411.4	2,170,387	411.4	1,550,490	
11					420		
12							
13							
14							
15							
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48							

ACCUMULATED DEFERRED INVESTMENT TAX CREDITS (Account 255) (continued)

Balance at End of Year (h)	Average Period of Allocation to Income (i)	ADJUSTMENT EXPLANATION	Line No.
			1
			2
			3
			4
17,715,590	25 years		5
2,676,782	25 years		6
			7
20,392,372			8
			9
619,897			10
			11
			12
			13
			14
			15
			16
			17
			18
			19
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			47
			48

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 2017/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	314,070			1,822	315,892
4						
5	Contribution in Aid of Construct.	485,368	416	521,612	509,231	472,987
6						
7	Facility & Impact Study		131	186,875	2,647,158	2,460,283
8						
9	Employment Separation Agreements	363,558	131	41,500	349,610	671,668
10						
11	Other	260,049			53,020	313,069
12						
13						
14						
15						
16						
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18						
19						
20						
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45						
46						
47	TOTAL	1,622,814		749,987	3,560,841	4,433,668

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 2017/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	772,657,141	-5,492,409	34,873,091
3	Gas			
4				
5	TOTAL (Enter Total of lines 2 thru 4)	772,657,141	-5,492,409	34,873,091
6				
7				
8				
9	TOTAL Account 282 (Enter Total of lines 5 thru 8)	772,657,141	-5,492,409	34,873,091
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 2017/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
27,070	275,956		249,581,865	various		482,460,890	2
							3
							4
27,070	275,956		249,581,865			482,460,890	5
							6
							7
							8
27,070	275,956		249,581,865			482,460,890	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, 2017

	Balance at Beginning of Year	Balance at End of Year
Electric:		
Plant, principally due to depreciation and basis differences	$ 664,228,279	$ 421,974,160
Regulatory assets related to income taxes	71,494,783	35,758,369
Decommissioning	36,934,079	24,728,361
Total - Electric Other	$ 772,657,141	$ 482,460,890

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 2017/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	12,311,190	13,841,151	21,840,010
4				
5				
6	Excess ADSIT	9,571,030	3,374,943	
7				
8				
9	TOTAL Electric (Total of lines 3 thru 8)	21,882,220	17,216,094	21,840,010
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)	21,882,220	17,216,094	21,840,010
20	Classification of TOTAL			
21	Federal Income Tax	12,311,190	13,841,151	21,840,010
22	State Income Tax	9,571,030	3,374,943	
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
		254.3		182.3		4,312,331	3
							4
							5
7,608	8,660	254.3	6,453,210	182.3		6,491,711	6
							7
							8
7,608	8,660		6,453,210			10,804,042	9
							10
							11
							12
							13
							14
							15
							16
							17
							18
7,608	8,660		6,453,210			10,804,042	19
							20
						4,312,331	21
7,608	8,660		6,453,210			6,491,711	22
							23

NOTES (Continued)

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	35,186,901	various	136,382,775	389,971,703	288,775,829
2						
3	Net Overcollection of Fuel Revenues:					
4	Texas		440s		5,793,181	5,793,181
5	New Mexico	251,432	440s		157,558	408,990
6	FERC	3,468	440s		19,165	22,633
7						
8	New Mexico Energy Efficiency Program	2,159,331	131	5,923,978	5,158,798	1,394,151
9						
10	Texas Energy Efficiency Program	1,288,279	131	4,992,719	4,598,794	894,354
11						
12	Texas Military Base Discount and Recovery	183,919	142	183,919		
13						
14	New Mexico Gain on Sale of Assets	827,992	407.4	261,240		566,752
15						
16						
17						
18						
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41	TOTAL	39,901,322		147,744,631	405,699,199	297,855,890

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

On December 22, 2017, the TCJA was enacted which reduced the corporate federal income tax rate from 35% to 21%. The reduction in the corporate federal income tax rate resulted in a decrease to ADFIT. The excess deferred taxes that resulted from the reduction in ADFIT was recorded as regulatory tax liability of $256.8 million at the amount of the reduced future cash flow expected to be included in rates as required by the FERC.

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 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.: 8 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.: 10 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.: 12 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: 278 Line No.: 14 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 Company will include gains on sales of assets recognized after December 31, 2014 as a component of base rates in the Company's next New Mexico rate case filing.

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 2017/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	361,854,150	351,261,931
3	(442) Commercial and Industrial Sales		
4	Small (or Comm.) (See Instr. 4)	260,768,994	255,423,792
5	Large (or Ind.) (See Instr. 4)	62,268,318	61,987,823
6	(444) Public Street and Highway Lighting	5,329,817	5,298,948
7	(445) Other Sales to Public Authorities	132,588,490	130,898,094
8	(446) Sales to Railroads and Railways		
9	(448) Interdepartmental Sales		
10	TOTAL Sales to Ultimate Consumers	822,809,769	804,870,588
11	(447) Sales for Resale	63,128,805	49,474,578
12	TOTAL Sales of Electricity	885,938,574	854,345,166
13	(Less) (449.1) Provision for Rate Refunds		
14	TOTAL Revenues Net of Prov. for Refunds	885,938,574	854,345,166
15	Other Operating Revenues		
16	(450) Forfeited Discounts	1,504,634	1,458,772
17	(451) Miscellaneous Service Revenues	7,687,719	5,592,725
18	(453) Sales of Water and Water Power		
19	(454) Rent from Electric Property	2,868,026	3,026,052
20	(455) Interdepartmental Rents		
21	(456) Other Electric Revenues	684,365	547,429
22	(456.1) Revenues from Transmission of Electricity of Others	18,113,528	21,966,186
23	(457.1) Regional Control Service Revenues		
24	(457.2) Miscellaneous Revenues		
25			
26	TOTAL Other Operating Revenues	30,858,272	32,591,164
27	TOTAL Electric Operating Revenues	916,796,846	886,936,330

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 2017/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
2,823,260	2,805,789	368,044	362,138	2
				3
2,410,710	2,403,447	41,978	41,014	4
1,045,319	1,030,745	48	49	5
39,835	38,750	199	192	6
1,524,835	1,533,760	5,333	5,111	7
				8
				9
7,843,959	7,812,491	415,602	408,504	10
3,060,795	2,786,020	27	25	11
10,904,754	10,598,511	415,629	408,529	12
				13
10,904,754	10,598,511	415,629	408,529	14

Line 12, column (b) includes $ 1,233,000 of unbilled revenues.
Line 12, column (d) includes 23,030 MWH relating to unbilled revenues

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

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.: 11 Column: e

Includes 796,426 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 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: e

Includes 796,426 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 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: e

Includes 796,426 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 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.: 17 Column: c

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

	December 2016
Non Pay Reconnect Charges	1,814,875
Name Change/Cut in Charge	2,203,397
New Service Charges	339,516
Overhead/Underground Connection Charges	395,296
Texas Energy Efficiency Bonus	512,545
Misc Other	327,096
Total	5,592,725

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

Includes $440,615 related to the Company's 15.8% share of Palo Verde other electric revenues from APS.

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

Includes $462,517 related to the Company's 15.8% share of Palo Verde other electric revenues from APS.

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.

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

Includes the effect of rate increases approved by the PUCT in the 2016 PUCT Final Order in Docket No. 44941 on August 25, 2016 and the NMPRC in the NMPRC Final Order in Case No. 15-00127-UT on June 8, 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 2017/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		22,149			
4	01 Residential Service	2,138,622	277,083,048	281,929	7,586	0.1296
5	28 Private Area Lighting Service	1,921	319,421	224	8,576	0.1663
6	VRE-R Voluntary Renewable Energ		20,117			
7	Deferred Fuel		-5,975,694			
8	Unbilled Revenue	4,720	458,000			0.0970
9	Renewable Energy Credit		-20,117			
10	Relate back revenue		6,608,506			
11						
12	RESIDENTIAL SALES-NM					
13	01 Residential Service	674,515	82,737,706	85,592	7,881	0.1227
14	12 Private Area Lighting Service	2,517	588,083	299	8,418	0.2336
15	Deferred Fuel		-91,325			
16	Unbilled Revenue	965	113,000			0.1171
17	Renewable Energy Credit		-8,744			
18						
19	Total (440)	2,823,260	361,854,150	368,044	7,671	0.1282
20						
21						
22	(442)					
23	C & I SALES SMALL-TX					
24	CS Community Solar		502			
25	02 Small Commercial Service	280,285	41,305,046	24,928	11,244	0.1474
26	07 Outdoor Recreational Lighting	308	38,750	12	25,667	0.1258
27	22 Irrigation Service	2,729	360,451	124	22,008	0.1321
28	24 General Service	1,372,481	141,775,701	6,264	219,106	0.1033
29	25 Large Power Service	228,220	19,378,454	56	4,075,357	0.0849
30	28 Private Area Lighting Service	15,302	1,989,116	440	34,777	0.1300
31	34 Cotton Gin Service	2,530	259,592	2	1,265,000	0.1026
32	VRE-C Voluntary Renewable Energ		382			
33	Deferred Fuel		-5,119,518			
34	Unbilled Revenue	6,836	230,000			0.0336
35	Renewable Energy Credit		-382			
36	Relate back revenue		1,715,494			
37						
38	C & I SALES SMALL-NM					
39	03 Small Commercial Service	155,261	22,107,377	8,639	17,972	0.1424
40	04 General Service	271,058	28,476,357	544	498,268	0.1051
41	TOTAL Billed	7,820,929	821,576,769	415,602	18,818	0.1050
42	Total Unbilled Rev.(See Instr. 6)	23,030	1,233,000	0	0	0.0535
43	TOTAL	7,843,959	822,809,769	415,602	18,874	0.1049

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 2017/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	38,607	4,350,264	805	47,959	0.1127
2	08 Municipal Water Pumping	1,445	138,175	16	90,313	0.0956
3	09 Large Power Service	21,259	1,904,216	4	5,314,750	0.0896
4	12 Private Area Lighting Service	2,113	478,420	95	22,242	0.2264
5	19 Seasonal Agr. Processing Svc.	7,926	1,083,073	41	193,317	0.1366
6	25 Outdoor Recreational Lighting	97	13,190	7	13,857	0.1360
7	29 Interrupt. Svc. for Lg Power	2,253	120,619	1	2,253,000	0.0535
8	Deferred Fuel		-32,880			
9	Unbilled Revenue	2,000	201,000			0.1005
10	Renewable Energy Credit		-4,405			
11						
12	C & I SALES LARGE-TX					
13	15 Electrolytic Refining	56,208	3,731,689	1	56,208,000	0.0664
14	25 Large Power Service	282,225	24,038,013	33	8,552,273	0.0852
15	26 Petroleum Refinery Service	339,078	20,358,440	1	339,078,000	0.0600
16	28 Private Area Lighting Service	201	24,037			0.1196
17	30 Electric Furnace	21,980	1,858,402	1	21,980,000	0.0845
18	38 Interrupt. Svc. for Lg Power	278,252	9,725,901	4	69,563,000	0.0350
19	Deferred Fuel		-2,663,685			
20	Unbilled Revenue	3,734	29,000			0.0078
21	Relate back revenue		-285,979			
22						
23	C & I SALES LARGE-NM					
24	09 Large Power Service	56,322	5,049,730	6	9,387,000	0.0897
25	29 Interrupt. Svc. for Lg Power	7,371	406,606	2	3,685,500	0.0552
26	Deferred Fuel		-3,836			
27	Unbilled Revenue	-52				
28						
29	Total (442)	3,456,029	323,037,312	42,026	82,235	0.0935
30						
31	(444)					
32	PUBLIC ST. & HIGHWAY LIGHT-TX					
33	08 Gov't Street Lights and Signal	36,832	4,972,676	180	204,622	0.1350
34	Deferred Fuel		-107,129			
35	Unbilled Revenue	291	8,000			0.0275
36	Relate back revenue		-41,002			
37						
38						
39	PUBLIC ST. & HIGHWAY LIGHT-NM					
40	11 Municipal St. Lighting and Sig	2,762	501,247	19	145,368	0.1815
41	TOTAL Billed	7,820,929	821,576,769	415,602	18,818	0.1050
42	Total Unbilled Rev.(See Instr. 6)	23,030	1,233,000	0	0	0.0535
43	TOTAL	7,843,959	822,809,769	415,602	18,874	0.1049

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.
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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	Deferred Fuel		25			
2	Unbilled Revenue	-50	-4,000			0.0800
3						
4	Total (444)	39,835	5,329,817	199	200,176	0.1338
5						
6	(445)					
7	OTHER SALES PUB AUTH-TX					
8	01 Residential Service	594	96,679	307	1,935	0.1628
9	02 Small Commercial Service	11,205	1,690,537	1,344	8,337	0.1509
10	07 Outdoor Recreational Lighting	4,870	605,227	178	27,360	0.1243
11	11 Municipal Pumping Service	162,334	13,309,654	425	381,962	0.0820
12	22 Irrigation	1,425	178,007	17	83,824	0.1249
13	24 General Service	157,283	16,500,997	496	317,103	0.1049
14	25 Large Power Service	136,550	11,386,220	16	8,534,375	0.0834
15	28 Private Area Lighting	9,537	1,155,605	139	68,612	0.1212
16	31 Military Reservation Service	269,120	20,033,466	1	269,120,000	0.0744
17	38 Interruptible Service Large Po	87,587	3,101,882	1	87,587,000	0.0354
18	41 City and County Service	272,997	31,312,781	931	293,230	0.1147
19	45 Supplemental Power	27,628	2,011,229	1	27,628,000	0.0728
20	Deferred Fuel		-3,091,061			
21	Unbilled Revenue	3,412	136,000			0.0399
22	University Discount		-1,029,334			
23	Relate back revenue		779,265			
24						
25	OTHER SALES PUB AUTH-NM					
26	01 Residential Service	98	14,187	38	2,579	0.1448
27	03 Small Commercial Service	8,384	1,214,895	357	23,485	0.1449
28	04 General Service	38,850	4,038,212	73	532,192	0.1039
29	05 Irrigation Service	173	19,973	5	34,600	0.1155
30	07 City and County Service	62,099	7,358,644	788	78,806	0.1185
31	08 Municipal Pumping Service	32,276	2,975,706	151	213,748	0.0922
32	09 Large Power Service	67,027	5,500,394	7	9,575,286	0.0821
33	10 Military Research & Dev. Power	138,084	10,745,134	2	69,042,000	0.0778
34	12 Private Area Lighting	395	85,505	33	11,970	0.2165
35	25 Outdoor Recreational Lighting	519	66,413	22	23,591	0.1280
36	26 State University Service	31,214	2,377,887	1	31,214,000	0.0762
37	Deferred Fuel		-29,542			
38	Unbilled Revenue	1,174	62,000			0.0528
39	Renewable Energy Credit		-18,072			
40						
41	TOTAL Billed	7,820,929	821,576,769	415,602	18,818	0.1050
42	Total Unbilled Rev.(See Instr. 6)	23,030	1,233,000	0	0	0.0535
43	TOTAL	7,843,959	822,809,769	415,602	18,874	0.1049

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 2017/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.
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4. The average number of customers should be the number of bills rendered during the year divided by the number of billing periods during the year (12 if all billings are made monthly).
5. For any rate schedule having a fuel adjustment clause state in a footnote the estimated additional revenue billed pursuant thereto.
6. Report amount of unbilled revenue as of end of year for each applicable revenue account subheading.

Line No.	Number and Title of Rate schedule (a)	MWh Sold (b)	Revenue (c)	Average Number of Customers (d)	KWh of Sales Per Customer (e)	Revenue Per KWh Sold (f)
1	Total (445)	1,524,835	132,588,490	5,333	285,924	0.0870
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41	TOTAL Billed	7,820,929	821,576,769	415,602	18,818	0.1050
42	Total Unbilled Rev.(See Instr. 6)	23,030	1,233,000	0	0	0.0535
43	TOTAL	7,843,959	822,809,769	415,602	18,874	0.1049

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

Estimated Fuel Clause Revenues by Rate Schedule

(440) RESIDENTIAL SALES

TEXAS

01 Residential Service		$ 55,328,030
28 Private Area Lighting Service		48,954
Community Solar Fuel Credit		(110,241)
Deferred Fuel		(5,975,694)
	Total - Texas	49,291,049

NEW MEXICO

01 Residential Service		24,677,826
12 Private Area Lighting Service		90,442
Deferred Fuel		(91,325)
	Total - New Mexico	24,676,943
	Total (440)	$ 73,967,992

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

There were less than 1,239 duplicate customers for all rates schedules combined in 2017.

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		$ 7,222,616
07 Outdoor Recreational Lighting		7,882
22 Irrigation Service		71,128
24 General Service		35,344,861
25 Large Power Service		5,853,030
28 Private Area Lighting Service		390,295
34 Cotton Gin Service		60,514
Community Solar Fuel Credit		(5,120)
Deferred Fuel		(5,119,518)
	Total - Texas	43,825,688

SMALL - NEW MEXICO

03 Small Commercial Service		5,637,337
04 General Service		9,818,794
05 Irrigation Service		1,466,603
08 Municipal Water Pumping		54,086
09 Large Power Service		769,508
12 Private Area Lighting Service		75,904
19 Seasonal Agr. Processing Svc.		269,682
25 Outdoor Recreational Lighting		3,512
29 Interrup. Svc for Lg Power		81,668
Deferred Fuel		(32,880)
	Total - New Mexico	18,144,214

LARGE - TEXAS

15 Electrolytic refining		1,387,138
25 Large Power Service		7,203,024
26 Petroleum Refinery Service		8,310,734
28 Private Area Lighting Service		5,135
30 Electric Furnace		536,044
38 Interruptible Svc for Large Power		6,823,146
Deferred Fuel		(2,663,685)
	Total - Texas	21,601,536

LARGE - NEW MEXICO

09 Large Power Service		2,004,502
29 Interruptible Service Large Power		263,203
Deferred Fuel		(3,836)
	Total - New Mexico	2,263,869
	Total (442)	$ 85,835,307

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		$ 939,494
Deferred Fuel		(107,129)
	Total - Texas	832,365

NEW MEXICO

11 Municipal St. Lights & Signals		100,841
Deferred Fuel		25
	Total - New Mexico	100,866
	Total (444)	$ 933,231

Schedule Page: 304.2 Line No.: 6 Column: c

Estimated Fuel Clause Revenues by Rate Schedule

(445) OTHER SALES TO PUBLIC AUTHORITIES

TEXAS

01 Residential Service	$ 15,316
02 Small Commercial Service	287,436
07 Outdoor Rec. Lighting Service	123,755
11 Municipal Pumping Service	4,128,641
22 Irrigation	36,816
24 General Service	4,045,966

25 Large Power Service		3,461,040
28 Private Area Lighting		243,177
31 Military Reservation Service		6,571,649
38 Interruptible Service for Large		2,221,997
41 City and County Service		7,000,984
45 Supplemental Power		693,380
Deferred Fuel		(3,091,061)
	Total - Texas	25,739,096

NEW MEXICO

01 Residential Service		3,600
03 Small Commercial Service		305,878
04 General Service		1,379,832
05 Irrigation Service		6,717
07 City and County Service		2,222,365
08 Municipal Pumping		1,170,249
09 Large Power Service		2,379,256
10 Military Research & Dev. Power		4,783,735
12 Private Area Lighting		14,192
25 Outdoor Rec. Lighting Service		18,759
26 State University Service		1,101,301
Deferred Fuel		(29,542)
	Total - New Mexico	13,356,342
	Total (445)	$ 39,095,438

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 2017/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	Rio Grande Electric Cooperative	RQ	18	8.99	10.61	8.99
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	Avangrid Renewables, LLC	AD	MBR	NA	NA	NA
6	Basin Electric Power Cooperative	SF	MBR	NA	NA	NA
7	Bonneville Power Administration	SF	MBR	NA	NA	NA
8	BP Energy Company	SF	MBR	NA	NA	NA
9	Brookfield Energy Marketing LP	SF	MBR	NA	NA	NA
10	Cargill Power Markets, LLC	SF	MBR	NA	NA	NA
11	Citigroup Energy Inc.	SF	MBR	NA	NA	NA
12	City of Burbank California	SF	MBR	NA	NA	NA
13	EDF Trading North America, LLC	SF	MBR	NA	NA	NA
14	Exelon Generation Company, LLC	SF	MBR	NA	NA	NA
	Subtotal RQ			0	0	0
	Subtotal non-RQ			0	0	0
	Total			**0**	**0**	**0**

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
El Paso Electric Company	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2017/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.
62,887	2,440,930	1,721,495	-19,169	4,143,256	1
20,596		506,456		506,456	2
2,427		80,897		80,897	3
38,220		1,146,621		1,146,621	4
		-27		-27	5
745		6,065		6,065	6
93		1,857		1,857	7
3,038		77,641		77,641	8
450,600		13,672,119		13,672,119	9
17,636		649,151		649,151	10
63,042		1,671,256		1,671,256	11
600		16,450		16,450	12
59,730		1,692,151		1,692,151	13
46,648		1,280,224		1,280,224	14
62,887	2,440,930	1,721,495	-19,169	4,143,256	
2,997,908	0	58,974,098	11,451	58,985,549	
3,060,795	**2,440,930**	**60,695,593**	**-7,718**	**63,128,805**	

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 2017/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 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	SF	MBR	NA	NA	NA
13	Rainbow Energy Marketing Corp	SF	MBR	NA	NA	NA
14	Salt River Project Agricultural Improv	SF	MBR	NA	NA	NA
	Subtotal RQ			0	0	0
	Subtotal non-RQ			0	0	0
	Total			**0**	**0**	**0**

SALES FOR RESALE (Account 447) (Continued)

OS - for other service. use this category only for those services which cannot be placed in the above-defined categories, such as all non-firm service regardless of the Length of the contract and service from designated units of Less than one year. Describe the nature of the service in a footnote.
AD - for Out-of-period adjustment. Use this code for any accounting adjustments or "true-ups" for service provided in prior reporting years. Provide an explanation in a footnote for each adjustment.
4. Group requirements RQ sales together and report them starting at line number one. After listing all RQ sales, enter "Subtotal - RQ" in column (a). The remaining sales may then be listed in any order. Enter "Subtotal-Non-RQ" in column (a) after this Listing. Enter "Total" in column (a) as the Last Line of the schedule. Report subtotals and total for columns (9) through (k)
5. In Column (c), identify the FERC Rate Schedule or Tariff Number. On separate Lines, List all FERC rate schedules or tariffs under which service, as identified in column (b), is provided.
6. For requirements RQ sales and any type of-service involving demand charges imposed on a monthly (or Longer) basis, enter the average monthly billing demand in column (d), the average monthly non-coincident peak (NCP) demand in column (e), and the average monthly coincident peak (CP)
demand in column (f). For all other types of service, enter NA in columns (d), (e) and (f). Monthly NCP demand is the maximum metered hourly (60-minute integration) demand in a month. Monthly CP demand is the metered demand during the hour (60-minute integration) in which the supplier's system reaches its monthly peak. Demand reported in columns (e) and (f) must be in megawatts. Footnote any demand not stated on a megawatt basis and explain.
7. Report in column (g) the megawatt hours shown on bills rendered to the purchaser.
8. Report demand charges in column (h), energy charges in column (i), and the total of any other types of charges, including out-of-period adjustments, in column (j). Explain in a footnote all components of the amount shown in column (j). Report in column (k) the total charge shown on bills rendered to the purchaser.
9. The data in column (g) through (k) must be subtotaled based on the RQ/Non-RQ grouping (see instruction 4), and then totaled on the Last -line of the schedule. The "Subtotal - RQ" amount in column (g) must be reported as Requirements Sales For Resale on Page 401, line 23. The "Subtotal - Non-RQ" amount in column (g) must be reported as Non-Requirements Sales For Resale on Page 401,iine 24.
10. Footnote entries as required and provide explanations following all required data.

MegaWatt Hours Sold (g)	REVENUE Demand Charges ($) (h)	Energy Charges ($) (i)	Other Charges ($) (j)	Total ($) (h+i+j) (k)	Line No.
955,024		1,435,000		1,435,000	1
586		22,316		22,316	2
35,482		1,343,202	1,687	1,344,889	3
3,523		99,770		99,770	4
800		65,000		65,000	5
169,021		4,479,750		4,479,750	6
95,714		2,668,603		2,668,603	7
1,600		34,800		34,800	8
18,689		391,008		391,008	9
3,718		63,190		63,190	10
60,025		1,558,208		1,558,208	11
21,435		443,979		443,979	12
8,439		246,370		246,370	13
76,045		1,795,169		1,795,169	14
62,887	2,440,930	1,721,495	-19,169	4,143,256	
2,997,908	0	58,974,098	11,451	58,985,549	
3,060,795	**2,440,930**	**60,695,593**	**-7,718**	**63,128,805**	

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 2017/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)	Statistical Classification	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	Sempra Gas & Power Marketing, LLC	SF	MBR	NA	NA	NA
2	Shell Energy North America (U.S.), L.P.	SF	MBR	NA	NA	NA
3	Southern California Edison Co	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.	SF	MBR	NA	NA	NA
9	Tucson Electric Power Co	OS	MBR	NA	NA	NA
10	Tucson Electric Power Co	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, Inc	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**

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.
1,675		59,385		59,385	1
106,682		3,255,283		3,255,283	2
1,800		71,000		71,000	3
4,960		167,719		167,719	4
472,861		13,004,601		13,004,601	5
211,797		5,749,561		5,749,561	6
400		12,600		12,600	7
4,506		104,350		104,350	8
			7,849	7,849	9
30,914		873,942		873,942	10
6,123		172,624		172,624	11
857		12,258		12,258	12
279		6,311		6,311	13
88		2,403		2,403	14
62,887	2,440,930	1,721,495	-19,169	4,143,256	
2,997,908	0	58,974,098	11,451	58,985,549	
3,060,795	**2,440,930**	**60,695,593**	**-7,718**	**63,128,805**	

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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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	BP-Energy	SF	SRSG	NA	NA	NA
2	Farmington	SF	SRSG	NA	NA	NA
3	HGMA	SF	SRSG	NA	NA	NA
4	Public Service Company of New Mexico	SF	SRSG	NA	NA	NA
5	Salt River Project	SF	SRSG	NA	NA	NA
6	STAR	SF	SRSG	NA	NA	NA
7	Tucson Electric Power Company	SF	SRSG	NA	NA	NA
8	TRI-STATE	SF	SRSG	NA	NA	NA
9	Western Area Power Administration	SF	SRSG	NA	NA	NA
10						
11						
12						
13						
14						
	Subtotal RQ			0	0	0
	Subtotal non-RQ			0	0	0
	Total			**0**	**0**	**0**

Name of Respondent El Paso Electric Company	This Report Is: (1) [X] An Original (2) [ ] A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2017/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.
50		921	106	1,027	1
			87	87	2
			850	850	3
281		6,593		6,593	4
32		582		582	5
			324	324	6
914		21,087		21,087	7
213		5,652		5,652	8
			548	548	9
					10
					11
					12
					13
					14
62,887	2,440,930	1,721,495	-19,169	4,143,256	
2,997,908	0	58,974,098	11,451	58,985,549	
3,060,795	**2,440,930**	**60,695,593**	**-7,718**	**63,128,805**	

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.: 5 Column: b
Prior year adjustment.

Schedule Page: 310.1 Line No.: 3 Column: j
Short-term transmission charged to wholesale customers.

Schedule Page: 310.2 Line No.: 4 Column: b
Non-firm energy sale.

Schedule Page: 310.2 Line No.: 9 Column: b
Spinning reserves.

Schedule Page: 310.2 Line No.: 9 Column: j
Spinning reserves.

Schedule Page: 310.2 Line No.: 13 Column: c
SRSG = Southwest Reserve Sharing Group Participation Aqgreement.

Schedule Page: 310.3 Line No.: 1 Column: j
Other Charges are for SRSG penalty received.

Schedule Page: 310.3 Line No.: 2 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.

Schedule Page: 310.3 Line No.: 9 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 2017/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	2,607,055	2,773,817
5	(501) Fuel	104,169,299	97,244,691
6	(502) Steam Expenses	3,044,277	3,493,470
7	(503) Steam from Other Sources		
8	(Less) (504) Steam Transferred-Cr.		
9	(505) Electric Expenses	2,987,974	3,047,225
10	(506) Miscellaneous Steam Power Expenses	3,394,705	4,111,121
11	(507) Rents	466,271	965,023
12	(509) Allowances	108,763	17,887
13	TOTAL Operation (Enter Total of Lines 4 thru 12)	116,778,344	111,653,234
14	Maintenance		
15	(510) Maintenance Supervision and Engineering	2,284,258	2,198,898
16	(511) Maintenance of Structures	1,435,566	1,228,545
17	(512) Maintenance of Boiler Plant	7,691,556	8,514,761
18	(513) Maintenance of Electric Plant	13,571,110	10,059,147
19	(514) Maintenance of Miscellaneous Steam Plant	2,918,596	2,768,382
20	TOTAL Maintenance (Enter Total of Lines 15 thru 19)	27,901,086	24,769,733
21	TOTAL Power Production Expenses-Steam Power (Entr Tot lines 13 & 20)	144,679,430	136,422,967
22	B. Nuclear Power Generation		
23	Operation		
24	(517) Operation Supervision and Engineering	13,376,785	14,243,113
25	(518) Fuel	42,479,991	44,031,189
26	(519) Coolants and Water	7,373,187	7,029,684
27	(520) Steam Expenses	6,095,977	6,386,999
28	(521) Steam from Other Sources		
29	(Less) (522) Steam Transferred-Cr.		
30	(523) Electric Expenses	4,932,080	4,533,306
31	(524) Miscellaneous Nuclear Power Expenses	23,628,866	22,224,589
32	(525) Rents		
33	TOTAL Operation (Enter Total of lines 24 thru 32)	97,886,886	98,448,880
34	Maintenance		
35	(528) Maintenance Supervision and Engineering	2,671,280	3,383,142
36	(529) Maintenance of Structures	1,130,947	1,362,010
37	(530) Maintenance of Reactor Plant Equipment	8,433,670	7,766,157
38	(531) Maintenance of Electric Plant	6,609,392	7,940,162
39	(532) Maintenance of Miscellaneous Nuclear Plant	2,021,558	2,108,837
40	TOTAL Maintenance (Enter Total of lines 35 thru 39)	20,866,847	22,560,308
41	TOTAL Power Production Expenses-Nuc. Power (Entr tot lines 33 & 40)	118,753,733	121,009,188
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 2017/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	571,034	380,254
63	(547) Fuel	38,632,524	32,715,926
64	(548) Generation Expenses	918,562	695,028
65	(549) Miscellaneous Other Power Generation Expenses	1,376,815	1,399,769
66	(550) Rents	57,725	43,058
67	TOTAL Operation (Enter Total of lines 62 thru 66)	41,556,660	35,234,035
68	Maintenance		
69	(551) Maintenance Supervision and Engineering	3,703	521
70	(552) Maintenance of Structures	91,667	38,123
71	(553) Maintenance of Generating and Electric Plant	3,006,092	2,706,044
72	(554) Maintenance of Miscellaneous Other Power Generation Plant	389,092	353,336
73	TOTAL Maintenance (Enter Total of lines 69 thru 72)	3,490,554	3,098,024
74	TOTAL Power Production Expenses-Other Power (Enter Tot of 67 & 73)	45,047,214	38,332,059
75	E. Other Power Supply Expenses		
76	(555) Purchased Power	59,682,595	59,727,142
77	(556) System Control and Load Dispatching	1,183,820	1,098,379
78	(557) Other Expenses	115,000	85,500
79	TOTAL Other Power Supply Exp (Enter Total of lines 76 thru 78)	60,981,415	60,911,021
80	TOTAL Power Production Expenses (Total of lines 21, 41, 59, 74 & 79)	369,461,792	356,675,235
81	2. TRANSMISSION EXPENSES		
82	Operation		
83	(560) Operation Supervision and Engineering	1,427,707	1,641,654
84			
85	(561.1) Load Dispatch-Reliability	63,127	76,925
86	(561.2) Load Dispatch-Monitor and Operate Transmission System	818,846	770,296
87	(561.3) Load Dispatch-Transmission Service and Scheduling	866,803	771,095
88	(561.4) Scheduling, System Control and Dispatch Services	599,757	628,585
89	(561.5) Reliability, Planning and Standards Development	979,739	975,328
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	323,624	312,087
94	(563) Overhead Lines Expenses	211,172	305,124
95	(564) Underground Lines Expenses		
96	(565) Transmission of Electricity by Others	6,806,326	6,274,714
97	(566) Miscellaneous Transmission Expenses	6,552,528	6,277,658
98	(567) Rents	289,370	299,485
99	TOTAL Operation (Enter Total of lines 83 thru 98)	18,938,999	18,332,951
100	Maintenance		
101	(568) Maintenance Supervision and Engineering	53,239	75,245
102	(569) Maintenance of Structures	32,317	14,182
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	625,143	584,272
108	(571) Maintenance of Overhead Lines	1,412,178	1,286,512
109	(572) Maintenance of Underground Lines		
110	(573) Maintenance of Miscellaneous Transmission Plant	15,663	50,467
111	TOTAL Maintenance (Total of lines 101 thru 110)	2,138,540	2,010,678
112	TOTAL Transmission Expenses (Total of lines 99 and 111)	21,077,539	20,343,629

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 2017/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	553,306	647,365
135	(581) Load Dispatching		
136	(582) Station Expenses	1,151,493	1,161,023
137	(583) Overhead Line Expenses	553,990	578,990
138	(584) Underground Line Expenses	643,167	563,115
139	(585) Street Lighting and Signal System Expenses	1,933	10,149
140	(586) Meter Expenses	2,090,545	2,195,953
141	(587) Customer Installations Expenses	394,202	545,599
142	(588) Miscellaneous Expenses	8,490,063	8,913,829
143	(589) Rents	215,843	178,335
144	TOTAL Operation (Enter Total of lines 134 thru 143)	14,094,542	14,794,358
145	Maintenance		
146	(590) Maintenance Supervision and Engineering		64
147	(591) Maintenance of Structures	2,853	1,525
148	(592) Maintenance of Station Equipment	1,463,666	1,035,161
149	(593) Maintenance of Overhead Lines	5,240,311	5,283,036
150	(594) Maintenance of Underground Lines	533,624	578,357
151	(595) Maintenance of Line Transformers	3,785	14,105
152	(596) Maintenance of Street Lighting and Signal Systems	292,570	207,137
153	(597) Maintenance of Meters	200,416	298,084
154	(598) Maintenance of Miscellaneous Distribution Plant	392,607	456,795
155	TOTAL Maintenance (Total of lines 146 thru 154)	8,129,832	7,874,264
156	TOTAL Distribution Expenses (Total of lines 144 and 155)	22,224,374	22,668,622
157	5. CUSTOMER ACCOUNTS EXPENSES		
158	Operation		
159	(901) Supervision		
160	(902) Meter Reading Expenses	2,519,249	2,523,572
161	(903) Customer Records and Collection Expenses	13,439,140	13,389,220
162	(904) Uncollectible Accounts	3,146,083	2,426,488
163	(905) Miscellaneous Customer Accounts Expenses	327,416	514,170
164	TOTAL Customer Accounts Expenses (Total of lines 159 thru 163)	19,431,888	18,853,450

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 2017/Q4

ELECTRIC OPERATION AND MAINTENANCE EXPENSES (Continued)

If the amount for previous year is not derived from previously reported figures, explain in footnote.

Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)
165	6. CUSTOMER SERVICE AND INFORMATIONAL EXPENSES		
166	Operation		
167	(907) Supervision		
168	(908) Customer Assistance Expenses		
169	(909) Informational and Instructional Expenses	205,043	205,493
170	(910) Miscellaneous Customer Service and Informational Expenses		
171	TOTAL Customer Service and Information Expenses (Total 167 thru 170)	205,043	205,493
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	32,283,152	32,616,446
182	(921) Office Supplies and Expenses	4,488,996	4,275,954
183	(Less) (922) Administrative Expenses Transferred-Credit		
184	(923) Outside Services Employed	16,042,394	15,740,690
185	(924) Property Insurance	3,915,285	3,865,062
186	(925) Injuries and Damages	4,594,331	4,309,021
187	(926) Employee Pensions and Benefits	25,921,431	25,375,291
188	(927) Franchise Requirements		
189	(928) Regulatory Commission Expenses	5,459,229	6,324,452
190	(929) (Less) Duplicate Charges-Cr.		
191	(930.1) General Advertising Expenses	985,502	830,007
192	(930.2) Miscellaneous General Expenses	16,939,205	15,959,194
193	(931) Rents	300,997	336,138
194	TOTAL Operation (Enter Total of lines 181 thru 193)	110,930,522	109,632,255
195	Maintenance		
196	(935) Maintenance of General Plant	6,931,537	6,432,999
197	TOTAL Administrative & General Expenses (Total of lines 194 and 196)	117,862,059	116,065,254
198	TOTAL Elec Op and Maint Expns (Total 80,112,131,156,164,171,178,197)	550,262,695	534,811,683

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

Includes a United States Department of Energy ("DOE") refund of $1,567,606.

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

Includes a DOE refund of $1,791,583.

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 2017/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 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	Arizona Electric Power Cooperative	SF	MBR	N/A	N/A	N/A
2	Arizona Public Service Company	SF	MBR	N/A	N/A	N/A
3	Avangrid Renewables, LLC	SF	MBR	N/A	N/A	N/A
4	Basin Electric Power Cooperative	SF	MBR	N/A	N/A	N/A
5	Bonneville Power Administration	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	SF	MBR	N/A	N/A	N/A
8	Cargill Power Markets, LLC	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		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)	
906				20,302		20,302	1
12,825				291,945		291,945	2
438,316				12,492,365		12,492,365	3
6,962				176,893		176,893	4
5,600				110,300		110,300	5
3,000				72,800		72,800	6
6,886				283,795		283,795	7
16,875				448,076		448,076	8
3,574				87,872		87,872	9
1,495				34,405		34,405	10
1,225				35,775		35,775	11
723				26,691	13,989	40,680	12
955,024							13
25,569				665,153		665,153	14
2,470,154	40,026	14,315		57,664,902	2,017,693	59,682,595	

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 2017/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.

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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.

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Line No.	Name of Company or Public Authority (Footnote Affiliations) (a)	Statistical Classification (b)	FERC Rate Schedule or Tariff Number (c)	Average Monthly Billing Demand (MW) (d)	Actual Demand (MW) Average Monthly NCP Demand (e)	Actual Demand (MW) Average Monthly CP Demand (f)
1	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	Morgan Stanley Capital Group, Inc.	AD	MBR	N/A	N/A	N/A
8	Newman Solar LLC	LU	MBR	N/A	N/A	N/A
9	NextEra Energy Marketing, LLC	SF	MBR	N/A	N/A	N/A
10	NRG Roadrunner LLC	LU	MBR	N/A	N/A	N/A
11	PacifiCorp	SF	MBR	N/A	N/A	N/A
12	Powerex Corp.	SF	MBR	N/A	N/A	N/A
13	Public Service Company of Colorado	SF	MBR	N/A	N/A	N/A
14	Public Service Company of New Mexico	SF	MBR	N/A	N/A	N/A
	Total					

PURCHASED POWER(Account 555) (Continued)
(Including power exchanges)

AD - for out-of-period adjustment. Use this code for any accounting adjustments or "true-ups" for service provided in prior reporting years. Provide an explanation in a footnote for each adjustment.

4. In column (c), identify the FERC Rate Schedule Number or Tariff, or, for non-FERC jurisdictional sellers, include an appropriate designation for the contract. On separate lines, list all FERC rate schedules, tariffs or contract designations under which service, as identified in column (b), is provided.
5. For requirements RQ purchases and any type of service involving demand charges imposed on a monnthly (or longer) basis, enter the monthly average billing demand in column (d), the average monthly non-coincident peak (NCP) demand in column (e), and the average monthly coincident peak (CP) demand in column (f). For all other types of service, enter NA in columns (d), (e) and (f). Monthly NCP demand is the maximum metered hourly (60-minute integration) demand in a month. Monthly CP demand is the metered demand during the hour (60-minute integration) in which the supplier's system reaches its monthly peak. Demand reported in columns (e) and (f) must be in megawatts. Footnote any demand not stated on a megawatt basis and explain.
6. Report in column (g) the megawatthours shown on bills rendered to the respondent. Report in columns (h) and (i) the megawatthours of power exchanges received and delivered, used as the basis for settlement. Do not report net exchange.
7. Report demand charges in column (j), energy charges in column (k), and the total of any other types of charges, including out-of-period adjustments, in column (l). Explain in a footnote all components of the amount shown in column (l). Report in column (m) the total charge shown on bills received as settlement by the respondent. For power exchanges, report in column (m) the settlement amount for the net receipt of energy. If more energy was delivered than received, enter a negative amount. If the settlement amount (l) include credits or charges other than incremental generation expenses, or (2) excludes certain credits or charges covered by the agreement, provide an explanatory footnote.
8. The data in column (g) through (m) must be totalled on the last line of the schedule. The total amount in column (g) must be reported as Purchases on Page 401, line 10. The total amount in column (h) must be reported as Exchange Received on Page 401, line 12. The total amount in column (i) must be reported as Exchange Delivered on Page 401, line 13.
9. Footnote entries as required and provide explanations following all required data.

MegaWatt Hours Purchased (g)	POWER EXCHANGES		COST/SETTLEMENT OF POWER				Line No.
	MegaWatt Hours Received (h)	MegaWatt Hours Delivered (i)	Demand Charges ($) (j)	Energy Charges ($) (k)	Other Charges ($) (l)	Total (j+k+l) of Settlement ($) (m)	
11,680				1,389,938		1,389,938	1
495				11,223		11,223	2
200				28,600		28,600	3
141,221				8,176,658		8,176,658	4
5,291				150,715		150,715	5
9,333				241,076		241,076	6
				28		28	7
27,500				1,512,495		1,512,495	8
170				3,450		3,450	9
52,121				6,538,081		6,538,081	10
45,055				1,172,497		1,172,497	11
1,035				59,615		59,615	12
2,572				157,889		157,889	13
64,948				1,422,246		1,422,246	14
2,470,154	40,026	14,315		57,664,902	2,017,693	59,682,595	

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 2017/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 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	Rainbow Energy Marketing Corp	SF	MBR	N/A	N/A	N/A
2	Salt River Project Agricultural Improv	SF	MBR	N/A	N/A	N/A
3	Sempra Gas & Power Marketing, LLC	SF	MBR	N/A	N/A	N/A
4	Shell Energy North America (U.S.), L.P	SF	MBR	N/A	N/A	N/A
5	Southwest Environmental Center	LU	MBR	N/A	N/A	N/A
6	SunE EPE 1 LLC	LU	MBR	N/A	N/A	N/A
7	SunE EPE 2 LLC	LU	MBR	N/A	N/A	N/A
8	Talen Energy Marketing LLC	SF	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	TransCanada Energy Sales Ltd.	SF	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	OS	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)	
155,664				4,619,453		4,619,453	1
61,878				1,629,223		1,629,223	2
642				32,131		32,131	3
5,924				157,808		157,808	4
9				1,157		1,157	5
27,426				2,853,647		2,853,647	6
31,399				3,293,368		3,293,368	7
800				18,200		18,200	8
289				16,771		16,771	9
248,747				6,553,357		6,553,357	10
4,671				107,321		107,321	11
200				8,600		8,600	12
40,742				1,181,332		1,181,332	13
					2,480	2,480	14
2,470,154	40,026	14,315		57,664,902	2,017,693	59,682,595	

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 2017/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	Tucson Electric Power Company	SF	MBR	N/A	N/A	N/A
2	UNS Electric Inc.	SF	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	Los Alamos	SF	SRSG	N/A	N/A	N/A
8	Public Service Company of New Mexico	SF	SRSG	N/A	N/A	N/A
9	Salt River Project	SF	SRSG	N/A	N/A	N/A
10	Tucson Electric Power Company	SF	SRSG	N/A	N/A	N/A
11	TRI-STATE	SF	SRSG	N/A	N/A	N/A
12	Arizona Public Service Company	EX	OATT	N/A	N/A	N/A
13	Coral (Shell)	EX	OATT	N/A	N/A	N/A
14	Public Service Company of New Mexico	EX	OATT	N/A	N/A	N/A
	Total					

PURCHASED POWER(Account 555) (Continued)
(Including power exchanges)

AD - for out-of-period adjustment. Use this code for any accounting adjustments or "true-ups" for service provided in prior reporting years. Provide an explanation in a footnote for each adjustment.

4. In column (c), identify the FERC Rate Schedule Number or Tariff, or, for non-FERC jurisdictional sellers, include an appropriate designation for the contract. On separate lines, list all FERC rate schedules, tariffs or contract designations under which service, as identified in column (b), is provided.
5. For requirements RQ purchases and any type of service involving demand charges imposed on a monnthly (or longer) basis, enter the monthly average billing demand in column (d), the average monthly non-coincident peak (NCP) demand in column (e), and the average monthly coincident peak (CP) demand in column (f). For all other types of service, enter NA in columns (d), (e) and (f). Monthly NCP demand is the maximum metered hourly (60-minute integration) demand in a month. Monthly CP demand is the metered demand during the hour (60-minute integration) in which the supplier's system reaches its monthly peak. Demand reported in columns (e) and (f) must be in megawatts. Footnote any demand not stated on a megawatt basis and explain.
6. Report in column (g) the megawatthours shown on bills rendered to the respondent. Report in columns (h) and (i) the megawatthours of power exchanges received and delivered, used as the basis for settlement. Do not report net exchange.
7. Report demand charges in column (j), energy charges in column (k), and the total of any other types of charges, including out-of-period adjustments, in column (l). Explain in a footnote all components of the amount shown in column (l). Report in column (m) the total charge shown on bills received as settlement by the respondent. For power exchanges, report in column (m) the settlement amount for the net receipt of energy. If more energy was delivered than received, enter a negative amount. If the settlement amount (l) include credits or charges other than incremental generation expenses, or (2) excludes certain credits or charges covered by the agreement, provide an explanatory footnote.
8. The data in column (g) through (m) must be totalled on the last line of the schedule. The total amount in column (g) must be reported as Purchases on Page 401, line 10. The total amount in column (h) must be reported as Exchange Received on Page 401, line 12. The total amount in column (i) must be reported as Exchange Delivered on Page 401, line 13.
9. Footnote entries as required and provide explanations following all required data.

MegaWatt Hours Purchased (g)	POWER EXCHANGES		COST/SETTLEMENT OF POWER				Line No.
	MegaWatt Hours Received (h)	MegaWatt Hours Delivered (i)	Demand Charges ($) (j)	Energy Charges ($) (k)	Other Charges ($) (l)	Total (j+k+l) of Settlement ($) (m)	
16,701				446,254		446,254	1
360				18,618		18,618	2
26,653				1,069,181		1,069,181	3
84				3,571		3,571	4
92				2,177		2,177	5
34				1,788		1,788	6
20				800		800	7
70				3,850		3,850	8
240				9,306		9,306	9
364				18,023		18,023	10
63				8,083		8,083	11
		3					12
	194						13
	11,029						14
2,470,154	40,026	14,315		57,664,902	2,017,693	59,682,595	

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 2017/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	Salt River Project	EX	OATT	N/A	N/A	N/A
2	Tri State G&T Association, Inc.	EX	OATT	N/A	N/A	N/A
3	Tucson Electric Power Company	EX	OATT	N/A	N/A	N/A
4	Western Area Power Administration	EX	OATT	N/A	N/A	N/A
5	Inadvertent			N/A	N/A	N/A
6	NM Net Mtr PP	OS	16	N/A	N/A	N/A
7	NM Net Mtr RECs	OS	33	N/A	N/A	N/A
8	TX Non Firm PP	OS	48	N/A	N/A	N/A
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)	
		10,213					1
	6,504						2
	20,057						3
	350						4
	1,892	4,099					5
3,972					112,372	112,372	6
					1,836,696	1,836,696	7
2,509					52,156	52,156	8
							9
							10
							11
							12
							13
							14
2,470,154	40,026	14,315		57,664,902	2,017,693	59,682,595	

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 EEI Agreement, or an individually negotiated Purchased Power Agreement.

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 No. 09-00259-UT.

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

The 955,024 MWhs relate to purchases from Freeport-McMoran Copper & Gold Energy Services LLC ("Freeport") related to El Paso Electric Company's Power Purchase and Sales 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

Prior year pricing adjustment.

Schedule Page: 326.1 Line No.: 8 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.: 10 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: 326.2 Line No.: 5 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.: 6 Column: b

Renewable Purchase Power Agreement between Longroad Energy 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.: 7 Column: b

Renewable Purchase Power Agreement between Silicon Ranch 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

Non-firm energy purchases.

Schedule Page: 326.2 Line No.: 14 Column: b

Spinning reserve purchase.

Schedule Page: 326.2 Line No.: 14 Column: l

Spinning reserve purchase.

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

SRSG = Southwest Reserve Sharing Group Participation Aqgreement.

Schedule Page: 326.3 Line No.: 12 Column: c

OATT = Open Access Transmission Tariff.

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

New Mexico Rate No. 16.

Schedule Page: 326.4 Line No.: 6 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.: 7 Column: c

New Mexico Rate No. 33.

Schedule Page: 326.4 Line No.: 7 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.: 8 Column: c

Texas Rate No. 48.

Schedule Page: 326.4 Line No.: 8 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 2017/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	El Paso Electric Marketing	Public Service Company of New Mex	El Paso Electric Marketing	NF
2	Rio Grande Electric Co-Op	El Paso Electric Marketing	El Paso Electric Marketing	FNO
3	Arizona Electric Power Cooperative	Salt River Project	Arizona Public Service Company	LFP
4	Arizona Electric Power Cooperative	Salt River Project	Arizona Public Service Company	NF
5	Arizona Electric Power Cooperative	Salt River Project	Arizona Public Service Company	SFP
6	Arizona Electric Power Cooperative	Tucson Electric Power Company	Tucson Electric Power Company	NF
7	Arizona Electric Power Cooperative	Arizona Public Service Company	Salt River Project	SFP
8	Cargill	Public Service Company of New Mex	Tucson Electric Power Company	NF
9	Cargill	Southwestern Public Service Compa	Tucson Electric Power Company	NF
10	Cargill	Salt River Project	Arizona Public Service Company	NF
11	Coral Power	Salt River Project	Arizona Public Service Company	LFP
12	Coral Power	Salt River Project	Arizona Public Service Company	SFP
13	Eagle Energy Partners	Salt River Project	Salt River Project	SFP
14	Eagle Energy Partners	Arizona Public Service Company	Salt River Project	NF
15	Exelon Generation LLC	Salt River Project	Arizona Public Service Company	NF
16	Imperial Irrigation District	Salt River Project	Arizona Public Service Company	NF
17	Imperial Irrigation District	Salt River Project	Arizona Public Service Company	SFP
18	Macquarie Cook Power	Salt River Project	Arizona Public Service Company	NF
19	Macquarie Cook Power	Arizona Public Service Company	Salt River Project	NF
20	Macquarie Cook Power	Arizona Public Service Company	Salt River Project	SFP
21	Morgan Stanley	Salt River Project	Arizona Public Service Company	NF
22	Morgan Stanley	Salt River Project	Arizona Public Service Company	SFP
23	Morgan Stanley	Arizona Public Service Company	Salt River Project	NF
24	Open Access Technology International, Inc.	Public Service Company of New Mex	Tucson Electric Power Company	NF
25	Open Access Technology International, Inc.	Public Service Company of New Mex	Tucson Electric Power Company	NF
26	Open Access Technology International, Inc.	Southwestern Public Service Compa	Tucson Electric Power Company	NF
27	Open Access Technology International, Inc.	Salt River Project	Arizona Public Service Company	NF
28	Open Access Technology International, Inc.	Tucson Electric Power Company	Tucson Electric Power Company	NF
29	Powerex	Public Service Company of New Mex	Tucson Electric Power Company	NF
30	Powerex	Public Service Company of New Mex	Tucson Electric Power Company	NF
31	Powerex	Southwestern Public Service Compa	Tucson Electric Power Company	NF
32	Powerex	Salt River Project	Arizona Public Service Company	NF
33	Powerex	Salt River Project	Arizona Public Service Company	SFP
34	Powerex	Arizona Public Service Company	Salt River Project	SFP
	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 2017/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	EPE System		1,299	1,299	1
OATT	EPE System	Coyote/Farmer	9	62,887	62,887	2
OATT	Palo Verde	Westwing	125	173,458	173,458	3
OATT	Palo Verde	Westwing		10,554	10,554	4
OATT	Palo Verde	Westwing		1,777	1,777	5
OATT	Springerville	Greenlee		24	24	6
OATT	Westwing	Palo Verde		16,256	16,256	7
OATT	Amrad	Springerville		287	287	8
OATT	Eddy	Springerville		4,938	4,938	9
OATT	Palo Verde	Westwing		11,143	11,143	10
OATT	Palo Verde	Westwing	125	180,517	180,517	11
OATT	Palo Verde	Westwing		326	326	12
OATT	Jojoba	Palo Verde		1,941	1,941	13
OATT	Westwing	Palo Verde		268	268	14
OATT	Palo Verde	Westwing		821	821	15
OATT	Palo Verde	Westwing		10,761	10,761	16
OATT	Palo Verde	Westwing		37	37	17
OATT	Palo Verde	Westwing		11,922	11,922	18
OATT	Westwing	Palo Verde		252	252	19
OATT	Westwing	Palo Verde		12,477	12,477	20
OATT	Palo Verde	Westwing		15,553	15,553	21
OATT	Palo Verde	Westwing		7,859	7,859	22
OATT	Westwing	Palo Verde		22	22	23
OATT	Amrad	Greenlee		400	400	24
OATT	Amrad	Springerville		1,150	1,150	25
OATT	Eddy	Springerville		261	261	26
OATT	Palo Verde	Westwing		300	300	27
OATT	Springerville	Greenlee		173	173	28
OATT	Amrad	Greenlee				29
OATT	Amrad	Springerville				30
OATT	Eddy	Springerville		5	5	31
OATT	Palo Verde	Westwing		7,253	7,253	32
OATT	Palo Verde	Westwing		612	612	33
OATT	Westwing	Palo Verde		13,324	13,324	34
			908	**3,654,577**	**3,654,577**	

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
179,997			179,997	2
602,800			602,800	3
	9,133		9,133	4
	1,245		1,245	5
	76		76	6
	15,385		15,385	7
	1,881		1,881	8
	26,074		26,074	9
	12,574		12,574	10
612,876			612,876	11
				12
	4,508		4,508	13
	155		155	14
	787		787	15
	9,715		9,715	16
	36		36	17
	10,006		10,006	18
	235		235	19
	13,533		13,533	20
	13,604		13,604	21
	7,467		7,467	22
	1,176		1,176	23
	502		502	24
	4,264		4,264	25
	1,045		1,045	26
	245		245	27
	494		494	28
	143		143	29
	143		143	30
	2,447		2,447	31
	6,622		6,622	32
	590		590	33
	11,621		11,621	34
13,627,514	**4,486,014**	**0**	**18,113,528**	

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 2017/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	Public Service Company of New Mex	NF
2	Public Service Company of New Mexico	Public Service Company of New Mex	Public Service Company of New Mex	SFP
3	Public Service Company of New Mexico	Public Service Company of New Mex	Public Service Company of New Mex	NF
4	Public Service Company of New Mexico	Public Service Company of New Mex	Public Service Company of New Mex	SFP
5	Public Service Company of New Mexico	Public Service Company of New Mex	Tucson Electric Power Company	LFP
6	Public Service Company of New Mexico	Public Service Company of New Mex	Tucson Electric Power Company	NF
7	Public Service Company of New Mexico	Public Service Company of New Mex	Tucson Electric Power Company	SFP
8	Public Service Company of New Mexico	Public Service Company of New Mex	Public Service Company of New Mex	LFP
9	Public Service Company of New Mexico	Public Service Company of New Mex	Public Service Company of New Mex	NF
10	Public Service Company of New Mexico	Public Service Company of New Mex	Public Service Company of New Mex	SFP
11	Public Service Company of New Mexico	Public Service Company of New Mex	Public Service Company of New Mex	SFP
12	Public Service Company of New Mexico	Tucson Electric Power Company	Public Service Company of New Mex	NF
13	Public Service Company of New Mexico	Tucson Electric Power Company	Public Service Company of New Mex	NF
14	Public Service Company of New Mexico	Tucson Electric Power Company	Public Service Company of New Mex	SFP
15	Public Service Company of New Mexico	Public Service Company of New Mex	Public Service Company of New Mex	NF
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	NF
21	Public Service Company of New Mexico	Public Service Company of New Mex	Tucson Electric Power Company	LFP
22	Public Service Company of New Mexico	Public Service Company of New Mex	Tucson Electric Power Company	NF
23	Public Service Company of New Mexico	Public Service Company of New Mex	Tucson Electric Power Company	SFP
24	Public Service Company of New Mexico	Public Service Company of New Mex	Tucson Electric Power Company	SFP
25	Public Service Company of New Mexico	Tucson Electric Power Company	Tucson Electric Power Company	SFP
26	Public Service Company of New Mexico	Tucson Electric Power Company	Tucson Electric Power Company	NF
27	Public Service Company of New Mexico	Tucson Electric Power Company	Public Service Company of New Mex	NF
28	Public Service Company of New Mexico	Public Service Company of New Mex	Public Service Company of New Mex	LFP
29	Public Service Company of New Mexico	Public Service Company of New Mex	Public Service Company of New Mex	NF
30	Public Service Company of New Mexico	Public Service Company of New Mex	Public Service Company of New Mex	SFP
31	Public Service Company of New Mexico	Public Service Company of New Mex	Public Service Company of New Mex	NF
32	Public Service Company of New Mexico	Public Service Company of New Mex	Public Service Company of New Mex	SFP
33	Public Service Company of New Mexico	Arizona Public Service Company	Salt River Project	SFP
34	Salt River Project	Tucson Electric Power Company	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)	MegaWatt Hours Delivered (j)	Line No.
OATT	Afton	Amrad		18,656	18,656	1
OATT	Afton	Amrad		35,768	35,768	2
OATT	Afton	Luna		22,433	22,433	3
OATT	Afton	Luna		39,034	39,034	4
OATT	Afton	Springerville	94	128,589	128,589	5
OATT	Afton	Springerville		24	24	6
OATT	Afton	Springerville		11,037	11,037	7
OATT	Afton	Westmesa	141	144,631	144,631	8
OATT	Afton	Westmesa		3,711	3,711	9
OATT	Afton	Westmesa		21,273	21,273	10
OATT	Amrad	Amrad		104	104	11
OATT	Greenlee	Amrad		3,086	3,086	12
OATT	Greenlee	Hidalgo		1,200	1,200	13
OATT	Greenlee	Luna		1,884	1,884	14
OATT	Hidalgo	Luna		1,200	1,200	15
OATT	Las Cruces	Amrad		10	10	16
OATT	Las Cruces	Amrad		4,368	4,368	17
OATT	Luna	Amrad		255	255	18
OATT	Luna	Amrad		2,264	2,264	19
OATT	Luna	Greenlee		9	9	20
OATT	Luna	Springerville	60	181,020	181,020	21
OATT	Luna	Springerville		4,639	4,639	22
OATT	Luna	Springerville		28,279	28,279	23
OATT	Luna	Springerville	60	9,560	9,560	24
OATT	Macho Springs	Springerville				25
OATT	Springerville	Greenlee		17	17	26
OATT	Springerville	Luna		5,614	5,614	27
OATT	Westmesa	Amrad	25	138,974	138,974	28
OATT	Westmesa	Amrad		11,525	11,525	29
OATT	Westmesa	Amrad		9,064	9,064	30
OATT	Westmesa	Las Cruces		3,420	3,420	31
OATT	Westmesa	Las Cruces		746	746	32
OATT	Westwing	Palo Verde		401	401	33
OATT	Springerville	Greenlee		4	4	34
			908	**3,654,577**	**3,654,577**	

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 2017/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.
	96,638		96,638	1
	187,844		187,844	2
	118,995		118,995	3
	198,713		198,713	4
2,657,233			2,657,233	5
	1,502		1,502	6
	49,263		49,263	7
2,353,044			2,353,044	8
	20,553		20,553	9
	71,257		71,257	10
	580		580	11
	14,540		14,540	12
	5,898		5,898	13
	45,105		45,105	14
	5,898		5,898	15
	114		114	16
	15,362		15,362	17
	1,969		1,969	18
	8,183		8,183	19
	51		51	20
1,715,712			1,715,712	21
	264,100		264,100	22
	1,421,780		1,421,780	23
581,820			581,820	24
	1,267		1,267	25
				26
	43,966		43,966	27
667,401			667,401	28
	101,459		101,459	29
	25,618		25,618	30
	13,996		13,996	31
	4,994		4,994	32
	362		362	33
	25		25	34
13,627,514	**4,486,014**	**0**	**18,113,528**	

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 2017/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	Tenaska Power Services Company	Public Service Company of New Mex	Tucson Electric Power Company	NF
2	Tenaska Power Services Company	Public Service Company of New Mex	Tucson Electric Power Company	SFP
3	Tenaska Power Services Company	Salt River Project	Arizona Public Service Company	NF
4	Tenaska Power Services Company	Salt River Project	Arizona Public Service Company	SFP
5	Tenaska Power Services Company	Arizona Public Service Company	Salt River Project	SFP
6	Transalta	Salt River Project	Salt River Project	NF
7	Transalta	Salt River Project	Arizona Public Service Company	NF
8	Transalta	Arizona Public Service Company	Salt River Project	NF
9	Tristate Generating and Transmission Coop	Public Service Company of New Mex	Tucson Electric Power Company	SFP
10	Tristate Generating and Transmission Coop	Tucson Electric Power Company	Public Service Company of New Mex	NF
11	Tristate Generating and Transmission Coop	Tucson Electric Power Company	Public Service Company of New Mex	LFP
12	Tristate Generating and Transmission Coop	Tucson Electric Power Company	Public Service Company of New Mex	SFP
13	Tristate Generating and Transmission Coop	Public Service Company of New Mex	Public Service Company of New Mex	NF
14	Tristate Generating and Transmission Coop	Public Service Company of New Mex	Public Service Company of New Mex	NF
15	Tristate Generating and Transmission Coop	Public Service Company of New Mex	Public Service Company of New Mex	NF
16	Tristate Generating and Transmission Coop	Public Service Company of New Mex	Public Service Company of New Mex	SFP
17	Tristate Generating and Transmission Coop	Public Service Company of New Mex	Public Service Company of New Mex	SFP
18	Tucson Electric Power	Tucson Electric Power Company	Public Service Company of New Mex	NF
19	Tucson Electric Power	Salt River Project	Salt River Project	LFP
20	Tucson Electric Power	Salt River Project	Salt River Project	NF
21	Tucson Electric Power	Salt River Project	Salt River Project	SFP
22	Tucson Electric Power	Salt River Project	Salt River Project	NF
23	Tucson Electric Power	Salt River Project	Salt River Project	SFP
24	Tucson Electric Power	Salt River Project	Arizona Public Service Company	NF
25	Tucson Electric Power	Salt River Project	Arizona Public Service Company	SFP
26	Tucson Electric Power	Public Service Company of New Mex	Tucson Electric Power Company	LFP
27	Tucson Electric Power	Public Service Company of New Mex	Tucson Electric Power Company	NF
28	Tucson Electric Power	Public Service Company of New Mex	Tucson Electric Power Company	NF
29	Tucson Electric Power	Public Service Company of New Mex	Tucson Electric Power Company	NF
30	Tucson Electric Power	Public Service Company of New Mex	Tucson Electric Power Company	NF
31	Tucson Electric Power	Public Service Company of New Mex	Tucson Electric Power Company	NF
32	Tucson Electric Power	Public Service Company of New Mex	Tucson Electric Power Company	NF
33	Tucson Electric Power	Public Service Company of New Mex	Tucson Electric Power Company	NF
34	Tucson Electric Power	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 2017/Q4

TRANSMISSION OF ELECTRICITY FOR OTHERS (Account 456)(Continued)
(Including transactions reffered to as 'wheeling')

5. In column (e), identify the FERC Rate Schedule or Tariff Number, On separate lines, list all FERC rate schedules or contract designations under which service, as identified in column (d), is provided.
6. Report receipt and delivery locations for all single contract path, "point to point" transmission service. In column (f), report the designation for the substation, or other appropriate identification for where energy was received as specified in the contract. In column (g) report the designation for the substation, or other appropriate identification for where energy was delivered as specified in the contract.
7. Report in column (h) the number of megawatts of billing demand that is specified in the firm transmission service contract. Demand reported in column (h) must be in megawatts. Footnote any demand not stated on a megawatts basis and explain.
8. Report in column (i) and (j) the total megawatthours received and delivered.

FERC Rate Schedule of Tariff Number (e)	Point of Receipt (Subsatation or Other Designation) (f)	Point of Delivery (Substation or Other Designation) (g)	Billing Demand (MW) (h)	TRANSFER OF ENERGY MegaWatt Hours Received (i)	TRANSFER OF ENERGY MegaWatt Hours Delivered (j)	Line No.
OATT	Amrad	Greenlee		7	7	1
OATT	Amrad	Springerville		383	383	2
OATT	Palo Verde	Westwing		1,006	1,006	3
OATT	Palo Verde	Westwing		50	50	4
OATT	Westwing	Palo Verde		70	70	5
OATT	Jojoba	Palo Verde		50	50	6
OATT	Palo Verde	Westwing		1,492	1,492	7
OATT	Westwing	Palo Verde		74	74	8
OATT	Luna	Springerville				9
OATT	Springerville	Las Cruces		1,119	1,119	10
80	Springerville	Las Cruces/Orogrande	50	373,504	373,504	11
OATT	Springerville	Las Cruces/Orogrande		15,800	15,800	12
OATT	Westmesa	Amrad		116	116	13
OATT	Westmesa	Las Cruces		142	142	14
OATT	Westmesa	Las Cruces		1,509	1,509	15
OATT	Westmesa	Las Cruces/Orogrande		263	263	16
OATT	Westmesa	Las Cruces/Orogrande		12	12	17
OATT	Greenlee	Hidalgo		3,636	3,636	18
OATT	Jojoba	Kyrene	142	513,435	513,435	19
OATT	Jojoba	Kyrene		60	60	20
OATT	Jojoba	Kyrene		1,877	1,877	21
OATT	Jojoba	Palo Verde		8,498	8,498	22
OATT	Jojoba	Palo Verde		16,015	16,015	23
OATT	Jojoba	Westwing		26,444	26,444	24
OATT	Jojoba	Westwing		740	740	25
OATT	Luna	Greenlee	30	144,452	144,452	26
OATT	Luna	Greenlee	2	600	600	27
OATT	Luna	Greenlee	4	1,809	1,809	28
OATT	Luna	Greenlee	4	960	960	29
OATT	Luna	Greenlee	10	1,510	1,510	30
OATT	Luna	Greenlee	5	345	345	31
OATT	Luna	Greenlee		251	251	32
OATT	Luna	Greenlee		17,483	17,483	33
OATT	Luna	Greenlee		2	2	34
			908	**3,654,577**	**3,654,577**	

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.
	182		182	1
	3,363		3,363	2
	935		935	3
	47		47	4
	67		67	5
	65		65	6
	1,467		1,467	7
	69		69	8
	2,778		2,778	9
				10
1,386,000			1,386,000	11
				12
				13
				14
	7,316		7,316	15
				16
				17
	18,091		18,091	18
1,590,756			1,590,756	19
	131		131	20
				21
	29,697		29,697	22
	34,146		34,146	23
	101,061		101,061	24
	2,033		2,033	25
853,806			853,806	26
4,848			4,848	27
19,392			19,392	28
9,696			9,696	29
24,240			24,240	30
12,120			12,120	31
6,677			6,677	32
	257,611		257,611	33
	7		7	34
13,627,514	**4,486,014**	**0**	**18,113,528**	

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 2017/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	Tucson Electric Power	Public Service Company of New Mex	Tucson Electric Power Company	SFP
2	Tucson Electric Power	Public Service Company of New Mex	Public Service Company of New Mex	NF
3	Tucson Electric Power	Public Service Company of New Mex	Tucson Electric Power Company	LFP
4	Tucson Electric Power	Public Service Company of New Mex	Tucson Electric Power Company	NF
5	Tucson Electric Power	Public Service Company of New Mex	Tucson Electric Power Company	SFP
6	Tucson Electric Power	Tucson Electric Power Company	Tucson Electric Power Company	NF
7	Tucson Electric Power	Tucson Electric Power Company	Public Service Company of New Mex	NF
8	Tucson Electric Power	Tucson Electric Power Company	Tucson Electric Power Company	NF
9	Tucson Electric Power	Tucson Electric Power Company	Tucson Electric Power Company	SFP
10	Tucson Electric Power	Tucson Electric Power Company	Tucson Electric Power Company	SFP
11	Tucson Electric Power	Salt River Project	Salt River Project	SFP
12	Tucson Electric Power	Salt River Project	Arizona Public Service Company	NF
13	Tucson Electric Power	Salt River Project	Arizona Public Service Company	SFP
14	Tucson Electric Power	Tucson Electric Power Company	Tucson Electric Power Company	NF
15	Tucson Electric Power	Tucson Electric Power Company	Public Service Company of New Mex	NF
16	Tucson Electric Power	Arizona Public Service Company	Salt River Project	NF
17	Tucson Electric Power	Arizona Public Service Company	Salt River Project	SFP
18	UniSource Energy Services	Salt River Project	Salt River Project	SFP
19	UniSource Energy Services	Salt River Project	Arizona Public Service Company	NF
20	UniSource Energy Services	Salt River Project	Arizona Public Service Company	SFP
21	UniSource Energy Services	Salt River Project	Arizona Public Service Company	NF
22	Western Area Power Admin	Tucson Electric Power Company	Public Service Company of New Mex	NF
23	Western Area Power Admin	Public Service Company of New Mex	Public Service Company of New Mex	LFP
24	Western Area Power Admin	Public Service Company of New Mex	Public Service Company of New Mex	SFP
25	Western Area Power Admin - DSW	Salt River Project	Arizona Public Service Company	NF
26				
27				
28				
29				
30				
31				
32				
33				
34				
	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	Luna	Greenlee		6,109	6,109	1
OATT	Luna	Hidalgo		824	824	2
OATT	Luna	Springerville	10			3
OATT	Luna	Springerville		1,259	1,259	4
OATT	Luna	Springerville		8,663	8,663	5
OATT	Macho Springs	Greenlee		470	470	6
OATT	Macho Springs	Luna		425	425	7
OATT	Macho Springs	Springerville		504	504	8
OATT	Macho Springs	Springerville		11,437	11,437	9
OATT	Macho Springs	Springerville	10	40,884	40,884	10
OATT	Palo Verde	Jojoba		602	602	11
OATT	Palo Verde	Westwing		186,802	186,802	12
OATT	Palo Verde	Westwing		2	2	13
OATT	Springerville	Greenlee		2,274	2,274	14
OATT	Springerville	Luna		2,009	2,009	15
OATT	Westwing	Palo Verde		38	38	16
OATT	Westwing	Palo Verde				17
OATT	Jojoba	Palo Verde		1,507	1,507	18
OATT	Jojoba	Westwing		511	511	19
OATT	Jojoba	Westwing		50	50	20
OATT	Palo Verde	Westwing		865,716	865,716	21
OATT	Springerville	Holloman		248	248	22
OATT	Westmesa	Holloman	2	7,627	7,627	23
OATT	Westmesa	Holloman		325	325	24
OATT	Palo Verde	Westwing		921	921	25
						26
						27
						28
						29
						30
						31
						32
						33
						34
			908	**3,654,577**	**3,654,577**	

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 2017/Q4

TRANSMISSION OF ELECTRICITY FOR OTHERS (Account 456) (Continued)
(Including transactions reffered to as 'wheeling')

9. In column (k) through (n), report the revenue amounts as shown on bills or vouchers. In column (k), provide revenues from demand charges related to the billing demand reported in column (h). In column (l), provide revenues from energy charges related to the amount of energy transferred. In column (m), provide the total revenues from all other charges on bills or vouchers rendered, including out of period adjustments. Explain in a footnote all components of the amount shown in column (m). Report in column (n) the total charge shown on bills rendered to the entity Listed in column (a). If no monetary settlement was made, enter zero (11011) in column (n). Provide a footnote explaining the nature of the non-monetary settlement, including the amount and type of energy or service rendered.
10. The total amounts in columns (i) and (j) must be reported as Transmission Received and Transmission Delivered for annual report purposes only on Page 401, Lines 16 and 17, respectively.
11. Footnote entries and provide explanations following all required data.

REVENUE FROM TRANSMISSION OF ELECTRICITY FOR OTHERS

Demand Charges ($) (k)	Energy Charges ($) (l)	(Other Charges) ($) (m)	Total Revenues ($) (k+l+m) (n)	Line No.
				1
	4,855		4,855	2
				3
	11,257		11,257	4
	53,433		53,433	5
	2,691		2,691	6
	3,129		3,129	7
	2,379		2,379	8
	158,166		158,166	9
290,912			290,912	10
	2,579		2,579	11
	159,054		159,054	12
	1		1	13
	9,834		9,834	14
	10,372		10,372	15
	34		34	16
	360		360	17
	3,619		3,619	18
	1,523		1,523	19
	154		154	20
	726,893		726,893	21
				22
58,184			58,184	23
				24
	877		877	25
				26
				27
				28
				29
				30
				31
				32
				33
				34
13,627,514	**4,486,014**	**0**	**18,113,528**	

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: 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.: 3 Column: d

Firm transmission contracts of 17, 23, 35 and 50MW, expiration January 1, 2021. Service was partially redirected to hourly services.

Schedule Page: 328 Line No.: 11 Column: d

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

Schedule Page: 328 Line No.: 12 Column: i

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

Schedule Page: 328.1 Line No.: 5 Column: d

Firm transmission contract, expiration August 1, 2019. Service was partially redirected to daily and hourly services.

Schedule Page: 328.1 Line No.: 8 Column: d

Firm transmission contracts of 111 and 30 MW, expiration January 1, 2019. Includes 111 MW generation dependent firm transmission service per executed service agreement. Service was partially redirected to monthly, weekly, daily and hourly services.

Schedule Page: 328.1 Line No.: 14 Column: i

Losses billed to PNM under the FERC approved Operating Procedure 10.

Schedule Page: 328.1 Line No.: 21 Column: d

Firm transmission contract, expiration January 1, 2020. Service was partially redirected to daily and hourly services.

Schedule Page: 328.1 Line No.: 28 Column: d

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

Schedule Page: 328.2 Line No.: 10 Column: i

Transmision provided in conjunction with the 2005 New Mexico Transmission System Operating Procedures, Section 8 Usable SNMIC ("NMTOP").

Schedule Page: 328.2 Line No.: 11 Column: d

Firm transmission contract, expiration January 1, 2026.

Schedule Page: 328.2 Line No.: 12 Column: i

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

Schedule Page: 328.2 Line No.: 13 Column: i

Transmision provided in conjunction with the 2005 New Mexico Transmission System Operating Procedures, Section 8 Usable SNMIC ("NMTOP").

Schedule Page: 328.2 Line No.: 14 Column: i

Transmision provided in conjunction with the 2005 New Mexico Transmission System Operating Procedures, Section 8 Usable SNMIC ("NMTOP").

Schedule Page: 328.2 Line No.: 16 Column: i

Transmision provided during Macho Springs-Luna forced outage per operating agreement.

Schedule Page: 328.2 Line No.: 17 Column: i

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

Schedule Page: 328.2 Line No.: 19 Column: d

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

Schedule Page: 328.2 Line No.: 21 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: d

Firm transmission contract, expiration November 1, 2029. Service was partially redirected to daily and hourly services.

Schedule Page: 328.3 Line No.: 1 Column: i

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

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

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

Schedule Page: 328.3 Line No.: 23 Column: d

Firm transmission contract, expiration October 1, 2024.

Schedule Page: 328.3 Line No.: 24 Column: i

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

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
El Paso Electric Company	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2017/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		EXPENSES FOR TRANSMISSION OF ELECTRICITY BY OTHERS			
			Magawatt-hours Received (c)	Magawatt-hours Delivered (d)	Demand Charges ($) (e)	Energy Charges ($) (f)	Other Charges ($) (g)	Total Cost of Transmission ($) (h)
1	Arizona Public Service	NF	45	45		366		366
2	Arizona Public Service	OS					2,049	2,049
3	Open Access Technology	NF	700	700		9,143		9,143
4	Open Access Technology	AD				219		219
5	Public Serv. Co. of NM	LFP	861,656	861,656	3,883,838			3,883,838
6	Public Serv. Co. of NM	LFP	7,079	7,079	814,562			814,562
7	Public Serv. Co. of NM	SFP	52,869	52,869				
8	Public Serv. Co. of NM	NF	9,364	9,364		78,831		78,831
9	Public Serv. Co. of NM	AD				101,736		101,736
10	Salt River Project	OLF	204,767	204,767	1,777,500			1,777,500
11	Salt River Project	SFP	20,650	20,650		120,312		120,312
12	Tucson Electric Power	OLF	433,272	433,272				
13	Tucson Electric Power	SFP	1,960	1,960		13,600		13,600
14	Tucson Electric Power	NF	633	633		4,170		4,170
15								
16								
	TOTAL		1,592,995	1,592,995	6,475,900	328,377	2,049	6,806,326

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: b
Energy Imbalance Market (EIM) charges.
Schedule Page: 332 Line No.: 2 Column: g
Energy Imbalance Market (EIM) charges.
Schedule Page: 332 Line No.: 3 Column: c
Amounts shown based on transmission reservations.
Schedule Page: 332 Line No.: 3 Column: d
Amounts shown based on transmission reservations.
Schedule Page: 332 Line No.: 3 Column: f
Amounts shown include short term transmission reservations, related ancillary and losses.
Schedule Page: 332 Line No.: 4 Column: b
Prior year adjustment for December 2016 Non-Firm transmission.
Schedule Page: 332 Line No.: 4 Column: f
Prior year adjustment for December 2016 Non-Firm transmission.
Schedule Page: 332 Line No.: 5 Column: b
Contract terminates July 1, 2020.
Schedule Page: 332 Line No.: 5 Column: c
Amounts shown based on actual energy flows.
Schedule Page: 332 Line No.: 5 Column: d
Amounts shown based on actual energy flows.
Schedule Page: 332 Line No.: 6 Column: b
Contract terminates June 1, 2019.
Schedule Page: 332 Line No.: 6 Column: c
Amounts shown based on actual energy flows.
Schedule Page: 332 Line No.: 6 Column: d
Amounts shown based on actual energy flows.
Schedule Page: 332 Line No.: 7 Column: c
Amounts shown based on actual energy flows.
Schedule Page: 332 Line No.: 7 Column: d
Amounts shown based on actual energy flows.
Schedule Page: 332 Line No.: 8 Column: c
Amounts shown based on transmission reservations.
Schedule Page: 332 Line No.: 8 Column: d
Amounts shown based on transmission reservations.
Schedule Page: 332 Line No.: 8 Column: f
Amounts shown include short term transmission reservations, related ancillary and losses.
Schedule Page: 332 Line No.: 9 Column: b
Prior year adjustment for Long-Term Firm Point-to-Point Transmission related to PNM Annual Transmission Revenue Requirement recalculation for June 2016 - December 2016.
Schedule Page: 332 Line No.: 9 Column: f
Prior year adjustment for Long-Term Firm Point-to-Point Transmission related to PNM Annual Transmission Revenue Requirement recalculation for June 2016 - December 2016.
Schedule Page: 332 Line No.: 10 Column: b
Contract expires concurrent with the ANPP Participation Agreement.
Schedule Page: 332 Line No.: 10 Column: c
Amounts shown based on actual energy flows.
Schedule Page: 332 Line No.: 10 Column: d

Amounts shown based on actual energy flows.

Schedule Page: 332 Line No.: 11 Column: c

Amounts shown based on transmission reservations.

Schedule Page: 332 Line No.: 11 Column: d

Amounts shown based on transmission reservations.

Schedule Page: 332 Line No.: 11 Column: f

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

Schedule Page: 332 Line No.: 12 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.: 12 Column: c

Amounts shown based on actual energy flows.

Schedule Page: 332 Line No.: 12 Column: d

Amounts shown based on actual energy flows.

Schedule Page: 332 Line No.: 12 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.: 13 Column: c

Amounts shown based on transmission reservations.

Schedule Page: 332 Line No.: 13 Column: d

Amounts shown based on transmission reservations.

Schedule Page: 332 Line No.: 13 Column: f

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

Schedule Page: 332 Line No.: 14 Column: c

Amounts shown based on transmission reservations.

Schedule Page: 332 Line No.: 14 Column: d

Amounts shown based on transmission reservations.

Schedule Page: 332 Line No.: 14 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 2017/Q4

MISCELLANEOUS GENERAL EXPENSES (Account 930.2) (ELECTRIC)

Line No.	Description (a)	Amount (b)
1	Industry Association Dues	425,742
2	Nuclear Power Research Expenses	
3	Other Experimental and General Research Expenses	
4	Pub & Dist Info to Stkhldrs...expn servicing outstanding Securities	1,119,496
5	Oth Expn >=5,000 show purpose, recipient, amount. Group if < $5,000	9,639
6	Palo Verde General Expense	12,090,898
7	Palo Verde Transmission Line Cost	11,739
8	Four Corners General Expense	43,854
9	Joint Facilities General Expense	34,008
10	Director's Fees and Expenses	2,763,885
11	Economic Development	374,000
12	Promotional Materials	65,944
13		
14		
15		
16		
17		
18		
19		
20		
21		
22		
23		
24		
25		
26		
27		
28		
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31		
32		
33		
34		
35		
36		
37		
38		
39		
40		
41		
42		
43		
44		
45		
46	TOTAL	16,939,205

Schedule Page: 335 Line No.: 11 Column: b

Primarily consists of contributions to promote economic development to:(a) Borderplex Bi National Economic Alliance of $250,000; (b) Mesilla Valley Economic Development Alliance of $40,000; (c) Texas Economic Development Corporation of $25,000; and (d) New Mexico Economic Development Corporation 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 2017/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			6,409,172		6,409,172
2	Steam Production Plant	11,007,087	-23,145			10,983,942
3	Nuclear Production Plant	25,636,248	-1,120,388			24,515,860
4	Hydraulic Production Plant-Conventional					
5	Hydraulic Production Plant-Pumped Storage					
6	Other Production Plant	11,342,603	5,798			11,348,401
7	Transmission Plant	6,366,560				6,366,560
8	Distribution Plant	20,482,579				20,482,579
9	Regional Transmission and Market Operation					
10	General Plant	9,335,665				9,335,665
11	Common Plant-Electric					
12	TOTAL	84,170,742	-1,137,735	6,409,172		89,442,179

B. Basis for Amortization Charges

Asset	Term	Basis	Amort Exp	Method
Computer Software	3 -15 years	$105,608,371	$6,409,172	Straight Line

DEPRECIATION AND AMORTIZATION OF ELECTRIC PLANT (Continued)

C. Factors Used in Estimating Depreciation Charges

Line No.	Account No. (a)	Depreciable Plant Base (In Thousands) (b)	Estimated Avg. Service Life (c)	Net Salvage (Percent) (d)	Applied Depr. rates (Percent) (e)	Mortality Curve Type (f)	Average Remaining Life (g)
12	Other Production						
13	Solar Production						
14	Texas Community Solar						
15	341	749	30.00		3.33		29.40
16	344	5,457	30.00		3.33		29.40
17	345	892	30.00		3.33		29.40
18	346	65	30.00		3.33		29.40
19							
20	Montana Power Station						
21	Unit 1						
22	341	17,900	45.00		2.20		42.30
23	342	59	45.00		2.22		42.30
24	343	53,635	45.00		2.28		42.30
25	344	4,453	45.00		2.32		42.30
26	345	2,305	45.00		2.24		42.30
27	346	279	45.00		2.23		42.30
28							
29	Unit 2						
30	341	17,836	45.00		2.20		42.30
31	342	74	45.00		2.22		42.30
32	343	50,230	45.00		2.28		42.30
33	344	4,519	45.00		2.32		42.30
34	345	2,320	45.00		2.24		42.30
35	346	286	45.00		2.23		42.30
36							
37	Unit 3						
38	341	14,057	45.00		2.21		43.40
39	343	50,467	45.00		2.30		43.40
40	344	4,534	45.00		2.27		43.40
41	345	2,306	45.00		2.26		43.40
42	346	245	45.00		2.24		43.40
43							
44	Unit 4						
45	341	14,295	45.00		2.22		43.80
46	343	49,278	45.00		2.31		43.80
47	344	4,507	45.00		2.29		43.80
48	345	1,808	45.00		2.28		43.80
49	346	243	45.00		2.25		43.80
50							

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 2017/Q4

DEPRECIATION AND AMORTIZATION OF ELECTRIC PLANT (Continued)

C. Factors Used in Estimating Depreciation Charges

Line No.	Account No. (a)	Depreciable Plant Base (In Thousands) (b)	Estimated Avg. Service Life (c)	Net Salvage (Percent) (d)	Applied Depr. rates (Percent) (e)	Mortality Curve Type (f)	Average Remaining Life (g)
12							
13	Other Production						
14	Montana Power Station						
15	Common						
16	341	12,747	45.00		2.17		42.30
17	342	15,155	45.00		2.23		42.30
18	343	39,548	45.00		2.27		42.30
19	344	3,085	45.00		2.22		42.30
20	345	10,032	45.00		2.22		42.30
21	346	1,262	45.00		2.21		42.30
22							
23	Sub-Total Other Prod	384,628					
24							
25	General Plant						
26	390-Stanton	34,361	60.00		1.80		
27	390-SysOps	11,067	60.00		2.29		
28	390-EMS	1,170	15.00		6.67		
29	390-EDOC	40,665	60.00		1.74		
30	390-Other	14,928	40.00		1.06		
31	392	27,668	9.64	10.00	10.37	STRAIGHT LINE	
32							
33	Sub-Total Gen Plant	129,859					
34							
35							
36							
37							
38							
39							
40							
41							
42							
43							
44							
45							
46							
47							
48							
49							
50							

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		-13,850	-13,850	
3	FERC Annual Fee		426,161	426,161	
4					
5	Public Utility Commission of Texas				
6	Texas 2015 Rate Case Costs		1,526,271	1,526,271	2,669,925
7	Texas 2017 Rate Case Costs		58,000	58,000	245,991
8	Texas 2016 Fuel Reconciliation		156,950	156,950	
9	Four Corners Project		4,423	4,423	
10	Texas Energy Efficiency		-163,707	-163,707	
11	Texas Community Solar		4,087	4,087	
12	Texas General and Other		153,818	153,818	
13					
14	New Mexico Public Regulation Commission				
15	New Mexico 2017 Rate Case Costs		147,388	147,388	10,441
16	New Mexico Procurement and IRP Plans		135,827	135,827	
17	New Mexico Energy Efficiency Filings		69,424	69,424	
18	New Mexico 2015 Rate Case Costs		429,432	429,432	1,073,584
19	New Mexico General and Other		63,790	63,790	
20	New Mexico Show Cause Order		7,418	7,418	
21					
22	Nuclear Regulatory Commission				
23	PVNGS Unit 1 Fees		824,491	824,491	
24	PVNGS Unit 2 Fees		800,489	800,489	
25	PVNGS Unit 3 Fees		811,692	811,692	
26					
27	Other		17,125	17,125	
28					
29					
30					
31					
32					
33					
34					
35					
36					
37					
38					
39					
40					
41					
42					
43					
44					
45					
46	TOTAL		5,459,229	5,459,229	3,999,941

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
	928000	-13,850					2
	928000	426,161					3
							4
							5
	928000	1,526,271	690	182.3	-1,526,358	1,144,257	6
	928000	58,000	3,453,955	182.3	-58,000	3,641,946	7
	928000	156,950					8
	928000	4,423					9
	928000	-163,707					10
	928000	4,087					11
	928000	153,818					12
							13
							14
	928000	147,388		182.3	-10,441		15
	928000	135,827					16
	928000	69,424					17
	928000	429,432		182.3	-429,432	644,152	18
	928000	63,790					19
	928000	7,418					20
							21
							22
	928000	824,491					23
	928000	800,489					24
	928000	811,692					25
							26
	928000	17,126					27
							28
							29
							30
							31
							32
							33
							34
							35
							36
							37
							38
							39
							40
							41
							42
							43
							44
							45
		5,459,230	3,454,645		-2,024,231	5,430,355	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 2016 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 the 2017 Texas rate case, Docket No. 46831, the unamortized costs will be amortized over three years beginning in January 2018.

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

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.: 18 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 2017/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	9,452,249		
4	Transmission	7,052,246		
5	Regional Market			
6	Distribution	8,519,220		
7	Customer Accounts	8,658,904		
8	Customer Service and Informational			
9	Sales			
10	Administrative and General	33,723,120		
11	TOTAL Operation (Enter Total of lines 3 thru 10)	67,405,739		
12	Maintenance			
13	Production	6,812,815		
14	Transmission	865,626		
15	Regional Market			
16	Distribution	4,236,336		
17	Administrative and General	436,032		
18	TOTAL Maintenance (Total of lines 13 thru 17)	12,350,809		
19	Total Operation and Maintenance			
20	Production (Enter Total of lines 3 and 13)	16,265,064		
21	Transmission (Enter Total of lines 4 and 14)	7,917,872		
22	Regional Market (Enter Total of Lines 5 and 15)			
23	Distribution (Enter Total of lines 6 and 16)	12,755,556		
24	Customer Accounts (Transcribe from line 7)	8,658,904		
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)	34,159,152		
28	TOTAL Oper. and Maint. (Total of lines 20 thru 27)	79,756,548	895,831	80,652,379
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 2017/Q4

DISTRIBUTION OF SALARIES AND WAGES (Continued)

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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)	79,756,548	895,831	80,652,379
66	Utility Plant			
67	Construction (By Utility Departments)			
68	Electric Plant	22,489,666	1,981,368	24,471,034
69	Gas Plant			
70	Other (provide details in footnote):			
71	TOTAL Construction (Total of lines 68 thru 70)	22,489,666	1,981,368	24,471,034
72	Plant Removal (By Utility Departments)			
73	Electric Plant	52,624	2,757	55,381
74	Gas Plant			
75	Other (provide details in footnote):			
76	TOTAL Plant Removal (Total of lines 73 thru 75)	52,624	2,757	55,381
77	Other Accounts (Specify, provide details in footnote):			
78	In-Kind Donations and Exp for Certain Civic, Political & Rel	326,348	21,374	347,722
79	Prepayment and Other	257,526	14,462	271,988
80				
81				
82				
83				
84				
85				
86				
87				
88				
89				
90				
91				
92				
93				
94				
95	TOTAL Other Accounts	583,874	35,836	619,710
96	TOTAL SALARIES AND WAGES	102,882,712	2,915,792	105,798,504

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	8,426,939	MWh	808,986	2,684,782	MWh	819,919
2	Reactive Supply and Voltage	8,426,939	MWh	505,616	1,390,060	MWh	225,993
3	Regulation and Frequency Response						
4	Energy Imbalance						
5	Operating Reserve - Spinning						
6	Operating Reserve - Supplement						
7	Other						
8	Total (Lines 1 thru 7)	16,853,878		1,314,602	4,074,842		1,045,912

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 1,905,861 MWh from hourly services (of which 14,612 MWh were sold to El Paso Electric Marketing (El Paso Electric Company's Resource Management Department)); 13,029 MWh from daily services (of which 7,266 MWh were sold to El Paso Electric Marketing (El Paso Electric Company's Resource Management Department)); 389 MWh from monthly services; 72 MWh from weekly services and 765,431 MWh from yearly contracts, (of which 62,877 MWh were sold to Rio Grande Electric Cooperative, a network customer of El Paso Electric Company).

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

$185,269 pertains to hourly services (of which $1,403 pertains to El Paso Electric Marketing (El Paso Electric Company's Resource Management Department)). $29,607 pertains to daily services (of which $16,712 pertains to El Paso Electric Marketing(El Paso Electric Company's Resource Management Department)). $27,320 pertains to monthly services. $1,178 pertains to weekly services and $576,545 pertains to yearly contracts (of which $7,579 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 617,872 MWh from hourly services (of which 14,612 MWh were sold to El Paso Electric Marketing (El Paso Electric Company's Resource Management Department)); 11,000 MWh from daily services (of which 7,240 MWh were sold to El Paso Electric Marketing (El Paso Electric Company's Resource Management Department)); 389 MWh from monthly services; 72 MWh from weekly services and 760,727 MWh from yearly contracts (of which 62,877 MWh were sold to Rio Grande Electric Cooperative, a network customer of El Paso Electric Company).

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

$37,094 pertains to hourly services (of which $877 pertains to El Paso Electric Marketing (El Paso Electric Company's Resource Management Department)). $15,555 pertains to daily services (of which $10,498 pertains to El Paso Electric Marketing(El Paso Electric Company's Resource Management Department)). $17,116 pertains to monthly services. $739 pertains to weekly services and $155,489 pertains to yearly contracts (of which $4,747 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 2017/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	1,061	25	2000		6	667	50	80	
2	February	991	15	2000		6	673	50	81	
3	March	1,197	22	1600		7	675	50	78	
4	Total for Quarter 1					19	2,015	150	239	
5	April	1,313	20	1600		8	681	50	73	
6	May	1,432	25	1600		13	680	50	73	
7	June	1,935	22	1600		13	691	50	63	
8	Total for Quarter 2					34	2,052	150	209	
9	July	1,792	11	1600		14	650	50	104	
10	August	1,773	10	1600		14	677	50	77	
11	September	1,685	13	1600		10	679	50	75	
12	Total for Quarter 3					38	2,006	150	256	
13	October	1,531	5	1600		8	673	50	81	
14	November	1,012	14	1800		5	693	50	61	
15	December	1,163	7	1900		6	663	50	91	
16	Total for Quarter 4					19	2,029	150	233	
17	Total Year to Date/Year					110	8,102	600	937	

Schedule Page: 401 Line No.: 36 Column: b

Includes 90,527 MWhs related to the Company's Power Purchase and Sales Agreement with Freeport-McMoRan dated December 16, 2005.

Schedule Page: 401 Line No.: 36 Column: c

Includes 90,527 MWhs related to the Company's Power Purchase and Sales Agreement with Freeport-McMoRan dated December 16, 2005.

Schedule Page: 401 Line No.: 37 Column: b

Includes 88,991 MWhs related to the Company's Power Purchase and Sales Agreement with Freeport-McMoRan dated December 16, 2005.

Schedule Page: 401 Line No.: 37 Column: c

Includes 88,991 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 92,412 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 92,412 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 45,113 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 45,113 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 92,205 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 92,205 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 2017/Q4

ELECTRIC ENERGY ACCOUNT

Report below the information called for concerning the disposition of electric energy generated, purchased, exchanged and wheeled during the year.

Line No.	Item (a)	MegaWatt Hours (b)	Line No.	Item (a)	MegaWatt Hours (b)
1	SOURCES OF ENERGY		21	DISPOSITION OF ENERGY	
2	Generation (Excluding Station Use):		22	Sales to Ultimate Consumers (Including Interdepartmental Sales)	7,843,959
3	Steam	2,626,114			
4	Nuclear	5,109,325	23	Requirements Sales for Resale (See instruction 4, page 311.)	62,887
5	Hydro-Conventional				
6	Hydro-Pumped Storage		24	Non-Requirements Sales for Resale (See instruction 4, page 311.)	2,997,908
7	Other	1,215,436			
8	Less Energy for Pumping		25	Energy Furnished Without Charge	
9	Net Generation (Enter Total of lines 3 through 8)	8,950,875	26	Energy Used by the Company (Electric Dept Only, Excluding Station Use)	13,281
10	Purchases	2,470,154	27	Total Energy Losses	528,705
11	Power Exchanges:		28	TOTAL (Enter Total of Lines 22 Through 27) (MUST EQUAL LINE 20)	11,446,740
12	Received	40,026			
13	Delivered	14,315			
14	Net Exchanges (Line 12 minus line 13)	25,711			
15	Transmission For Other (Wheeling)				
16	Received	3,654,577			
17	Delivered	3,654,577			
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)	11,446,740			

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 2017/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: MONTHLY PEAKS AND OUTPUT

Line No.	Month (a)	Total Monthly Energy (b)	Monthly Non-Requirments Sales for Resale & Associated Losses (c)	MONTHLY PEAK Megawatts (See Instr. 4) (d)	Day of Month (e)	Hour (f)
29	January	855,829	229,465	1,061	25	2000
30	February	825,787	288,828	991	15	2000
31	March	917,217	314,840	1,197	22	1600
32	April	784,125	158,551	1,313	20	1600
33	May	959,322	241,153	1,432	25	1600
34	June	1,081,887	193,225	1,935	22	1600
35	July	1,128,590	227,591	1,792	11	1600
36	August	1,163,984	270,293	1,773	10	1600
37	September	1,067,651	280,289	1,685	13	1600
38	October	873,143	200,636	1,531	5	1600
39	November	816,410	250,622	1,012	14	1800
40	December	972,795	342,415	1,163	7	1900
41	TOTAL	11,446,740	2,997,908			

Schedule Page: 401 Line No.: 10 Column: b

Includes 955,024 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 955,024 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 955,024 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 955,024 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 61,808 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 61,808 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 82,903 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 82,903 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 91,660 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 91,660 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 45,898 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 45,898 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 92,190 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 92,190 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 79,980 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 79,980 MWhs related to the Company's Power Purchase and Sales Agreement with Freeport-McMoRan dated December 16, 2005.

Schedule Page: 401 Line No.: 35 Column: b

Includes 91,337 MWhs related to the Company's Power Purchase and Sales Agreement with Freeport-McMoRan dated December 16, 2005.

Schedule Page: 401 Line No.: 35 Column: c

Includes 91,337 MWhs related to the Company's Power Purchase and Sales Agreement with Freeport-McMoRan dated December 16, 2005.

Schedule Page: 401 Line No.: 36 Column: b
Includes 90,527 MWhs related to the Company's Power Purchase and Sales Agreement with Freeport-McMoRan dated December 16, 2005.

Schedule Page: 401 Line No.: 36 Column: c
Includes 90,527 MWhs related to the Company's Power Purchase and Sales Agreement with Freeport-McMoRan dated December 16, 2005.

Schedule Page: 401 Line No.: 37 Column: b
Includes 88,991 MWhs related to the Company's Power Purchase and Sales Agreement with Freeport-McMoRan dated December 16, 2005.

Schedule Page: 401 Line No.: 37 Column: c
Includes 88,991 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 92,412 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 92,412 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 45,113 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 45,113 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 92,205 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 92,205 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 2017/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)	256.50	131.80
6	Net Peak Demand on Plant - MW (60 minutes)	216	92
7	Plant Hours Connected to Load	8557	2286
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	50	0
12	Net Generation, Exclusive of Plant Use - KWh	681456000	146038000
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	251.4769	729.7023
19	Production Expenses: Oper, Supv, & Engr	783727	0
20	Fuel	33185157	5287336
21	Coolants and Water (Nuclear Plants Only)	0	0
22	Steam Expenses	1672760	0
23	Steam From Other Sources	0	0
24	Steam Transferred (Cr)	0	0
25	Electric Expenses	178383	0
26	Misc Steam (or Nuclear) Power Expenses	1234057	197
27	Rents	0	0
28	Allowances	0	0
29	Maintenance Supervision and Engineering	827258	0
30	Maintenance of Structures	542690	12605
31	Maintenance of Boiler (or reactor) Plant	1831339	0
32	Maintenance of Electric Plant	1274331	857871
33	Maintenance of Misc Steam (or Nuclear) Plant	836163	19344
34	Total Production Expenses	42365865	6177353
35	Expenses per Net KWh	0.0622	0.0423

Line No.	Item (a)	(b)	(b)	(b)	(c)	(c)	(c)
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	8111313	0	0	1337146	0	0
39	Avg Heat Cont - Fuel Burned (btu/indicate if nuclear)	1056400	0	0	1056600	0	0
40	Avg Cost of Fuel/unit, as Delvd f.o.b. during year	4.091	0.000	0.000	3.954	0.000	0.000
41	Average Cost of Fuel per Unit Burned	4.091	0.000	0.000	3.954	0.000	0.000
42	Average Cost of Fuel Burned per Million BTU	3.873	0.000	0.000	3.742	0.000	0.000
43	Average Cost of Fuel Burned per KWh Net Gen	0.049	0.000	0.000	0.036	0.000	0.000
44	Average BTU per KWh Net Generation	12575.000	0.000	0.000	9675.000	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 2017/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			80.50			5
542			371			74			6
8760			6854			577			7
752			355			64			8
761			375			64			9
752			355			64			10
70			14			0			11
1944658000			1044668000			18913000			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			210.7424			18
1823328			571034			0			19
70408994			32075462			1269726			20
0			0			0			21
1142311			229205			0			22
0			0			0			23
0			0			0			24
2809591			0			0			25
2160648			2227236			67945			26
466271			57684			41			27
108763			0			0			28
1457000			1234			2469			29
892876			74135			4927			30
5860217			0			0			31
12296779			2008094			115818			32
2082433			341776			27972			33
101509211			37585860			1488898			34
0.0522			0.0360			0.0787			35
Gas	Oil		Gas	Oil		Gas	Oil		36
Mcf	BBL		Mcf	BBL		Mcf	BBL		37
20028177	0	0	9159213	0	0	341985	0	0	38
1055900	0	0	1055600	0	0	1044200	0	0	39
3.515	0.000	0.000	3.502	0.000	0.000	3.713	0.000	0.000	40
3.515	0.000	0.000	3.502	0.000	0.000	3.713	0.000	0.000	41
3.329	0.000	0.000	3.318	0.000	0.000	3.556	0.000	0.000	42
0.036	0.000	0.000	0.031	0.000	0.000	0.067	0.000	0.000	43
10874.000	0.000	0.000	9255.000	0.000	0.000	18881.000	0.000	0.000	44

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 2017/Q4

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)	669.20	0.00
6	Net Peak Demand on Plant - MW (60 minutes)	630	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	333	0
12	Net Generation, Exclusive of Plant Use - KWh	5109325000	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	2738.4905	0
19	Production Expenses: Oper, Supv, & Engr	13376785	0
20	Fuel	44047597	0
21	Coolants and Water (Nuclear Plants Only)	7373187	0
22	Steam Expenses	6095977	0
23	Steam From Other Sources	0	0
24	Steam Transferred (Cr)	0	0
25	Electric Expenses	4932080	0
26	Misc Steam (or Nuclear) Power Expenses	23628866	0
27	Rents	0	0
28	Allowances	0	0
29	Maintenance Supervision and Engineering	2671280	0
30	Maintenance of Structures	1130947	0
31	Maintenance of Boiler (or reactor) Plant	8433670	0
32	Maintenance of Electric Plant	6609392	0
33	Maintenance of Misc Steam (or Nuclear) Plant	2021558	0
34	Total Production Expenses	120321339	0
35	Expenses per Net KWh	0.0235	0.0000

Line No.	Item (a)	(b)	(b)	(b)	(c)	(c)	(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	52534565	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	0.834	0.000	0.000	0.000	0.000	0.000
41	Average Cost of Fuel per Unit Burned	0.834	0.000	0.000	0.000	0.000	0.000
42	Average Cost of Fuel Burned per Million BTU	0.834	0.000	0.000	0.000	0.000	0.000
43	Average Cost of Fuel Burned per KWh Net Gen	0.009	0.000	0.000	0.000	0.000	0.000
44	Average BTU per KWh Net Generation	10282.000	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 and 11 represents the Company's 15.8% share of Palo Verde Nuclear Generating Station.

Schedule Page: 402.1 Line No.: 20 Column: b

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

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		122	388,498
3	Rio Grande PV System	2009	0.06		120	168,882
4	Wrangler CPV System	2011	0.05		64	418,730
5	Stanton PV System	2012	0.03		68	273,687
6	El Paso Community College PV System	2012	0.02		31	97,020
7	Van Horn PV System	2013	0.02		36	99,675
8	Montana Solar	2017	3.00		5,375	7,447,099
9	Total Solar		3.24		5,816	8,893,591
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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 2017/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						4
8,552,719						5
6,468,000						6
6,472,403						7
2,482,366			23,108			8
49,809,030			23,108			9
						10
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Schedule Page: 410 Line No.: 2 Column: f

Includes credits of $150,536 recovered through the Volunteer 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 2017/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		VOLTAGE (KV) (Indicate where other than 60 cycle, 3 phase)		Type of Supporting Structure	LENGTH (Pole miles) (In the case of underground lines report circuit miles)		Number Of Circuits
	From (a)	To (b)	Operating (c)	Designed (d)	(e)	On Structure of Line Designated (f)	On Structures of Another Line (g)	(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	West Mesa	345.00	345.00	(2)	232.21		1
5	Newman	Afton	345.00	345.00	(2)	29.88		1
6	Afton	Luna	345.00	345.00	(2)	57.26		1
7	Luna	Greenlee	345.00	345.00	(2)		109.77	1
8	Newman	Eddy County	345.00	345.00	(2)	79.93	125.45	1
9	Diablo	Luna	345.00	345.00	(2)	85.66		1
10	Luna	Macho Springs	345.00	345.00	(2)	24.86		1
11	Macho Springs	Springerville	345.00	345.00	(2),(3)	201.38		1
12								
13								
14	Various 115kV Lines		115.00	115.00	(1),(2)	470.57	51.04	1
15	Various 69kV Lines		69.00	69.00	(1),(2)	194.43	21.55	1
16								
17								
18								
19								
20								
21								
22								
23								
24								
25								
26								
27								
28								
29								
30								
31								
32								
33								
34								
35								
36					TOTAL	1,376.18	472.81	13

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 2017/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	1,563,967	7,027,603	8,591,570					1
1780 ACSR	1,206,109	5,419,588	6,625,697					2
								3
795 ACSR	1,149,661	17,558,829	18,708,490					4
795 ACSR	423,552	5,525,728	5,949,280					5
795 ACSR	811,653	10,588,965	11,400,618					6
795 ACSR	86,513	2,240,657	2,327,170					7
795 ACSR/T2	2,836,385	22,555,942	25,392,327					8
954 ACSR	1,114,625	12,217,983	13,332,608					9
954 ACSR	19,320	6,853,262	6,872,582					10
954 ACSR	154,575	54,832,262	54,986,837					11
								12
								13
Various	5,010,155	93,121,899	98,132,054					14
Various	310,581	25,151,348	25,461,929					15
								16
								17
								18
								19
								20
								21
								22
								23
								24
								25
								26
								27
								28
								29
								30
								31
								32
								33
								34
								35
	14,687,096	263,094,066	277,781,162					36

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 2017/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 New Mexico	Dist. UA	115.00	23.90	
5	Alamo Lower Valley	Dist. UA	69.00	23.90	
6	Altura El Paso	Dist. UA	13.80	4.16	
7	Americas El Paso	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	Trans. UA	115.00	69.00	13.80
16	Ascarate El Paso	Dist. UA	69.00	13.80	
17	Ascarate El Paso	Dist. UA	69.00	4.16	
18	Austin El Paso	Dist. UA	115.00	13.80	
19	Austin El Paso	Dist. UA	69.00	4.16	
20	Border Steel El Paso	Dist. UA	115.00	13.80	
21	Butterfield El Paso	Dist. UA	115.00	13.80	
22	Caliente El Paso	Trans. UA	345.00	115.00	13.80
23	Caliente El Paso	Dist. UA	115.00	13.80	
24	Chaparral Chaparral, NM	Dist. UA	115.00	13.80	
25	Clint Lower Valley	Dist. UA	69.00	13.80	
26	Copper El Paso	Dist. UA	115.00	13.80	
27	Cox New Mexico	Trans. UA	115.00	69.00	
28	Coyote Lower Valley	Dist. UA	115.00	13.80	
29	Cromo El Paso	Dist. UA	115.00	13.80	
30	Dallas El Paso	Dist. UA	67.00	14.40	
31	Dallas El Paso	Dist. UA	66.00	13.80	
32	Diablo Sunland Park, NM	Trans. UA	345.00	115.00	13.80
33	Diamond Head El Paso	Dist. UA	115.00	13.80	
34	Durazno El Paso	Dist. UA	115.00	13.80	
35	Dyer El Paso	Dist. UA	67.00	14.40	
36	Dyer El Paso	Dist. UA	115.00	69.00	
37	EMRLD New Mexico	Dist. UA	115.00	13.80	
38	Farah El Paso	Dist. UA	69.00	13.80	
39	Felipe El Paso	Dist. UA	69.00	23.90	
40	Fort Bliss El Paso	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 2017/Q4

SUBSTATIONS (Continued)

5. Show in columns (I), (j), and (k) special equipment such as rotary converters, rectifiers, condensers, etc. and auxiliary equipment for increasing capacity.
6. Designate substations or major items of equipment leased from others, jointly owned with others, or operated otherwise than by reason of sole ownership by the respondent. For any substation or equipment operated under lease, give name of lessor, date and period of lease, and annual rent. For any substation or equipment operated other than by reason of sole ownership or lease, give name of co-owner or other party, explain basis of sharing expenses or other accounting between the parties, and state amounts and accounts affected in respondent's books of account. Specify in each case whether lessor, co-owner, or other party is an associated company.

Capacity of Substation (In Service) (In MVa)	Number of Transformers In Service	Number of Spare Transformers	CONVERSION APPARATUS AND SPECIAL EQUIPMENT			Line No.
			Type of Equipment	Number of Units	Total Capacity (In MVa)	
(f)	(g)	(h)	(i)	(j)	(k)	
						1
						2
						3
30	1					4
30	1					5
13	2					6
30	1					7
260	1					8
8	1					9
60	2					10
30	1					11
308	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

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

SUBSTATIONS (Continued)

5. Show in columns (I), (j), and (k) special equipment such as rotary converters, rectifiers, condensers, etc. and auxiliary equipment for increasing capacity.
6. Designate substations or major items of equipment leased from others, jointly owned with others, or operated otherwise than by reason of sole ownership by the respondent. For any substation or equipment operated under lease, give name of lessor, date and period of lease, and annual rent. For any substation or equipment operated other than by reason of sole ownership or lease, give name of co-owner or other party, explain basis of sharing expenses or other accounting between the parties, and state amounts and accounts affected in respondent's books of account. Specify in each case whether lessor, co-owner, or other party is an associated company.

Capacity of Substation (In Service) (In MVa) (f)	Number of Transformers In Service (g)	Number of Spare Transformers (h)	CONVERSION APPARATUS AND SPECIAL EQUIPMENT Type of Equipment (i)	Number of Units (j)	Total Capacity (In MVa) (k)	Line No.
30	1					1
30	1					2
30	1					3
30	1					4
100	1					5
30	1					6
120	2					7
60	2					8
30	1					9
30	1					10
60	2					11
100	1					12
90	3					13
500	4					14
100	2					15
30	1					16
30	1					17
50	1					18
230	1					19
112	1					20
112	1					21
112	1					22
112	1					23
112	1					24
112	1					25
175	1					26
117	1					27
117	1					28
30	1					29
30	1					30
30	1					31
50	1					32
200	1					33
14	1					34
30	1					35
200	2	1				36
50	1					37
60	1					38
60	1					39
150	1					40

Name of Respondent El Paso Electric Company	This Report Is: (1) [X] An Original (2) [ ] A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2017/Q4

SUBSTATIONS

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2. Substations which serve only one industrial or street railway customer should not be listed below.
3. Substations with capacities of Less than 10 MVa except those serving customers with energy for resale, may be grouped according to functional character, but the number of such substations must be shown.
4. Indicate in column (b) the functional character of each substation, designating whether transmission or distribution and whether attended or unattended. At the end of the page, summarize according to function the capacities reported for the individual stations in column (f).

Line No.	Name and Location of Substation (a)	Character of Substation (b)	VOLTAGE (In MVa) Primary (c)	Secondary (d)	Tertiary (e)
1	Rio Grande T12 Sunland Park, New Mexico	Dist. UA	67.00	14.40	
2	Rio Grande T17 Sunland Park, New Mexico	Dist. UA	115.00	13.80	
3	Ripley El Paso	Dist. UA	115.00	13.80	
4	Salopek Las Cruces, NM	Dist. UA	115.00	24.90	
5	Santa Fe El Paso	Dist. UA	69.00	13.80	
6	Santa Fe El Paso	Dist. UA	13.80	4.16	
7	Santa Teresa Santa Teresa	Dist. UA	115.00	23.90	
8	Santa Teresa Santa Teresa	Dist. UA	115.00	24.90	
9	Scotsdale El Paso	Dist. UA	115.00	69.00	
10	Scotsdale El Paso	Dist. UA	115.00	13.80	
11	Shearman El Paso	Dist. UA	115.00	13.80	
12	Sierra Blanca Sierra Blanca	Dist. UA	69.00	23.90	
13	Socorro Lower Valley	Dist. UA	69.00	13.80	
14	Sol El Paso	Dist. UA	115.00	13.80	
15	Sparks El Paso	Dist. UA	115.00	13.80	
16	Sparks El Paso	Dist. UA	115.00	69.00	
17	Sunset El Paso	Dist. UA	69.00	13.80	
18	Sunset El Paso	Dist. UA	69.00	4.16	
19	Sunset North El Paso	Dist. UA	115.00	13.80	
20	Sunset North El Paso	Trans. UA	115.00	69.00	14.40
21	Talavera Temp T-1 Las Cruces, NM	Dist. UA	115.00	23.90	
22	Thorn El Paso	Dist. UA	115.00	13.80	
23	Transmountain Temp	Dist. UA	115.00	24.90	
24	Viscount El Paso	Dist. UA	67.00	14.40	
25	Vista El Paso	Dist. UA	115.00	13.80	
26	White Sands New Mexico	Dist. UA	115.00	13.80	
27	Wrangler El Paso	Dist. UA	115.00	13.80	
28					
29	5,000 to 10,000 kVA				
30					
31	Darbyshire El Paso	Dist. UA	69.00	13.80	
32	Farmer Van Horn	Dist. UA	69.00	23.90	
33	Five Points El Paso	Dist. UA	13.80	4.16	
34	Hanes New Mexico	Dist UA	22.90	4.16	
35	Midway El Paso	Dist. UA	13.80	4.16	
36	Range New Mexico	Dist. UA	24.90	13.20	
37	S.P. Pipeline El Paso	Dist. UA	13.80	2.40	
38	Valley Lower Valley	Dist. UA	67.00	14.40	
39	Amrad Oro Grande, NM	Dist. UA	115.00	24.90	
40	1,000 to 5,000 kVA				

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.
25	1					1
132	1					2
30	1					3
75	3					4
25	1					5
11	3					6
30	1					7
30	1					8
100	1					9
55	2					10
30	1					11
18	1					12
30	1					13
60	2					14
30	1					15
89	1					16
60	2					17
10	3					18
60	2					19
70	1					20
13	1					21
60	2					22
20	1					23
30	1					24
60	2					25
30	1					26
50	1					27
						28
						29
						30
8	1					31
10	1					32
6	3					33
6	1					34
6	1					35
8	3					36
6	1					37
8	1					38
8	1					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 2017/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.
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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					
2	Alameda Las Cruces, NM	Dist. UA	23.90	4.16	
3	Beaumont El Paso	Dist. UA	13.80	4.16	
4	Coronado El Paso	Dist. UA	13.80	4.16	
5	Fabens Lower Valley	Dist. UA	67.00	4.16	
6	Fresno El Paso	Dist. UA	13.80	4.16	
7	Frontera Upper Valley	Dist. UA	13.80	4.16	
8	Grace El Paso	Dist. UA	14.40	4.16	
9	Hacienda El Paso	Dist. UA	13.80	4.16	
10	Hatch New Mexico	Dist. UA	23.90	4.16	
11	Kemp El Paso	Dist. UA	13.80	4.16	
12	Latta El Paso	Dist. UA	13.80	4.16	
13	McClure Las Cruces, NM	Dist. UA	22.90	4.16	
14	Melendres Las Cruces, NM	Dist. UA	23.90	4.16	
15	Mission El Paso	Dist. UA	13.80	4.16	
16	Missouri Las Cruces, NM	Dist. UA	23.90	4.16	
17	Morningside El Paso	Dist. UA	13.80	4.16	
18	Newell Newell	Dist. UA	13.80	4.16	
19	Octavia El Paso	Dist. UA	13.80	4.16	
20	Parkdale El Paso	Dist. UA	13.80	4.16	
21	Ranchland El Paso	Dist. UA	13.80	4.16	
22	Summit El Paso	Dist. UA	13.80	4.16	
23	UTEP El Paso	Dist. UA	13.80	4.16	
24	Westside Las Cruces, NM	Dist. UA	24.90	4.16	
25	White Upper Valley	Dist. UA	13.80	4.16	
26	Diana El Paso	Dist. UA	13.80	4.16	
27	Mar New Mexico	Dist. UA	24.90	4.16	
28	Sierra Blanca Sierra Blanca	Dist. UA	23.50	4.16	
29	300 to 999 kVA				
30	Fort Hancock Hudspeth County	Dist. UA	24.90	4.16	
31	La Mesa New Mexico	Dist. UA	23.90	4.16	
32	Dallas El Paso	Dist. UA	13.80	4.16	
33	PORTABLE SUBSTATIONS				
34	(All sizes)				
35	Mobile Substation #354	Dist. UA	14.40	4.16	
36	Mobile Substation #355	Dist. UA	23.90	4.16	
37	Mobile Substation #356	Dist. UA	13.80	4.16	
38	Mobile Substation #357	Dist. UA	115.00	24.90	
39	Mobile Substation #359	Dist. UA	13.80	4.16	
40	Mobile Substation #429	Dist. UA	115.00	13.80	

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El Paso Electric Company	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2017/Q4

SUBSTATIONS (Continued)

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

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
El Paso Electric Company	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2017/Q4

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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					
2	SPARE TRANSFORMERS	N/A			
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
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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 2017/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
		19				2
						3
						4
						5
						6
						7
						8
						9
						10
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						39
						40

Schedule Page: 426 Line No.: 3 Column: a

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

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