

THIS FILING IS

Item 1: An Initial (Original) Submission OR Resubmission No. _____

Form 1 Approved
OMB No.1902-0021
(Expires 11/30/2016)
Form 1-F Approved
OMB No.1902-0029
(Expires 11/30/2016)
Form 3-Q Approved
OMB No.1902-0205
(Expires 11/30/2016)



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)

El Paso Electric Company

Year/Period of Report

End of 2016/Q1

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/eforms/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.)

<u>Reference Schedules</u>	<u>Pages</u>
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/eforms/form-1/form-1.pdf> and <http://www.ferc.gov/docs-filing/eforms.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 1,144 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 150 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 filed..."

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 <u>2016/Q1</u>
03 Previous Name and Date of Change <i>(if name changed during year)</i> / /		
04 Address of Principal Office at End of Period <i>(Street, City, State, Zip Code)</i> 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 <i>(Street, City, State, Zip Code)</i> P.O. Box 982, El Paso, TX 79960-0982; 100 North Stanton, El Paso, TX 79901		
08 Telephone of Contact Person, <i>Including Area Code</i> (915) 351-4222	09 This Report Is (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	10 Date of Report <i>(Mo, Da, Yr)</i> / /
QUARTERLY 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	03 Signature /s/ Russell G. Gibson	04 Date Signed <i>(Mo, Da, Yr)</i> 05/24/2016
02 Title Vice President & Controller		
Title 18, U.S.C. 1001 makes it a crime for any person to knowingly and willingly to make to any Agency or Department of the United States any false, fictitious or fraudulent statements as to any matter within its jurisdiction.		

LIST OF SCHEDULES (Electric Utility)

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

Line No.	Title of Schedule (a)	Reference Page No. (b)	Remarks (c)
1	Important Changes During the Quarter	108-109	
2	Comparative Balance Sheet	110-113	
3	Statement of Income for the Quarter	114-117	
4	Statement of Retained Earnings for the Quarter	118-119	
5	Statement of Cash Flows	120-121	
6	Notes to Financial Statements	122-123	
7	Statement of Accum Comp Income, Comp Income, and Hedging Activities	122 (a)(b)	
8	Summary of Utility Plant & Accumulated Provisions for Dep, Amort & Dep	200-201	
9	Electric Plant In Service and Accum Provision For Depr by Function	208	
10	Transmission Service and Generation Interconnection Study Costs	231	Not Applicable
11	Other Regulatory Assets	232	
12	Other Regulatory Liabilities	278	
13	Elec Operating Revenues (Individual Schedule Lines 300-301)	300-301	
14	Regional Transmission Service Revenues (Account 457.1)	302	Not Applicable
15	Electric Prod, Other Power Supply Exp, Trans and Distrib Exp	324a-324b	
16	Electric Customer Accts, Service, Sales, Admin and General Expenses	325	
17	Transmission of Electricity for Others	328-330	
18	Transmission of Electricity by ISO/RTOs	331	Not Applicable
19	Transmission of Electricity by Others	332	
20	Deprec, Depl and Amort of Elec Plant (403,403.1,404,and 405) (except A	338	
21	Amounts Included in ISO/RTO Settlement Statements	397	Not Applicable
22	Monthly Peak Loads and Energy Output	399	
23	Monthly Transmission System Peak Load	400	
24	Monthly ISO/RTO Transmission System Peak Load	400a	Not Applicable

Name of Respondent El Paso Electric Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report / /	Year/Period of Report End of <u>2016/Q1</u>
--	---	-----------------------	--

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.

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2016/Q1
El Paso Electric Company			
IMPORTANT CHANGES DURING THE QUARTER/YEAR (Continued)			

1. Changes in and Important Additions to Franchise Rights:

None

2. Acquisition of Ownership in Other Companies:

None

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

El Paso Electric Company ("the Company") owns a 7% interest in Units 4 and 5 at Four Corners Generating Station and associated common facilities ("Four Corners") and shares power entitlements and allocated costs with Arizona Public Service Company ("APS"), the operating agent, and the other Four Corners participants. The Company notified the other participants in 2013 that it would not continue in Four Corners after the termination of the 50-year contractual term of the participation agreement in July 2016 but that it would offer to sell its interest to them in order to facilitate their decision to extend the life of the plant. On February 17, 2015, the Company and APS entered into the Purchase and Sale Agreement providing for the purchase by APS of the Company's interests in Four Corners. The cash purchase price is equal to the net book value of the Company's interest in Four Corners at the date of closing. The anticipated closing date for the sale is July 6, 2016, pending regulatory approval. The purchase price will be adjusted downward to reflect APS's assumption in the Agreement of the Company's obligation to pay for future plant decommissioning and mine reclamation expenses. At the closing, APS will also reimburse the Company for the undepreciated value of certain capital expenditures made prior thereto. APS will assume responsibility for all capital expenditures made after July 2016 and, with certain exceptions, any pre-2016 capital expenditures to be put into service following the closing. In addition, APS will indemnify the Company against liabilities and costs related to the future operation of Four Corners. Included in the Company's regulatory-basis balance sheet at March 31, 2016 are obligations of \$6.8 million and \$19.3 million for plant decommissioning and mine reclamation costs, respectively, which the Company expects to pay at closing in accordance with the Purchase and Sale Agreement. Four Corners is expected to continue to provide energy to serve the Company's native load up to the closing date.

On June 26, 2015, APS filed an application requesting authorization from FERC to purchase 100% of the Company's ownership interest in Units 4 and 5 of Four Corners and the associated transmission interconnection facilities and rights. On December 22, 2015, FERC issued an order approving the proposed transaction.

On April 27, 2015, the Company filed with the New Mexico Public Regulation Commission ("NMPRC") an application requesting all necessary regulatory approvals to sell its seven percent minority ownership interest in Four Corners Units 4 and 5 and common facilities to APS. This case was assigned NMPRC Case No. 15-00109-UT. On February 2, 2016, the Company filed a joint stipulation with the NMPRC reflecting a settlement agreement among the Commission Utility Division Staff, the Company and the New Mexico Attorney General. An addendum to the joint stipulation was subsequently filed and the joint stipulation is unopposed. A hearing in the case was held on February 16, 2016, and the Hearing Examiner issued a Certification of Stipulation on April 22, 2016 recommending approval of the joint stipulation without modification. A NMPRC final order is expected in the first half of 2016. Based on the joint stipulation and addendum, no significant gain or loss is expected to be realized upon closing of the sale.

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

None

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2016/Q1
El Paso Electric Company			
IMPORTANT CHANGES DURING THE QUARTER/YEAR (Continued)			

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:

Issuance of \$150 million of Senior Notes. On March 24, 2016, the Company issued \$150 million in aggregate principal amount of 5.00% Senior Notes due December 1, 2044. Authorization for this transaction was received in FERC Docket No. ES15-66-000 and from the NMPRC in Case No. NM-15-00280-UT. The net proceeds from the issuance of the senior notes, after deducting the underwriters' commission, were \$158.1 million. These proceeds include accrued interest of \$2.4 million and a \$7.1 million premium before expenses. The estimated effective interest rate is expected to be 4.78%. The net proceeds from the sale of these senior notes were used to repay outstanding short-term borrowings under the revolving credit facility ("RCF") used for working capital and general corporate purposes, which may include funding capital expenditures. These senior notes constitute an additional issuance of the Company's 5.00% Senior Notes due 2044, of which \$150 million was previously issued on December 1, 2014, for a total of \$300 million aggregate principal amount of the Company's 5.00% Senior Notes due 2044.

7. Changes in Articles of Incorporation:

None

8. Important Wage Scale Changes:

Base salaries for non-union employees were increased by an average of approximately 2.89% effective in January 2016 compared to 2015 through the merit award process. The annual effect of this increase was approximately \$1.6 million.

9. Materially Important Legal Proceedings (see also Notes B, F and G of "Notes to Financial Statements"):

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 these claims and applicable insurance coverage, the Company believes that none of these claims will have a material adverse effect on the financial position, results of operations or cash flows of the Company.

10. Materially Important Transactions:

None

11. Reserved

12. Important changes during the year:

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 Public Utility Commission of Texas ("PUCT") in Docket No. 44941, a request for an annual increase in non-fuel base revenues of approximately \$71.5 million. The request includes recovery of new plant placed into service since 2009. Rate case expenses of \$1.8 million, amortized over 3 years, were included in the \$71.5 million request. On January 15, 2016, the Company filed its rebuttal testimony modifying the requested increase to \$63.3 million, which included severing the \$1.8 million of rate case expenses from this rate case. A motion was granted to sever and establish a new docket (Docket No. 45475).

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2016/Q1
El Paso Electric Company			
IMPORTANT CHANGES DURING THE QUARTER/YEAR (Continued)			

On March 29, 2016, the majority of parties to PUCT Docket No. 44941 filed a non-unanimous Stipulation and Agreement ("Settlement Agreement"), together with a motion to implement it. The Settlement Agreement would resolve all issues in this rate case except for one revenue requirement issue involving the Company's interest in Units 4 and 5 of Four Corners. The Settlement Agreement includes, among other things: (i) an annual non-fuel base rate increase of \$37 million; (ii) the potential for an additional base rate increase of \$8 million related to Four Corners costs after a hearing and decision; (iii) a change in estimated asset lives which would lower annual depreciation expense by approximately \$8.5 million; (iv) a return on equity of 9.7% for AFUDC purposes; and (v) a determination that substantially all new plant in service was reasonable and necessary and therefore would be recoverable in rate base. Approximately 76% of the Company's customers are in Texas.

The Administrative Law Judges ("ALJs") hearing the case approved interim rates for the \$37 million annual increase outlined in the Settlement Agreement on March 30, 2016. The interim rates are effective as of April 1, 2016 and are subject to refund or surcharge pending resolution by the PUCT. Four parties have indicated that they oppose the Settlement Agreement, and they are entitled to a hearing on the Settlement Agreement. Additionally, the four parties who did not join in the Settlement Agreement filed a motion challenging the adequacy of the initial notice provided by the Company with respect to the treatment of residential customers with solar systems.

On April 22, 2016, the ALJs issued an Order Setting a Procedural Schedule, which calls for a hearing on June 21-22, 2016 on the merits of the proposed settlement of the rate case, not including the Four Corners issue. Additionally, the April 22, 2016 order by the ALJs ruled against the four parties on the notice issue. The four parties then appealed to the PUCT the ALJs decision on the notice issue.

On May 19, 2016, the PUCT ruled that the initial notice provided by the Company did not include the treatment of residential customers with solar systems that was subsequently contained in the Settlement Agreement executed by the Company. The Company cannot predict the timing and outcome of this rate case at this time.

Given the uncertainty regarding the ultimate resolution of this rate case, the Company did not record any impacts of the Settlement Agreement in the first quarter of 2016. As discussed above, upon resolution of this rate case, the Company expects to record revenues under the new rate structure for consumption on or after January 12, 2016.

2015 New Mexico Rate Case Filing. On May 11, 2015, the Company filed with the NMPRC in Case No. 15-00127-UT, for an annual increase in non-fuel base rates of approximately \$8.6 million or 7.1%. The request includes recovery of new plant placed into service since the last time rates were adjusted in 2009. The filing also requests an annual reduction of \$15.4 million, or 21.5%, for fuel and purchased power costs recovered in base rates. The reduction in fuel and purchased power rates reflects reduced fuel prices and improvements in system heat rates due to new generating unit additions. Subsequently, the Company reduced its requested increase in non-fuel base rates to approximately \$6.4 million. On February 16, 2016, the Hearing Examiner issued a Recommended Decision to the NMPRC proposing an annual increase in non-fuel base rates of approximately \$640 thousand. The Company filed exceptions to the Recommended Decision to be considered by the NMPRC. During the open meeting on May 4, 2016, the NMPRC again extended the suspension period until June 10, 2016, by which time the NMPRC is expected to issue a final order. Approximately 24% of the Company's customers are in New Mexico. The Company cannot predict the outcome of the rate case at this time.

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

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

None

Name of Respondent El Paso Electric Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2016/Q1
IMPORTANT CHANGES DURING THE QUARTER/YEAR (Continued)			

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	4,527,752,163	4,484,604,114
3	Construction Work in Progress (107)	200-201	296,905,493	293,796,089
4	TOTAL Utility Plant (Enter Total of lines 2 and 3)		4,824,657,656	4,778,400,203
5	(Less) Accum. Prov. for Depr. Amort. Depl. (108, 110, 111, 115)	200-201	2,204,609,459	2,188,391,141
6	Net Utility Plant (Enter Total of line 4 less 5)		2,620,048,197	2,590,009,062
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)		203,447,062	191,560,563
12	(Less) Accum. Prov. for Amort. of Nucl. Fuel Assemblies (120.5)	202-203	86,229,860	75,495,520
13	Net Nuclear Fuel (Enter Total of lines 7-11 less 12)		117,217,202	116,065,043
14	Net Utility Plant (Enter Total of lines 6 and 13)		2,737,265,399	2,706,074,105
15	Utility Plant Adjustments (116)		82,784	158,346
16	Gas Stored Underground - Noncurrent (117)		0	0
17	OTHER PROPERTY AND INVESTMENTS			
18	Nonutility Property (121)		601,500	652,094
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)		1,549,353	1,577,339
25	Sinking Funds (125)		0	0
26	Depreciation Fund (126)		0	0
27	Amortization Fund - Federal (127)		0	0
28	Other Special Funds (128)		250,431,649	245,772,654
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)		252,582,502	248,002,087
33	CURRENT AND ACCRUED ASSETS			
34	Cash and Working Funds (Non-major Only) (130)		0	0
35	Cash (131)		41,095,138	7,930,601
36	Special Deposits (132-134)		0	0
37	Working Fund (135)		63,880	72,140
38	Temporary Cash Investments (136)		153,463	146,267
39	Notes Receivable (141)		0	0
40	Customer Accounts Receivable (142)		40,307,109	43,939,283
41	Other Accounts Receivable (143)		1,355,971	2,798,211
42	(Less) Accum. Prov. for Uncollectible Acct.-Credit (144)		1,554,585	2,077,888
43	Notes Receivable from Associated Companies (145)		0	0
44	Accounts Receivable from Assoc. Companies (146)		0	0
45	Fuel Stock (151)	227	1,477,447	1,471,698
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	46,152,949	47,227,673
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	9,898	130

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

Line No.	Title of Account (a)	Ref. Page No. (b)	Current Year End of Quarter/Year Balance (c)	Prior Year End Balance 12/31 (d)
53	(Less) Noncurrent Portion of Allowances		0	0
54	Stores Expense Undistributed (163)	227	-1,289	-2,006
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)		12,594,615	10,610,637
58	Advances for Gas (166-167)		0	0
59	Interest and Dividends Receivable (171)		6,732	5,892
60	Rents Receivable (172)		0	0
61	Accrued Utility Revenues (173)		17,915,000	21,661,000
62	Miscellaneous Current and Accrued Assets (174)		5,167	21,558
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)		159,581,495	133,805,196
68	DEFERRED DEBITS			
69	Unamortized Debt Expenses (181)		13,696,166	12,551,913
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	144,417,060	146,133,174
73	Prelim. Survey and Investigation Charges (Electric) (183)		1,031,773	1,087,630
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)		-163,282	-78,158
77	Temporary Facilities (185)		0	0
78	Miscellaneous Deferred Debits (186)	233	6,191,110	5,900,411
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)		17,237,605	17,459,086
82	Accumulated Deferred Income Taxes (190)	234	263,845,157	243,635,616
83	Unrecovered Purchased Gas Costs (191)		0	0
84	Total Deferred Debits (lines 69 through 83)		446,255,589	426,689,672
85	TOTAL ASSETS (lines 14-16, 32, 67, and 84)		3,595,767,769	3,514,729,406

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	65,819,173	65,817,279
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)		308,762,341	308,083,747
7	Other Paid-In Capital (208-211)	253	1,265,490	1,972,274
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	1,077,201,573	1,094,535,966
12	Unappropriated Undistributed Subsidiary Earnings (216.1)	118-119	0	0
13	(Less) Reaquired Capital Stock (217)	250-251	422,163,267	422,846,261
14	Noncorporate Proprietorship (Non-major only) (218)		0	0
15	Accumulated Other Comprehensive Income (219)	122(a)(b)	-13,632,204	-13,913,805
16	Total Proprietary Capital (lines 2 through 15)		1,016,912,167	1,033,308,261
17	LONG-TERM DEBT			
18	Bonds (221)	256-257	193,135,000	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	850,000,000
22	Unamortized Premium on Long-Term Debt (225)		7,046,276	0
23	(Less) Unamortized Discount on Long-Term Debt-Debit (226)		3,823,830	3,850,917
24	Total Long-Term Debt (lines 18 through 23)		1,196,357,446	1,039,284,083
25	OTHER NONCURRENT LIABILITIES			
26	Obligations Under Capital Leases - Noncurrent (227)		95,000,000	95,000,000
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)		144,255,297	145,079,894
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)		83,495,150	81,620,628
35	Total Other Noncurrent Liabilities (lines 26 through 34)		322,750,447	321,700,522
36	CURRENT AND ACCRUED LIABILITIES			
37	Notes Payable (231)		50,000,000	108,000,000
38	Accounts Payable (232)		32,768,466	59,978,382
39	Notes Payable to Associated Companies (233)		0	0
40	Accounts Payable to Associated Companies (234)		0	0
41	Customer Deposits (235)		6,571,760	6,600,485
42	Taxes Accrued (236)	262-263	22,200,335	26,457,792
43	Interest Accrued (237)		18,776,218	10,947,501
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)		1,569,360	1,549,579
48	Miscellaneous Current and Accrued Liabilities (242)		21,020,329	20,175,475
49	Obligations Under Capital Leases-Current (243)		37,625,925	35,439,067
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)		190,532,393	269,148,281
55	DEFERRED CREDITS			
56	Customer Advances for Construction (252)		15,464,392	15,520,732
57	Accumulated Deferred Investment Tax Credits (255)	266-267	20,937,205	21,325,447
58	Deferred Gains from Disposition of Utility Plant (256)		0	0
59	Other Deferred Credits (253)	269	22,034,602	22,583,727
60	Other Regulatory Liabilities (254)	278	58,031,192	54,884,685
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)		674,844,264	657,029,391
64	Accum. Deferred Income Taxes-Other (283)		77,903,661	79,944,277
65	Total Deferred Credits (lines 56 through 64)		869,215,316	851,288,259
66	TOTAL LIABILITIES AND STOCKHOLDER EQUITY (lines 16, 24, 35, 54 and 65)		3,595,767,769	3,514,729,406

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 column in 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	157,809,375	163,745,769	157,809,375	163,745,769
3	Operating Expenses					
4	Operation Expenses (401)	320-323	100,544,324	102,878,858	100,544,324	102,878,858
5	Maintenance Expenses (402)	320-323	17,514,746	15,560,166	17,514,746	15,560,166
6	Depreciation Expense (403)	336-337	22,074,264	19,587,259	22,074,264	19,587,259
7	Depreciation Expense for Asset Retirement Costs (403.1)	336-337	-288,638	-290,509	-288,638	-290,509
8	Amort. & Depl. of Utility Plant (404-405)	336-337	1,298,379	2,085,183	1,298,379	2,085,183
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)		38,046	38,046	38,046	38,046
13	(Less) Regulatory Credits (407.4)					
14	Taxes Other Than Income Taxes (408.1)	262-263	14,812,404	14,158,240	14,812,404	14,158,240
15	Income Taxes - Federal (409.1)	262-263	-821,942	-6,647,879	-821,942	-6,647,879
16	- Other (409.1)	262-263	201,574	-6,666	201,574	-6,666
17	Provision for Deferred Income Taxes (410.1)	234, 272-277	25,037,112	16,791,536	25,037,112	16,791,536
18	(Less) Provision for Deferred Income Taxes-Cr. (411.1)	234, 272-277	28,779,965	10,848,494	28,779,965	10,848,494
19	Investment Tax Credit Adj. - Net (411.4)	266	-388,242	-298,080	-388,242	-298,080
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)		1,874,523	1,713,052	1,874,523	1,713,052
25	TOTAL Utility Operating Expenses (Enter Total of lines 4 thru 24)		153,116,585	154,720,712	153,116,585	154,720,712
26	Net Util Oper Inc (Enter Tot line 2 less 25) Carry to Pg117, line 27		4,692,790	9,025,057	4,692,790	9,025,057

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		Line No.
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)	
						1
157,809,375	163,745,769					2
						3
100,544,324	102,878,858					4
17,514,746	15,560,166					5
22,074,264	19,587,259					6
-288,638	-290,509					7
1,298,379	2,085,183					8
						9
						10
						11
38,046	38,046					12
						13
14,812,404	14,158,240					14
-821,942	-6,647,879					15
201,574	-6,666					16
25,037,112	16,791,536					17
28,779,965	10,848,494					18
-388,242	-298,080					19
						20
						21
						22
						23
1,874,523	1,713,052					24
153,116,585	154,720,712					25
4,692,790	9,025,057					26

STATEMENT OF INCOME FOR THE YEAR (continued)

Line No.	Title of Account (a)	(Ref.) Page No. (b)	TOTAL		Current 3 Months Ended Quarterly Only No 4th Quarter (e)	Prior 3 Months Ended Quarterly Only No 4th Quarter (f)
			Current Year (c)	Previous Year (d)		
27	Net Utility Operating Income (Carried forward from page 114)		4,692,790	9,025,057	4,692,790	9,025,057
28	Other Income and Deductions					
29	Other Income					
30	Nonutility Operating Income					
31	Revenues From Merchandising, Jobbing and Contract Work (415)		110,426	177,922	110,426	177,922
32	(Less) Costs and Exp. of Merchandising, Job. & Contract Work (416)		151,592	154,316	151,592	154,316
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)		1,568,571	1,535,872	1,568,571	1,535,872
38	Allowance for Other Funds Used During Construction (419.1)		2,336,373	4,274,702	2,336,373	4,274,702
39	Miscellaneous Nonoperating Income (421)		3,123,653	5,110,334	3,123,653	5,110,334
40	Gain on Disposition of Property (421.1)		545,029		545,029	
41	TOTAL Other Income (Enter Total of lines 31 thru 40)		7,532,460	10,944,514	7,532,460	10,944,514
42	Other Income Deductions					
43	Loss on Disposition of Property (421.2)					
44	Miscellaneous Amortization (425)		75,562	75,562	75,562	75,562
45	Donations (426.1)		81,440	102,150	81,440	102,150
46	Life Insurance (426.2)		42,765	42,985	42,765	42,985
47	Penalties (426.3)			3		3
48	Exp. for Certain Civic, Political & Related Activities (426.4)		163,326	187,939	163,326	187,939
49	Other Deductions (426.5)		496,995	65,113	496,995	65,113
50	TOTAL Other Income Deductions (Total of lines 43 thru 49)		860,088	473,752	860,088	473,752
51	Taxes Applicable to Other Income and Deductions					
52	Taxes Other Than Income Taxes (408.2)	262-263	1,236	2,155	1,236	2,155
53	Income Taxes-Federal (409.2)	262-263	997,501	1,245,821	997,501	1,245,821
54	Income Taxes-Other (409.2)	262-263	23,174	27,521	23,174	27,521
55	Provision for Deferred Inc. Taxes (410.2)	234, 272-277	176,289	221,890	176,289	221,890
56	(Less) Provision for Deferred Income Taxes-Cr. (411.2)	234, 272-277	54	108	54	108
57	Investment Tax Credit Adj.-Net (411.5)					
58	(Less) Investment Tax Credits (420)			-8,499		-8,499
59	TOTAL Taxes on Other Income and Deductions (Total of lines 52-58)		1,198,146	1,505,778	1,198,146	1,505,778
60	Net Other Income and Deductions (Total of lines 41, 50, 59)		5,474,226	8,964,984	5,474,226	8,964,984
61	Interest Charges					
62	Interest on Long-Term Debt (427)		16,118,614	15,998,794	16,118,614	15,998,794
63	Amort. of Debt Disc. and Expense (428)		264,008	262,437	264,008	262,437
64	Amortization of Loss on Required Debt (428.1)		221,481	221,481	221,481	221,481
65	(Less) Amort. of Premium on Debt-Credit (429)		5,224		5,224	
66	(Less) Amortization of Gain on Required Debt-Credit (429.1)					
67	Interest on Debt to Assoc. Companies (430)					
68	Other Interest Expense (431)		632,498	293,064	632,498	293,064
69	(Less) Allowance for Borrowed Funds Used During Construction-Cr. (432)		1,658,328	2,621,012	1,658,328	2,621,012
70	Net Interest Charges (Total of lines 62 thru 69)		15,573,049	14,154,764	15,573,049	14,154,764
71	Income Before Extraordinary Items (Total of lines 27, 60 and 70)		-5,406,033	3,835,277	-5,406,033	3,835,277
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)		-5,406,033	3,835,277	-5,406,033	3,835,277

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		1,094,535,966	1,057,500,972
2	Changes			
3	Adjustments to Retained Earnings (Account 439)			
4				
5				
6				
7				
8				
9	TOTAL Credits to Retained Earnings (Acct. 439)			
10				
11				
12				
13				
14				
15	TOTAL Debits to Retained Earnings (Acct. 439)			
16	Balance Transferred from Income (Account 433 less Account 418.1)		-5,406,033	84,093,567
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		-11,928,360	(47,058,573)
32				
33				
34				
35				
36	TOTAL Dividends Declared-Common Stock (Acct. 438)		-11,928,360	(47,058,573)
37	Transfers from Acct 216.1, Unapprop. Undistrib. Subsidiary Earnings			
38	Balance - End of Period (Total 1,9,15,16,22,29,36,37)		1,077,201,573	1,094,535,966
	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)		1,077,201,573	1,094,535,966
	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)			

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)	-5,406,033	3,835,277
3	Noncash Charges (Credits) to Income:		
4	Depreciation and Depletion	22,074,264	19,587,259
5	Amortization of Other	4,435,660	5,392,186
6	Amortization of Nuclear Fuel	11,867,250	11,481,588
7			
8	Deferred Income Taxes (Net)	-3,566,616	6,164,822
9	Investment Tax Credit Adjustment (Net)	-388,242	-289,581
10	Net (Increase) Decrease in Receivables	8,296,271	5,827,774
11	Net (Increase) Decrease in Inventory	1,068,258	-1,188,062
12	Net (Increase) Decrease in Allowances Inventory	-9,768	-1,595
13	Net Increase (Decrease) in Payables and Accrued Expenses	-18,288,831	-29,832,538
14	Net (Increase) Decrease in Other Regulatory Assets	-841,680	10,024,921
15	Net Increase (Decrease) in Other Regulatory Liabilities	4,104,010	5,434,064
16	(Less) Allowance for Other Funds Used During Construction	2,336,373	4,274,702
17	(Less) Undistributed Earnings from Subsidiary Companies		
18	Other (provide details in footnote):	-1,196,038	-2,636,076
19			
20	Deferred Charges and Credits	-1,969,696	-345,784
21	Net (Increase) Decrease in Prepayments and Other	-2,731,931	-2,690,800
22	Net Cash Provided by (Used in) Operating Activities (Total 2 thru 21)	15,110,505	26,488,753
23			
24	Cash Flows from Investment Activities:		
25	Construction and Acquisition of Plant (including land):		
26	Gross Additions to Utility Plant (less nuclear fuel)	-56,669,587	-80,760,841
27	Gross Additions to Nuclear Fuel	-12,511,265	-11,509,597
28	Gross Additions to Common Utility Plant		
29	Gross Additions to Nonutility Plant		
30	(Less) Allowance for Other Funds Used During Construction	-2,336,373	-4,274,702
31	Other (provide details in footnote):		
32			
33			
34	Cash Outflows for Plant (Total of lines 26 thru 33)	-66,844,479	-87,995,736
35			
36	Acquisition of Other Noncurrent Assets (d)		
37	Proceeds from Disposal of Noncurrent Assets (d)	595,623	
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)		

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)	-26,543,519	-26,960,818
54	Investment in Decommissioning Trust Fund (Sales and Maturities)	24,078,015	24,642,259
55	Other (provide details in footnote):	-750,346	-229,896
56	Net Cash Provided by (Used in) Investing Activities		
57	Total of lines 34 thru 55)	-69,464,706	-90,544,191
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:	96,530,246	70,851,957
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)	253,581,746	70,851,957
71			
72	Payments for Retirement of:		
73	Long-term Debt (b)		
74	Preferred Stock		
75	Common Stock		
76	Other Financing Activities	-1,428,361	-459,243
77	Financing and Capital Lease Obligations	-152,343,388	-27,039,366
78	Net Decrease in Short-Term Debt (c)		
79	Tax (Obligations) Benefits from Long-Term Incentive Plans	-363,963	-525,740
80	Dividends on Preferred Stock		
81	Dividends on Common Stock	-11,928,360	-11,302,571
82	Net Cash Provided by (Used in) Financing Activities		
83	(Total of lines 70 thru 81)	87,517,674	31,525,037
84			
85	Net Increase (Decrease) in Cash and Cash Equivalents		
86	(Total of lines 22,57 and 83)	33,163,473	-32,530,401
87			
88	Cash and Cash Equivalents at Beginning of Period	8,149,008	40,503,836
89			
90	Cash and Cash Equivalents at End of period	41,312,481	7,973,435

Name of Respondent El Paso Electric Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2016/Q1
FOOTNOTE DATA			

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

	2016	2015
Other:		
Net Gain on Sale of Property, Plant and Equipment	\$ (545,029)	\$ -
Net Gains on Equity Investments	(1,388,146)	(3,745,447)
Amortization of Unearned Compensation	937,388	1,015,449
Unrealized Losses on Investments in Debt Securities	27,986	27,598
Other Operating Activities	(228,237)	66,324
Total	\$ (1,196,038)	\$ (2,636,076)

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

	2016	2015
Other:		
Net Customer Advances for Construction	\$ (56,340)	\$ (960,867)
Net Salvage Value and Cost of Removal	(694,006)	730,971
Total	\$ (750,346)	\$ (229,896)

Name of Respondent El Paso Electric Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report / /	Year/Period of Report End of <u>2016/Q1</u>
--	---	-----------------------	--

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 Commission orders or other authorizations respecting classification of amounts as plant adjustments and requirements as to disposition thereof.
4. Where Accounts 189, Unamortized Loss on Recquired Debt, and 257, Unamortized Gain on Recquired Debt, are not used, give an explanation, providing the rate treatment given these items. See General Instruction 17 of the Uniform System of Accounts.
5. Give a concise explanation of any retained earnings restrictions and state the amount of retained earnings affected by such restrictions.
6. If the notes to financial statements relating to the respondent company appearing in the annual report to the stockholders are applicable and furnish the data required by instructions above and on pages 114-121, such notes may be included herein.
7. For the 3Q disclosures, respondent must provide in the notes sufficient disclosures so as to make the interim information not misleading. Disclosures which would substantially duplicate the disclosures contained in the most recent FERC Annual Report may be omitted.
8. For the 3Q disclosures, the disclosures shall be provided where events subsequent to the end of the most recent year have occurred which have a material effect on the respondent. Respondent must include in the notes significant changes since the most recently completed year in such items as: accounting principles and practices; estimates inherent in the preparation of the financial statements; status of long-term contracts; capitalization including significant new borrowings or modifications of existing financing agreements; and changes resulting from business combinations or dispositions. However were material contingencies exist, the disclosure of such matters shall be provided even though a significant change since year end may not have occurred.
9. Finally, if the notes to the financial statements relating to the respondent appearing in the annual report to the stockholders are applicable and furnish the data required by the above instructions, such notes may be included herein.

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

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2016/Q1
El Paso Electric Company			
NOTES TO FINANCIAL STATEMENTS (Continued)			

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 March 31, 2016 Form 10-Q filed by the Company with the Securities and Exchange Commission. Notes A through I of the regulatory-basis financial statements are from the March 31, 2016 Form 10-Q 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 I 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 amounts 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.

Name of Respondent El Paso Electric Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2016/Q1
NOTES TO FINANCIAL STATEMENTS (Continued)			

Statement of Cash Flows

Cash and cash equivalents and amortization of other presented on the statement of cash flows for the three months ended March 31, 2016 and 2015 consist of the following (in thousands):

	<u>2016</u>	<u>2015</u>
Cash and Cash Equivalents:		
Cash (131)	\$ 41,095	\$ 7,751
Working funds (135)	64	102
Temporary cash investments (136)	<u>153</u>	<u>121</u>
Cash and cash equivalents at end of period	<u>\$ 41,312</u>	<u>\$ 7,974</u>
Amortization of Other:		
ARO depreciation (403.1)	\$ (289)	\$ (291)
Other utility plant (404)	1,298	2,085
Regulatory assets (407.3)	38	38
ARO liability accretion (411.10)	1,875	1,713
Miscellaneous amortization (425)	76	76
Debt expense (428)	264	262
Loss on reacquired debt (428.1)	221	221
Debt premium (429)	(5)	-
Interest rate lock losses	122	114
RCF issuance costs	40	42
Dry cask storage amortization	500	836
Coal reclamation amortization	<u>296</u>	<u>296</u>
	<u>\$ 4,436</u>	<u>\$ 5,392</u>

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2016/Q1
El Paso Electric Company			
NOTES TO FINANCIAL STATEMENTS (Continued)			

A. Principles of Preparation

These condensed regulatory-basis financial statements should be read in conjunction with the regulatory-basis financial statements and notes thereto in the Annual Report of El Paso Electric Company on FERC Form No. 1 for the fiscal year ended December 31, 2015 (the "2015 FERC Form No. 1"). Capitalized terms used in this report and not defined herein have the meaning ascribed to such terms in the 2015 FERC Form No. 1. In the opinion of the Company's management, the accompanying regulatory-basis financial statements contain all adjustments necessary to present fairly the financial position of the Company at March 31, 2016 and December 31, 2015; the results of its operations for the three months ended March 31, 2016 and 2015; its comprehensive operations for the three months ended March 31, 2016 and the year ended December 31, 2015; and its cash flows for the three months ended March 31, 2016 and 2015. The results of operations, comprehensive operations, and the cash flows for the three months ended March 31, 2016 are not necessarily indicative of the results to be expected for the full calendar year.

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 PUCT, the NMPRC, and the FERC), which is a comprehensive basis of accounting other than GAAP.

Use of Estimates. The preparation of regulatory-basis 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.

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 presents revenues net of sales taxes in its regulatory-basis statement of income.

Supplemental Cash Flow Disclosures (in thousands)

	Three Months Ended March 31,	
	2016	2015
Cash paid (received) for:		
Interest on long-term debt and borrowing under the revolving credit facility	\$ 10,666	\$ 10,117
Income tax paid (refunded), net	66	(807)
Non-cash investing and financing activities:		
Changes in accrued plant additions	(5,882)	(5,207)
Grants of restricted shares of common stock	653	523

New Accounting Standards. In May 2015, the FASB issued Accounting Standards Update ("ASU") 2015-07, Fair Value Measurement (Topic 820) to eliminate the requirement to categorize investments in the fair value hierarchy if the fair value is measured at net asset value ("NAV") per share (or its equivalent) using the practical expedient in the FASB's fair value measurement guidance. Reporting entities must still provide sufficient information to enable users to reconcile total investments in the fair value hierarchy and total investments measured at fair value in the financial statements. Additionally, the scope of current disclosure requirements for investments eligible to be measured at NAV will be limited to investments to which the practical expedient is applied. This ASU is effective in fiscal years beginning after December 15, 2015, and interim periods within those fiscal years. The ASU requires retrospective application. The Company implemented ASU 2015-07 in the first quarter of 2016, retrospectively to all prior periods presented in the Company's fair value disclosures. This guidance required a revision of the fair value disclosures but did not impact the Company's regulatory-basis financial statements. The implementation of ASU 2015-07 did not have a material impact on the Company's results of operations. See Note I.

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2016/Q1
El Paso Electric Company			
NOTES TO FINANCIAL STATEMENTS (Continued)			

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. ASU 2014-09 is the result of a joint effort by the FASB and the International Accounting Standards Board intended to clarify the principles for recognizing revenue and to develop a common revenue standard for GAAP and International Financial Reporting Standards. ASU 2014-09 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. ASU 2014-09 was originally intended to be effective for annual periods and interim periods within that reporting period beginning after December 15, 2016, for public business entities. In August 2015, FASB issued ASU 2015-14 to defer the effective date of ASU 2014-09 for all entities by one year. Public business entities will apply the guidance in ASU 2014-09 to annual reporting periods beginning after December 15, 2017 and interim periods within that reporting period. In March 2016, the FASB issued ASU 2016-08 to clarify the implementation guidance on principal versus agent consideration. In April 2016, the FASB issued ASU 2016-10 to clarify the implementation guidance on identifying performance obligations and licensing. Early adoption of ASU 2014-09 is permitted after December 15, 2016. The Company has not selected a transition method and is currently assessing the future impact of this ASU.

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 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 unless the investments qualify for the new practicability exception. The guidance for classifying and measuring investments in debt securities and loans are not changed by this ASU, but requires entities to record changes in instrument-specific credit risk for financial liabilities measured under the fair value option in other comprehensive income. Financial assets and financial liabilities must be separately presented by measurement category and form of financial asset on the balance sheet or in the accompanying notes to the 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 standard includes a requirement that businesses must report changes in the fair value of their own liabilities in other comprehensive income instead of earnings, and this is the only provision of the update for which the FASB is permitting early adoption. The remaining provisions of this ASU become effective for public companies for fiscal years beginning after December 15, 2017, including interim periods within those fiscal years. The Company is currently assessing the future impact of this ASU.

In February 2016, the FASB issued ASU 2016-02, Leases (Topic 842) to increase transparency and comparability among organizations by recognizing lease assets and lease liabilities on the balance sheet and requiring qualitative and quantitative disclosures on leasing agreements. ASU 2016-02 maintains a distinction between finance leases and operating leases similar to the distinction under previous 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 statement of financial position, 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. 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 for public companies will be required for annual reporting periods beginning after December 15, 2018, and interim periods within that reporting period. Early adoption of ASU 2016-02 is permitted for all entities. 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 assessing the future impact of this ASU.

In March 2016, the FASB issued ASU 2016-09, Compensation – Stock Compensation (Topic 718) Improvements to Employee Share-Based Payment Accounting to simplify the accounting for share-based payment transactions, including the income tax consequences, classification of awards either as equity or liabilities, and classification on the statements of cash flows. This ASU is effective for annual periods beginning after December 15, 2016, and interim periods within those annual periods. Early adoption is permitted. The Company is currently assessing the future impact of this ASU.

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2016/Q1
El Paso Electric Company			
NOTES TO FINANCIAL STATEMENTS (Continued)			

B. 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

2012 Texas Retail Rate Case. On April 17, 2012, the El Paso City Council approved the settlement of the Company's 2012 Texas retail rate case and fuel reconciliation in PUCT Docket No. 40094. The PUCT issued a final order approving the settlement on May 23, 2012 and the rates were effective as of May 1, 2012. As part of the 2012 Texas retail rate settlement, the Company agreed to submit a future fuel reconciliation request covering the period beginning July 1, 2009 and ending no later than June 30, 2013 by December 31, 2013 or as part of its next rate case, if earlier. The Company filed a fuel reconciliation request covering the period July 1, 2009 through March 31, 2013, as discussed below. The 2012 Texas retail rate settlement also provided for the continuation of the energy efficiency cost recovery factor and the military base discount recovery factor. Both of these surcharges require annual filings to reconcile and revise the recovery factors.

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 of approximately \$71.5 million. The request includes recovery of new plant placed into service since 2009. Rate case expenses of \$1.8 million, amortized over 3 years, were included in the \$71.5 million request. On January 15, 2016, the Company filed its rebuttal testimony modifying the requested increase to \$63.3 million, which included severing the \$1.8 million of rate case expenses from this rate case. A motion was granted to sever and establish a new docket (Docket No. 45475). The Company has invoked its statutory right to have its new rates relate back for consumption on and after January 12, 2016, which is the 155th day after the filing. The difference in rates that would have been billed will be surcharged or refunded to customers beginning after the PUCT's final order in Docket No. 44941. The PUCT has the authority to require the Company to surcharge or refund such difference over a period not to exceed 18 months. On January 21, 2016, the Company, the City of El Paso, the PUCT Staff, the Office of Public Utility Counsel and Texas Industrial Energy Consumers filed a joint motion to abate the procedural schedule to facilitate settlement talks. This motion was granted.

On March 29, 2016, the majority of parties to PUCT Docket No. 44941 filed a non-unanimous Stipulation and Agreement ("Settlement Agreement"), together with a motion to implement it. The Settlement Agreement would resolve all issues in this rate case except for one revenue requirement issue involving the Company's interest in Units 4 and 5 of the Four Corners power plant ("Four Corners"). The Settlement Agreement includes, among other things: (i) an annual non-fuel base rate increase of \$37 million; (ii) the potential for an additional base rate increase of \$8 million related to Four Corners costs after a hearing and decision; (iii) a change in estimated asset lives which would lower annual depreciation expense by approximately \$8.5 million; (iv) a return on equity of 9.7% for AFUDC purposes; and (v) a determination that substantially all new plant in service was reasonable and necessary and therefore would be recoverable in rate base. Approximately 76% of the Company's customers are in Texas.

The Administrative Law Judges ("ALJs") hearing the case approved interim rates for the \$37 million annual increase outlined in the Settlement Agreement on March 30, 2016. The interim rates are effective as of April 1, 2016 and are subject to refund or surcharge pending resolution by the PUCT. Four parties have indicated that they oppose the Settlement Agreement, and they are entitled to a hearing on the Settlement Agreement. Additionally, the four parties who did not join in the Settlement Agreement filed a motion challenging the adequacy of the initial notice provided by the Company with respect to the treatment of residential customers with solar systems.

On April 22, 2016, the ALJs issued an Order Setting a Procedural Schedule, which calls for a hearing on June 21-22, 2016 on the merits of the proposed settlement of the rate case, not including the Four Corners issue. Additionally, the April 22, 2016 order by the ALJs ruled against the four parties on the notice issue. The four parties then appealed to the PUCT the ALJs decision on the notice

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2016/Q1
El Paso Electric Company			
NOTES TO FINANCIAL STATEMENTS (Continued)			

issue.

On May 19, 2016, the PUCT ruled that the initial notice provided by the Company did not include the treatment of residential customers with solar systems that was subsequently contained in the Settlement Agreement executed by the Company. The Company cannot predict the timing and outcome of this rate case at this time.

Given the uncertainty regarding the ultimate resolution of this rate case, the Company did not record any impacts of the Settlement Agreement in the first quarter of 2016. As discussed above, upon resolution of this rate case, the Company expects to record revenues under the new rate structure for consumption on or after January 12, 2016.

Energy Efficiency Cost Recovery Factor. The Company made its annual filing to establish its energy efficiency cost recovery factor for 2015 on May 1, 2014. In addition to projected energy efficiency costs for 2015 and true-up to prior year actual costs, the Company requested approval of a \$2.0 million bonus for the 2013 energy efficiency program results in accordance with PUCT rules. The PUCT approved the Company's request at its November 14, 2014 open meeting. The Company recorded the \$2.0 million bonus as operating revenue in the fourth quarter of 2014.

On May 1, 2015, the Company made its annual filing to establish its energy efficiency cost recovery factor for 2016. In addition to projected energy efficiency costs for 2016 and a true-up to prior year actual costs, the Company requested approval of a \$1.0 million bonus for the 2014 energy efficiency program results in accordance with PUCT rules. This case was assigned PUCT Docket No. 44677. A stipulation and settlement agreement was filed September 24, 2015 and the PUCT approved the settlement on November 5, 2015. The settlement approved by the PUCT includes a performance bonus of \$1.0 million. The Company recorded the performance bonus as operating revenue in the fourth quarter of 2015.

On April 29, 2016, the Company made its annual filing to establish its energy efficiency cost recovery factor for 2017. In addition to projected energy efficiency costs for 2017 and true-up to prior year actual costs, the Company requested approval of a \$668 thousand bonus for the 2015 energy efficiency program results in accordance with PUCT rules. This case was assigned PUCT Docket No. 45855. The Company expects the Commission will make a final decision in the proceeding before the end of 2016.

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 April 15, 2015, the Company filed a request, which was assigned PUCT Docket No. 44633, to reduce its fixed fuel factor by approximately 24% to reflect reduced fuel expenses primarily related to a reduction in the price of natural gas used to generate power. The over-recovered balance was below the PUCT's materiality threshold. The reduction in the fixed fuel factor was effective on an interim basis May 1, 2015 and approved by the PUCT on May 20, 2015. As of March 31, 2016, the Company had over-recovered fuel costs in the amount of \$5.2 million for the Texas jurisdiction.

Fuel Reconciliation Proceeding. Pursuant to the 2012 Texas retail rate settlement discussed above, on September 27, 2013, the Company filed an application with the PUCT, designated as PUCT Docket No. 41852, to reconcile \$545.3 million of fuel and purchased power expenses incurred during the 45-month period from July 1, 2009 through March 31, 2013. A settlement was reached and a final order was issued by the PUCT on July 11, 2014 with no significant adjustments. The PUCT's final order completes the regulatory review and reconciliation of the Company's fuel expenses for the period through March 31, 2013. The Company is required to file an application by the end of the third quarter of 2016 for fuel reconciliation of the Company's fuel expenses for the period through March 31, 2016.

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2016/Q1
El Paso Electric Company			
NOTES TO FINANCIAL STATEMENTS (Continued)			

Montana Power Station ("MPS") Approvals. The Company has received a Certificate of Convenience and Necessity ("CCN") from the PUCT to construct four natural gas fired generating units at MPS in El Paso County, Texas. The Company also obtained air permits from the Texas Commission on Environmental Quality (the "TCEQ") and the U.S. Environmental Protection Agency (the "EPA"). MPS Units 1 and 2 and associated transmission lines and common facilities were completed and placed into service in March 2015. MPS Unit 3 was completed and placed into service on May 3, 2016.

Community Solar. On June 8, 2015, the Company filed a petition with the PUCT to initiate a community solar program to include construction and ownership of a 3 MW solar photovoltaic system located at MPS. Participation will be on a voluntary basis, and customers will contract for a set capacity (kW) amount and receive all energy produced. This case was assigned PUCT Docket No. 44800. The Company has presented settlement documents to the other parties and the other parties are in the process of evaluating them.

Four Corners Generating Station ("Four Corners"). 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 purchase by APS of the Company's interests in Four Corners. The Purchase and Sale Agreement included a projected cash purchase price which will be equal to the net book value of our interest in Four Corners at the date of close. The net book value at June 30, 2016 is expected to approximate \$29 million. The Company will also be reimbursed for certain undepreciated capital expenditures, that are projected to approximate \$5 million at June 30, 2016. The purchase price will be adjusted downward to reflect APS's assumption of the Company's obligation to pay for future plant decommissioning and mine reclamation expenses estimated at July 6, 2016 to be \$7.0 million and \$19.3 million, respectively.

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. The anticipated closing date of the sale is July 6, 2016, pending regulatory approval. This case was assigned PUCT Docket No. 44805. On January 11, 2016, the PUCT referred the case to the State Office of Administrative Hearings ("SOAH") for an administrative hearing. On February 5, 2016, an administrative law judge ("ALJ") of the SOAH issued an order adopting a procedural schedule. The procedural schedule calls for a hearing on the merits to be held on October 6-7, 2016. At March 31, 2016, the regulatory asset associated with mine reclamation costs for our Texas jurisdiction approximated \$7.4 million. At the PUCT's February 11, 2016 open meeting, Commissioners discussed whether the Company's requests in this docket should instead be addressed in a rate case. On February 11, 2016, the PUCT issued its Order Requesting Briefing on Threshold Legal/Policy Issues, seeking briefs from the parties on the issue "Should the Commission dismiss this docket?" Such briefs were filed January 25, 2016. In a March 23, 2016 order, 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 mine reclamation costs, in the Company's next rate case, which is expected to be filed in early 2017.

The Company currently continues to recover its mine reclamation costs in Texas under previous orders and decisions of the PUCT. If any future determinations made by our regulators result in changes to how existing regulatory assets or previously incurred costs for Four Corners are recovered in rates, any such changes would be recognized only when it becomes probable future cash flows will change as a result of such regulatory actions.

Other Required Approvals. The Company has obtained other required approvals for tariffs and approvals as required by the Public Utility Regulatory Act (the "PURA") and the PUCT.

New Mexico Regulatory Matters

2009 New Mexico Stipulation. On December 10, 2009, the NMPRC issued a final order conditionally approving the stipulated rates in NMPRC Case No. 09-00171-UT. The stipulated rates went into effect with January 2010 bills. The stipulated rates provide for an Efficient Use of Energy Factor Rate Rider to recover energy efficiency expenditures which are updated annually for adjustment to the recovery factors.

2015 New Mexico Rate Case Filing. On May 11, 2015, the Company filed with the NMPRC in Case No. 15-00127-UT, for an annual increase in non-fuel base rates of approximately \$8.6 million or 7.1%. The request includes recovery of new plant placed into service since the last time rates were adjusted in 2009. The filing also requests an annual reduction of \$15.4 million, or 21.5%, for fuel and purchased power costs recovered in base rates. The reduction in fuel and purchased power rates reflects reduced fuel prices

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2016/Q1
El Paso Electric Company			
NOTES TO FINANCIAL STATEMENTS (Continued)			

and improvements in system heat rates due to new generating unit additions. Subsequently, the Company reduced its requested increase in non-fuel base rates to approximately \$6.4 million. On February 16, 2016, the Hearing Examiner issued a Recommended Decision to the NMPRC proposing an annual increase in non-fuel base rates of approximately \$640 thousand. The Company filed exceptions to the Recommended Decision to be considered by the NMPRC. During the open meeting on May 4, 2016, the NMPRC again extended the suspension period until June 10, 2016, by which time the NMPRC is expected to issue a final order. Approximately 24% of the Company's customers are in New Mexico. The Company cannot predict the outcome of the rate case at this time.

Fuel and Purchased Power Costs. Fuel and purchased power costs are 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. On January 8, 2014, the NMPRC approved the continuation of the FPPCAC without modification in NMPRC Case No. 13-00380-UT. Fuel and purchased power costs are reconciled to actual costs on a monthly basis and recovered or refunded to customers the second succeeding month. The Company recovers costs related to Palo Verde Unit 3 capacity and energy in New Mexico through the FPPCAC as purchased power using a proxy market price approved in the 2014 FPPCAC continuation. At March 31, 2016, the Company had a net fuel over-recovery balance of \$2.8 million in New Mexico.

Montana Power Station Approvals. The Company has received a CCN from the NMPRC to construct four units at MPS and the associated transmission lines. The Company also obtained all necessary air permits from the TCEQ and the EPA. A final order in NMPRC Case No. 13-00297-UT approving the CCN for MPS Units 3 and 4 was issued on June 11, 2014. MPS Units 1 and 2 and MPS to Caliente and MPS In & Out transmission lines were completed and placed into service in March 2015. MPS Unit 3 was completed and placed into service on May 3, 2016.

Four Corners. On February 17, 2015, the Company and APS entered into the Purchase and Sale Agreement providing for the purchase by APS of the Company's interests in Four Corners. On April 27, 2015, the Company filed an application requesting all necessary regulatory approvals to sell its ownership interest in Four Corners. The anticipated closing date of the sale is July 6, 2016, pending regulatory approval. This case was assigned NMPRC Case No. 15-00109-UT. On February 2, 2016, the Company filed a joint stipulation with the NMPRC reflecting a settlement agreement among the Commission Utility Division Staff, the Company and the New Mexico Attorney General proposing approval of abandonment and sale of its seven percent minority ownership interest in Four Corners Units 4 and 5 and common facilities to APS. An addendum to the joint stipulation was subsequently filed and the joint stipulation is unopposed. A hearing in the case was held on February 16, 2016, and the Hearing Examiner issued a Certification of Stipulation on April 22, 2016 recommending approval of the joint stipulation without modification. A NMPRC final order is expected in the first half of 2016. Based on the joint stipulation and addendum, no significant gain or loss is expected to be realized upon closing of the sale.

5 MW Holloman Air Force Base ("HAFB") Facility CCN. On June 15, 2015, the Company filed a petition with the NMPRC requesting CCN authorization to construct a 5 MW solar-powered generation facility to be located at HAFB in the Company's service territory in New Mexico. The new facility will be a dedicated Company-owned resource serving HAFB. This case was assigned NMPRC Case No. 15-00185-UT. On October 7, 2015, the NMPRC issued a Final Order accepting the Hearing Examiner's Recommended Decision to approve the CCN, as modified. The Company and HAFB are in discussions for a power sales agreement for the facility to replace the existing load retention agreement.

Issuance of Long-Term Debt and Guarantee of Debt. On October 7, 2015, the Company received approval in NMPRC Case No. 15-00280-UT to issue up to \$310 million in new long-term debt; and to guarantee the issuance of up to \$65 million of new debt by Rio Grande Resources Trust ("RGRT") to finance future purchases of nuclear fuel and to refinance existing nuclear fuel debt obligations. This approval supersedes prior approvals. Under this authorization, on March 24, 2016, the Company issued \$150 million in aggregate principal amount of 5.00% Senior Notes due December 1, 2044. The net proceeds from the issuance of these senior notes, after deducting the underwriters' commission, were \$158.1 million. These proceeds include accrued interest of \$2.4 million and a \$7.1 million premium before expenses. These senior notes constitute an additional issuance of the Company's 5.00% Senior Notes due 2044, of which \$150 million was previously issued on December 1, 2014, for a total principal amount outstanding of \$300 million.

Other Required Approvals. The Company has obtained other required approvals for other tariffs, securities transactions, recovery of energy efficiency costs through a base rate rider and other approvals as required by the NMPRC.

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2016/Q1
El Paso Electric Company			
NOTES TO FINANCIAL STATEMENTS (Continued)			

Federal Regulatory Matters

Four Corners. On June 26, 2015, APS filed an application requesting authorization from FERC to purchase 100% of the Company's ownership interest in Units 4 and 5 of Four Corners and the associated transmission interconnection facilities and rights. On December 22, 2015, FERC issued an order approving the proposed transaction.

Public Service Company of New Mexico ("PNM") Transmission Rate Case. On December 31, 2012, PNM filed with FERC to change its method of transmission rate recovery for its transmission delivery services from stated rates to formula rates. The Company takes transmission service from PNM and is among the PNM transmission customers affected by PNM's shift to formula rates. On March 1, 2013, the FERC issued an order rejecting in part PNM's filing, and establishing settlement judge and hearing procedures. On March 20, 2015, PNM filed with FERC a settlement agreement and offer of settlement resolving all issues set for hearing in the proceeding. On March 25, 2015, the Chief Judge issued an order granting PNM's motion to implement the settled rates. On March 17, 2016, FERC issued an order approving the settlement.

Revolving Credit Facility; Issuance of Long-Term Debt and Guarantee of Debt. On October 19, 2015, the FERC issued an order in Docket No. ES15-66-000 approving the Company's filing to issue short-term debt under its existing revolving credit facility ("RCF") up to \$400 million outstanding at any time, to issue up to \$310 million in long-term debt, and to guarantee the issuance of up to \$65 million of new long-term debt by RGRT to finance future nuclear fuel purchases. The authorization is effective from November 15, 2015 through November 15, 2017. This approval supersedes prior approvals. Under this authorization, on March 24, 2016, the Company issued \$150 million in aggregate principal amount of 5.00% Senior Notes due December 1, 2044. The net proceeds from the issuance of these senior notes, after deducting the underwriters' commission, were \$158.1 million. These proceeds include accrued interest of \$2.4 million and a \$7.1 million premium before expenses. These senior notes constitute an additional issuance of the Company's 5.00% Senior Notes due 2044, of which \$150 million was previously issued on December 1, 2014, for a total principal amount outstanding of \$300 million.

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

C. Palo Verde

Spent Nuclear Fuel and Waste Disposal

Pursuant to the Nuclear Waste Policy Act of 1982, as amended in 1987 (the "NWPA"), the U.S. Department of Energy (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 and payment of \$57.4 million by the DOE to the Palo Verde Participants for certain specified costs incurred by Palo Verde during the period January 1, 2007 through June 30, 2011. On October 8, 2014, the Company received approximately \$9.1 million, representing its share of the award. The majority of the award was credited to customers through the applicable fuel adjustment clauses. On October 31, 2014, APS acting on behalf of itself and the Palo Verde Participants, submitted to the government an additional request for reimbursement of spent nuclear fuel storage costs for the period July 1, 2011 through June 30, 2014. The accepted claim amount was \$42.0 million. On June 1, 2015, the Company received approximately \$6.6 million, representing its share of the award. The majority of the award was credited to customers through the applicable fuel adjustment clauses in March 2015. Thereafter APS will file annual claims for the period July 1 of the then-previous year to June 30 of the then-current year. On November 2, 2015, APS filed a \$12.0 million claim for the period July 1, 2014 through June 30, 2015. In February 2016, the DOE notified APS of the approval of the claim. Funds related to this claim were received in the first quarter of 2016. The Company's share of this claim is approximately \$1.9 million. The majority of the award was credited to customers through the applicable fuel adjustment clauses in March 2016.

Name of Respondent El Paso Electric Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2016/Q1
NOTES TO FINANCIAL STATEMENTS (Continued)			

D. Common Stock

Dividends. The Company paid \$11.9 million and \$11.3 million in quarterly cash dividends during the three months ended March 31, 2016 and 2015, respectively.

E. Income Taxes

The Company files income tax returns in the United States ("U.S.") federal jurisdiction and in the states of Texas, New Mexico and Arizona. The Company is no longer subject to tax examination by the taxing authorities in the federal and New Mexico jurisdictions for years prior to 2011. The Company is currently under audit in Texas for tax years 2007 through 2011 and in Arizona for tax years 2009 through 2012.

For the three months ended March 31, 2016 and 2015, the Company's regulatory-basis effective tax rate was 39.7% and 11.4%, respectively. The Company's regulatory-basis effective tax rate for the three months ended March 31, 2016 and 2015 differs from the federal statutory tax rate of 35.0% primarily due to capital gains in the decommissioning trusts which are taxed at the federal rate of 20.0% and the allowance for equity funds used during construction.

F. Commitments, Contingencies and Uncertainties

For a full discussion of commitments and contingencies, see Note J of Notes to Regulatory-Basis Financial Statements in the 2015 FERC Form No. 1. In addition, see Notes B and C above and Notes C and E of Notes to Regulatory-Basis Financial Statements in the 2015 FERC Form No.1 regarding matters related to wholesale power sales contracts and transmission contracts subject to regulation and Palo Verde, including decommissioning, spent nuclear fuel and waste disposal, and liability and insurance matters.

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 which 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. For a full discussion of power purchase and sale contracts that the Company has entered into with various counterparties, see Note J of Notes to Regulatory-Basis Financial Statements in the 2015 FERC Form No.1.

Environmental Matters

General. The Company is subject to extensive laws, regulations and permit requirements with respect to air and greenhouse gas 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. For a more detailed discussion of certain key environmental issues, laws and regulations facing the Company see Note J of Notes to Regulatory-Basis Financial Statements in the 2015 FERC Form No. 1.

Clean Air Interstate Rule/Cross State Air Pollution Rule. The EPA promulgated the Cross-State Air Pollution Rule ("CSAPR") in August 2011, which rule involves requirements to limit emissions of nitrogen oxides ("NOx") and sulfur dioxide ("SO2") from certain of the Company's power plants in Texas and/or purchase allowances representing other parties' emissions reductions. CSAPR was intended to replace the EPA's 2005 Clean Air Interstate Rule ("CAIR"). While the U.S. Court of Appeals for the District of Columbia Circuit ("D.C. Circuit") vacated CSAPR in August 2012 and allowed CAIR to stand until the EPA issued a proper replacement, on April 29, 2014, the U.S. Supreme Court reversed and upheld CSAPR, remanding certain portions of CSAPR to the D.C. Circuit for further consideration. On June 26, 2014, the EPA filed a motion asking the D.C. Circuit to lift its stay on CSAPR,

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2016/Q1
El Paso Electric Company			
NOTES TO FINANCIAL STATEMENTS (Continued)			

and on October 23, 2014, the D.C Circuit lifted its stay of CSAPR. On July 28, 2015, the D.C. Circuit ruled that the EPA's emissions budgets for 13 states including Texas are invalid but left the rule in place on remand. On December 3, 2015, EPA published the proposed CSAPR Update Rule. While we are unable to determine the full impact of this decision until EPA takes further action, the Company believes it is currently positioned to comply with CSAPR.

National Ambient Air Quality Standards ("NAAQS"). Under the CAA, the EPA sets NAAQS for six criteria pollutants considered harmful to public health and the environment, including PM, NOx, carbon monoxide ("CO"), ozone and SO2. NAAQS must be reviewed by the EPA at five-year intervals. In 2010, the EPA tightened the NAAQS for both nitrogen dioxide ("NO2") and SO2. The EPA is considering a 1-hour secondary NAAQS for NO2 and SO2. In January 2013, the EPA tightened the NAAQS for fine PM. On October 1, 2015, following on its November 2014 proposal, EPA released a final rule tightening the primary and secondary NAAQS for ground-level ozone from its 2008 standard levels of 75 parts per billion ("ppb") to 70 ppb. Ozone is the main component of smog. While not directly emitted into the air, it forms from precursors, including NOx and volatile organic compounds, in combination with sunlight. The EPA is expected to make attainment/nonattainment designations for the revised ozone standards by October 1, 2017. While it is currently unknown how the areas in which we operate will ultimately be designated, for nonattainment areas classified as "Moderate" and above, states, and any tribes that choose to do so, are expected to be required to complete development of implementation plans in the 2020-2021 timeframe. Most nonattainment areas are expected to have until 2020 or 2023 to meet the primary (health) standard, with the exact attainment date varying based on the ozone level in the area. The Company continues to evaluate what impact these final and proposed NAAQS could have on its operations. If the Company is required to install additional equipment to control emissions at its facilities, the NAAQS, individually or in the aggregate, could have a material impact on its operations and financial results.

Mercury and Air Toxics Standards. The operation of coal-fired power plants, such as Four Corners, results in emissions of mercury and other air toxics. In December 2011, the EPA finalized Mercury and Air Toxics Standards (known as the "MATS Rule") for oil- and coal-fired power plants, which requires significant reductions in emissions of mercury and other air toxics. Several judicial and other challenges have been made to this rule, and on June 29, 2015, the U.S. Supreme Court remanded the rule to the D.C. Circuit Court. On December 15, 2015, the D.C. Circuit Court issued an order remanding the rule to EPA but did not vacate the rule during remand. On April 15, 2016, the EPA completed a cost-benefit analysis of the MATS rule and reaffirmed its finding that the rule is "appropriate and necessary," which will be reviewed by the D.C. Circuit Court. The legal status of the MATS Rule notwithstanding, the Four Corners plant operator, APS, believes Units 4 and 5 will require no additional modifications to achieve compliance with the MATS Rule, as currently written. We cannot currently predict, however, what additional modifications or costs may be incurred if the EPA rewrites the MATS Rule on remand.

Other Laws and Regulations and Risks. The Company has entered into an agreement to sell its interest in Four Corners to APS at the expiration of the 50-year participation agreement in July 2016. The Company believes that it has better economic and cleaner alternatives for serving the energy needs of its customers than coal-fired generation, which is subject to extensive regulation and litigation. By ceasing its participation in Four Corners, the Company expects to avoid the significant cost required to install expensive pollution control equipment in order to continue operation of the plant as well as the risks of water availability that might adversely affect the amount of power available, or the price thereof, from Four Corners in the future. The closing of the transaction is subject to the receipt of regulatory approvals.

Coal Combustion Waste. On October 19, 2015, the EPA's final rule regulating the disposal of coal combustion residuals (the "CCR Rule") from electric utilities as solid waste took effect. The Company has a 7% ownership interest in Units 4 and 5 of Four Corners, the only coal-fired generating facility for which the Company has an ownership interest subject to the CCR Rule. The Company entered into a Purchase and Sale Agreement with APS in February 2015 to sell the Company's entire ownership interest in Four Corners. The CCR Rule requires plant owners to treat coal combustion residuals as Subtitle D (as opposed to a more costly Subtitle C) waste. In general, the Company is liable for only 7% of costs to comply with the CCR Rule (consistent with our ownership percentage). The Company, however, believes under the terms of the Purchase Agreement and after the pending sale, as a former owner, that the Company is not responsible for a significant portion of the costs under the CCR Rule, such as ongoing operational costs after July 2016. Accordingly, the Company does not expect the CCR Rule to have a significant impact on our financial condition or results of operations.

On November 3, 2015, the EPA published a final rule revising wastewater effluent limitation guidelines for steam electric power generators (the "Revised ELG Rule"). The Revised ELG Rule establishes requirements for wastewater streams from certain processes

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2016/Q1
El Paso Electric Company			
NOTES TO FINANCIAL STATEMENTS (Continued)			

at affected facilities, including limits on toxic metals in wastewater discharges. Facilities must comply with the Revised ELG Rule between 2018 and 2023. The EPA anticipates that the new requirements in the Revised ELG Rule will only affect certain coal-fired steam electric power plants. Because the Company is not expected to have an interest in Four Corners after July 2016, the Company does not expect the Revised ELG Rule will have a significant impact on our financial condition or results of operations.

In 2012, several environmental groups filed a lawsuit in federal district court against the Office of Surface Mining Reclamation and Enforcement ("OSM") of the U.S. Department of the Interior challenging OSM's 2012 approval of a permit revision which allowed for the expansion of mining operations into a new area of the mine that serves Four Corners ("Area IV North"). In April 2015, the court issued an order invalidating the permit revision, thereby prohibiting mining in Area IV North until OSM takes action to cure the defect in its permitting process identified by the court. On December 29, 2015, OSM took action to cure the defect in its permitting process by issuing a revised environmental assessment and finding of no new significant impact, and reissued the permit. This action is subject to possible judicial review. On March 30, 2016, the U.S. Court of Appeals vacated and dismissed the federal court decision that halted operations in Area IV North at the Navajo Mine.

On April 20, 2016, environmental groups filed a new complaint in Arizona's federal district court, challenging multiple permits and approvals issued to both the Navajo Mine and Four Corners authorizing operations from July 2016 onwards. The complaint seeks to enjoin federal agencies, including the OSM and Bureau of Indian Affairs, from authorizing any element of the power plant or mine without further environmental impact analysis.

Climate Change. In recent years, there has been increasing public debate regarding the potential impact on global climate change. There has been a wide-ranging policy debate, both nationally and internationally, regarding the impact of GHG and possible means for their regulation. In addition, efforts have been made and continue to be made in the international community toward the adoption of international treaties or protocols that would address global climate change issues. Most recently, in 2015, the United States participated in the United Nations Conference on Climate Change, which led to creation of the Paris Agreement. On April 22, 2016, 175 countries including the United States signed the Paris Agreement, signaling their intent to join. Those countries that subsequently ratify the agreement will be required to review and "represent a progression" in their intended nationally determined contributions, which set GHG emission reduction goals, every five years beginning in 2020.

The U.S. federal government has either considered, proposed and/or finalized legislation or regulations limiting GHG emissions, including carbon dioxide. In particular, the U.S. Congress has considered legislation to restrict or regulate GHG emissions. In the past few years, the EPA began using the CAA to regulate carbon dioxide and other GHG emissions, such as the 2009 GHG Reporting Rule and the EPA's sulfur hexafluoride ("SF6") reporting rule, both of which apply to the Company, as well as the EPA's 2010 actions to impose permitting requirements on new and modified sources of GHG emissions. After announcing his plan to address climate change in 2013, the President directed the EPA to issue proposals for GHG rulemaking addressing power plants. In October 2015, the EPA published a final rule establishing new source performance standards ("NSPS") limiting CO2 emissions from new, modified and reconstructed electric generating units. In October 2015, the EPA also published a rule establishing guidelines for states to regulate CO2 emissions from existing power plants, as well as a proposed "federal plan" to address CO2 emissions from affected units in those states that do not submit an approvable compliance plan. The standards for existing plants are known as the Clean Power Plan ("CPP"), under which rule interim emissions performance rates must be achieved beginning in 2022 and final emissions performance rates by 2030. Legal challenges to the CPP were filed by groups of states and industry members. On February 9, 2016, the U.S. Supreme Court issued a decision to stay the rule until legal issues are resolved. We cannot at this time determine the impact the CPP and related rules and legal challenges may have on our financial position, results of operations or cash flows.

New Mexico Tax Matter Related to Coal Supplied to Four Corners

On May 23, 2013, the New Mexico Taxation and Revenue Department ("NMTRD") issued a notice of assessment for coal severance surtax, penalty, and interest totaling approximately \$30 million related to coal supplied under the coal supply agreement for Four Corners (the "Assessment"). The Company's share of the Assessment is approximately \$1.5 million. On behalf of the Four Corners participants, the coal supplier made a partial payment of the Assessment and immediately filed a refund claim with respect to that partial payment in August 2013. The NMTRD denied the refund claim. On December 19, 2013, the coal supplier and APS, on its own behalf and as operating agent for Four Corners, filed complaints with the New Mexico District Court contesting both the validity of the Assessment and the refund claim denial. On June 30, 2015, the court ruled that the Assessment was not valid and further ruled that APS and the other Four Corners co-owners receive a refund of all of the contested amounts previously paid under the applicable tax statute. The NMTRD filed a Notice of Appeal on August 31, 2015 with respect to the decision. Thereafter, APS and the coal

Name of Respondent El Paso Electric Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2016/Q1
NOTES TO FINANCIAL STATEMENTS (Continued)			

supplier agreed to terms for a settlement with the NMTRD with respect to the Assessment. Pursuant to the final settlement agreement, the NMTRD agreed to release the Assessment, dismiss its filed appeal, and release its rights to any other surtax claims with respect to the coal supply agreement. APS and the other Four Corners participants agreed to forgo refund rights with respect to all the contested amounts previously paid under the applicable tax statute, in addition to a \$1.0 million settlement payment. The Company paid its share of this settlement, approximately \$47 thousand, in April 2016.

G. 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 Notes B and F above and Notes C and J of the Notes to Regulatory-Basis Financial Statements in the 2015 FERC Form No. 1 for discussion of the effects of government legislation and regulation on the Company.

H. Employee Benefits

Retirement Plans

The net periodic benefit cost recognized for the three months ended March 31, 2016 and 2015 is made up of the components listed below as determined using the projected unit credit actuarial cost method (in thousands):

	Three Months Ended March 31,	
	2016	2015
Components of net periodic benefit cost:		
Service cost	\$ 1,905	\$ 2,100
Interest Cost	3,265	3,625
Expected return on plan assets	(4,712)	(4,947)
Amortization of:		
Net loss	1,888	2,750
Prior service benefit	(878)	(888)
Net periodic benefit cost	<u>\$ 1,468</u>	<u>\$ 2,640</u>

During the three months ended March 31, 2016, the Company contributed \$1.8 million of its projected \$6.2 million 2016 annual contribution to its retirement plans.

Name of Respondent El Paso Electric Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2016/Q1
NOTES TO FINANCIAL STATEMENTS (Continued)			

Other Postretirement Benefits

The net periodic benefit cost recognized for the three months ended March 31, 2016 and 2015 is made up of the components listed below (in thousands):

	Three Months Ended March 31,	
	2016	2015
Components of net periodic benefit cost:		
Service cost	\$ 715	\$ 875
Interest Cost	873	1,025
Expected return on plan assets	(460)	(525)
Amortization of:		
Prior service benefit	(788)	(775)
Net gain	(665)	(500)
Net periodic benefit cost (benefit)	<u>\$ (325)</u>	<u>\$ 100</u>

During the three months ended March 31, 2016, the Company contributed \$0.6 million of its projected \$1.7 million 2016 annual contribution to its other postretirement benefits plan.

I. 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):

	March 31, 2016		December 31, 2015	
	Carrying Amount	Estimated Fair Value	Carrying Amount	Estimated Fair Value
Pollution Control Bonds	\$ 193,135	\$ 212,123	\$ 193,135	\$ 212,624
Senior Notes	1,003,222	1,159,850	846,149	829,864
RGRT Senior Notes (1)	95,000	101,190	95,000	100,345
RCF (1)	87,626	87,626	143,439	143,439
Total	<u>\$ 1,378,983</u>	<u>\$ 1,560,789</u>	<u>\$ 1,277,723</u>	<u>\$ 1,286,272</u>

(1) Nuclear fuel capital lease obligations, as of March 31, 2016 and December 31, 2015, are funded through the \$95 million RGRT Senior Notes and \$37.6 million and \$35.4 million, respectively, under the RCF. As of March 31, 2016, \$50.0 million was outstanding under the RCF for working capital or general corporate purposes. As of December 31, 2015, \$108.0 million was outstanding under the RCF for working capital or general corporate purposes. The interest rate on the Company's borrowings under the RCF is reset throughout the quarter reflecting current market rates. Consequently, the carrying value approximates fair value.

Name of Respondent El Paso Electric Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2016/Q1
NOTES TO FINANCIAL STATEMENTS (Continued)			

Marketable Securities. The Company's marketable securities, included in decommissioning trust funds in the regulatory-basis balance sheets, are reported at fair value which was \$243.7 million and \$239.0 million at March 31, 2016 and December 31, 2015, 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):

	March 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 (1):						
Federal Agency Mortgage Backed Securities	\$ 996	\$ (2)	\$ 1,109	\$ (23)	\$ 2,105	\$ (25)
U.S. Government Bonds	8,656	(51)	13,666	(501)	22,322	(552)
Municipal Obligations	3,569	(42)	8,681	(513)	12,250	(555)
Corporate Obligations	3,128	(170)	2,949	(276)	6,077	(446)
Total Debt Securities	16,349	(265)	26,405	(1,313)	42,754	(1,578)
Common Stock	3,441	(620)	—	—	3,441	(620)
Institutional Equity Funds-International Equity	21,856	(1,321)	—	—	21,856	(1,321)
Total Temporarily Impaired Securities	\$ 41,646	\$ (2,206)	\$ 26,405	\$ (1,313)	\$ 68,051	\$ (3,519)

(1) Includes 105 securities.

	March 31, 2015					
	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	\$ 9,383	\$ (97)	\$ 1,113	\$ (47)	\$ 10,496	\$ (144)
U.S. Government Bonds	24,094	(310)	14,272	(623)	38,366	(933)
Municipal Obligations	8,286	(160)	7,388	(446)	15,674	(606)
Corporate Obligations	6,058	(722)	2,307	(228)	8,365	(950)
Total Debt Securities	47,821	(1,289)	25,080	(1,344)	72,901	(2,633)
Common Stock	3,584	(344)	—	—	3,584	(344)
Institutional Equity Funds-International Equity	22,454	(768)	—	—	22,454	(768)
Total Temporarily Impaired Securities	\$ 73,859	\$ (2,401)	\$ 25,080	\$ (1,344)	\$ 98,939	\$ (3,745)

(2) Includes 133 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.

Name of Respondent El Paso Electric Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2016/Q1
NOTES TO FINANCIAL STATEMENTS (Continued)			

For the three months ended March 31, 2016 and 2015, the Company recognized other than temporary impairment losses on its available-for-sale securities as follows (in thousands):

	Three Months Ended	
	March 31,	
	2016	2015
Unrealized holding losses included in pre-tax income	\$ (156)	\$ —

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):

	March 31, 2016		March 31, 2015	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
Description of Securities:				
Federal Agency Mortgage Backed Securities	\$ 17,633	\$ 621	\$ 9,589	\$ 438
U.S. Government Bonds	32,557	1,005	12,033	136
Municipal Obligations	10,622	458	8,671	332
Corporate Obligations	16,070	799	10,110	368
Total Debt Securities	76,882	2,883	40,403	1,274
Common Stock	68,928	35,675	72,636	37,001
Equity Mutual Funds	23,764	382	18,853	91
Cash and Cash Equivalents	6,065	—	8,204	—
Total	<u>\$ 175,639</u>	<u>\$ 38,940</u>	<u>\$ 140,096</u>	<u>\$ 38,366</u>

The Company's marketable securities include investments in municipal, corporate and federal debt obligations. Substantially all of the Company's mortgage-backed securities, based on contractual maturity, are due in ten years or more. The mortgage-backed securities have an estimated weighted average maturity which generally range from two years to six years and reflects anticipated future prepayments. The contractual year for maturity of these available-for-sale securities as of March 31, 2016 is as follows (in thousands):

	Total	2016	2017 through 2020	2021 through 2025	2026 and Beyond
Municipal Debt Obligations	\$ 22,872	\$ 717	\$ 9,302	\$ 11,340	\$ 1,513
Corporate Debt Obligations	22,147	—	5,863	8,389	7,895
U.S. Government Bonds	54,879	3,413	25,654	14,189	11,623

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2016/Q1
El Paso Electric Company			
NOTES TO FINANCIAL STATEMENTS (Continued)			

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 out of accumulated other comprehensive income and into net income. The proceeds from the sale of these securities during the three months ended March 31, 2016 and 2015 and the related effects on pre-tax income are as follows (in thousands):

	Three Months Ended March 31,	
	2016	2015
Proceeds from sales or maturities of available-for-sale securities	\$ 24,078	\$ 24,642
Gross realized gains included in pre-tax income	\$ 1,832	\$ 3,782
Gross realized losses included in pre-tax income	(288)	(37)
Gross unrealized losses included in pre-tax income	(156)	—
Net gains in pre-tax income	\$ 1,388	\$ 3,745
Net unrealized holding gains (losses) included in accumulated other comprehensive income	\$ 2,190	\$ 1,014
Net gains reclassified out of accumulated other comprehensive income	(1,388)	(3,745)
Net gains (losses) in other comprehensive income	\$ 802	\$ (2,731)

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, in the regulatory-basis balance sheets. 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.
- 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. 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.
- 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.

Name of Respondent El Paso Electric Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2016/Q1
NOTES TO FINANCIAL STATEMENTS (Continued)			

The fair value of the Company's decommissioning trust funds and investments in debt securities at March 31, 2016 and December 31, 2015, 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 March 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	\$ 1,515	\$ —	\$ —	\$ 1,515
Available for sale:				
U.S. Government Bonds	\$ 54,879	\$ 54,879	\$ —	\$ —
Federal Agency Mortgage Backed Securities	19,738	—	19,738	—
Municipal Bonds	22,872	—	22,872	—
Corporate Asset Backed Obligations	22,147	—	22,147	—
Subtotal Debt Securities	119,636	54,879	64,757	—
Common Stock	72,369	72,369	—	—
Equity Mutual Funds	23,764	23,764	—	—
Institutional Funds-International Equity (1)	21,856	—	—	—
Cash and Cash Equivalents	6,065	6,065	—	—
Total available for sale	\$ 243,690	\$ 157,077	\$ 64,757	\$ —

Description of Securities	Fair Value as of December 31, 2015	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	\$ 1,543	\$ —	\$ —	\$ 1,543
Available for sale:				
U.S. Government Bonds	\$ 50,399	\$ 50,399	\$ —	\$ —
Federal Agency Mortgage Backed Securities	20,085	—	20,085	—
Municipal Bonds	24,345	—	24,345	—
Corporate Asset Backed Obligations	18,475	—	18,475	—
Subtotal Debt Securities	113,304	50,399	62,905	—
Common Stock	76,220	76,220	—	—
Equity Mutual Funds	18,853	18,853	—	—
Institutional Funds-International Equity (1)	22,454	—	—	—
Cash and Cash Equivalents	8,204	8,204	—	—
Total available for sale	\$ 239,035	\$ 153,676	\$ 62,905	\$ —

(1) In accordance with ASU 2015-07 Subtopic 820-10, certain investments that are measured at fair value using the NAV per share (or its equivalent) practical expedient have not been classified in the fair value hierarchy. The fair value amounts presented in the table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the statement of financial position.

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 three month periods ended March 31, 2016 and 2015. There were no purchases, sales, issuances, and settlements related to the assets in the Level 3 fair value measurement category during the three months ended March 31, 2016 and 2015.

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	38,956,534			(34,883,501)
2	Preceding Qtr/Yr to Date Reclassifications from Acct 219 to Net Income	(8,936,512)			1,237,110
3	Preceding Quarter/Year to Date Changes in Fair Value	(2,255,081)			3,777,691
4	Total (lines 2 and 3)	(11,191,593)			5,014,801
5	Balance of Account 219 at End of Preceding Quarter/Year	27,764,941			(29,868,700)
6	Balance of Account 219 at Beginning of Current Year	27,764,941			(29,868,700)
7	Current Qtr/Yr to Date Reclassifications from Acct 219 to Net Income	(1,113,011)			(387,102)
8	Current Quarter/Year to Date Changes in Fair Value	1,742,120			
9	Total (lines 7 and 8)	629,109			(387,102)
10	Balance of Account 219 at End of Current Quarter/Year	28,394,050			(30,255,802)

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		(12,074,428)	(8,001,395)		
2		264,382	(7,435,020)		
3			1,522,610		
4		264,382	(5,912,410)	84,093,567	78,181,157
5		(11,810,046)	(13,913,805)		
6		(11,810,046)	(13,913,805)		
7		39,594	(1,460,519)		
8			1,742,120		
9		39,594	281,601	(5,406,033)	(5,124,432)
10		(11,770,452)	(13,632,204)		

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2016/Q1
El Paso Electric Company			
FOOTNOTE DATA			

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 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 \$0.5 million pre-tax of this accumulated other comprehensive income item will be reclassified to interest expense.

**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)	3,983,721,121	3,983,721,121
4	Property Under Capital Leases		
5	Plant Purchased or Sold		
6	Completed Construction not Classified	544,031,042	544,031,042
7	Experimental Plant Unclassified		
8	Total (3 thru 7)	4,527,752,163	4,527,752,163
9	Leased to Others		
10	Held for Future Use		
11	Construction Work in Progress	296,905,493	296,905,493
12	Acquisition Adjustments		
13	Total Utility Plant (8 thru 12)	4,824,657,656	4,824,657,656
14	Accum Prov for Depr, Amort, & Depl	2,204,609,459	2,204,609,459
15	Net Utility Plant (13 less 14)	2,620,048,197	2,620,048,197
16	Detail of Accum Prov for Depr, Amort & Depl		
17	In Service:		
18	Depreciation	2,153,214,301	2,153,214,301
19	Amort & Depl of Producing Nat Gas Land/Land Right		
20	Amort of Underground Storage Land/Land Rights		
21	Amort of Other Utility Plant	51,395,158	51,395,158
22	Total In Service (18 thru 21)	2,204,609,459	2,204,609,459
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)	2,204,609,459	2,204,609,459

ELECTRIC PLANT IN SERVICE AND ACCUMULATED PROVISION FOR DEPRECIATION BY FUNCTION

1. Report below the original cost of plant in service by function. In addition to Account 101, include Account 102, and Account 106. Report in column (b) the original cost of plant in service and in column(c) the accumulated provision for depreciation and amortization by function.

Line No.	Item (a)	Plant in Service Balance at End of Quarter (b)	Accumulated Depreciation and Amortization Balance at End of Quarter (c)
1	Intangible Plant	128,632,562	51,395,159
2	Steam Production Plant	588,979,842	297,192,932
3	Nuclear Production Plant	1,767,800,664	1,216,551,539
4	Hydraulic Production - Conventional		
5	Hydraulic Production - Pumped Storage		
6	Other Production	325,206,608	25,233,448
7	Transmission	451,276,463	217,450,992
8	Distribution	1,064,019,228	337,898,531
9	Regional Transmission and Market Operation		
10	General	201,836,796	58,886,858
11	TOTAL (Total of lines 1 through 10)	4,527,752,163	2,204,609,459

Name of Respondent El Paso Electric Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2016/Q1
--	---	---------------------------------------	---

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		Balance at end of Current Quarter/Year (f)
				Written off During the Quarter /Year Account Charged (d)	Written off During the Period Amount (e)	
1	Taxes - Regulatory Assets	117,479,520	5,149,621	various	6,912,025	115,717,116
2						
3	Rio Grande Resources Trust:					
4	Nuclear Fuel Postload Daily Finance Charge	4,539,385	671,954	518	907,715	4,303,624
5						
6	Coal Reclamation	9,519,760		501/431	296,398	9,223,362
7						
8	2015 Texas Rate Case Costs	1,881,821	618,726			2,500,547
9						
10	Texas Energy Efficiency	25,447		142	2,933	22,514
11						
12	New Mexico Renewable Energy Cost:					
13	Renewable Procurement Plan	139,247				139,247
14	Renewable Energy Credits	6,257,850	702			6,258,552
15						
16	New Mexico:					
17	2010 FPPCAC Audit	434,259				434,259
18	2015 New Mexico Rate Case Costs	1,288,300				1,288,300
19						
20	Palo Verde Deferred Depreciation	4,567,585		407.3	38,046	4,529,539
21						
22						
23						
24						
25						
26						
27						
28						
29						
30						
31						
32						
33						
34						
35						
36						
37						
38						
39						
40						
41						
42						
43						
44	TOTAL :	146,133,174	6,441,003		8,157,117	144,417,060

Name of Respondent El Paso Electric Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2016/Q1
FOOTNOTE DATA			

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

Amortization period ranges from 5 to 40 years.

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

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

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

Represents the Company's total final coal mine reclamation unamortized costs related to the Company's 7% interest in Units 4 and 5 at Four Corners. 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. Current ongoing reclamation of land is passed through as reconcilable fuel costs. The Company recorded an adjustment of \$7.6 million at December 31, 2014 for additional mine reclamation costs, which the Company expects to pay at closing, based on a 2014 Golder Associate Study.

In the Company's Texas jurisdiction, the recovery of the initial final reclamation costs was approved as a component of reconcilable fuel in the Final Order of PUCT Docket No. 38361 issued January 27, 2011, to be amortized over a 113-month period beginning March 2007 through July 2016, the termination date of the 50-year participation agreement among the owners of the Four Corners generating facility. The Final Order of PUCT Docket No. 41852, issued July 11, 2014, acknowledged that the Company will seek recovery of additional coal reclamation costs not previously addressed in its fuel reconciliation cases, and as such, provided for amortization of such final coal reclamation costs to continue in the amount of approximately \$70 thousand per month until such additional costs are resolved in a separate proceeding. The Company currently continues to recover its coal reclamation costs in Texas under previous orders and decisions of the PUCT. If any future determinations made by our regulators result in changes to how exiting coal reclamation costs are recovered in rates, such changes would be recognized only when it becomes probable future cash flows will change as a result of such regulatory actions.

In the Company's New Mexico jurisdiction, the recovery of the initial final coal reclamation costs was approved as a base fuel component in Case No. 06-00258-UT and will be amortized through July 2016. The Company is seeking recovery of costs incurred in excess of the initial coal reclamation amounts together with other costs in NMPRC Case No. 15-00109-UT filed on April 27, 2015. On February 2, 2016, the Company filed a joint stipulation with the NMPRC reflecting a settlement agreement among certain parties. A hearing in the case was held on February 16, 2016, and a final order approving the joint stipulation is expected in the first half of 2016. Based on the joint stipulation and addendum, no significant gain or loss is expected to be realized upon closing of the sale.

In the Company's FERC jurisdiction, final coal reclamation costs will not be recovered until actual final reclamation is paid.

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

The Company is requesting recovery of these costs in the Company's Docket No. 45475 rate case filing.

Schedule Page: 232 Line No.: 10 Column: a

In accordance with the Final Order in 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: 232 Line No.: 13 Column: f

The Company will request these costs as a component of base rates in the Company's next rate case filing.

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

The Company will request these costs as a component of base rates in the Company's next rate case filing.

Schedule Page: 232 Line No.: 17 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 will be amortized over

Name of Respondent El Paso Electric Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2016/Q1
FOOTNOTE DATA			

a three-year period beginning when new rates become effective in 2016, pending NMPRC's final approval.

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

This balance is related to rate case costs requested in Case No. 15-00127-UT and will be amortized over a three-year period beginning when new rates become effective in 2016, pending NMPRC's final approval.

Schedule Page: 232 Line No.: 20 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 will be amortized to account 407.3 over the remaining life of Palo Verde.

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 Beginning of Current Quarter/Year (b)	DEBITS		Credits (e)	Balance at End of Current Quarter/Year (f)
			Account Credited (c)	Amount (d)		
1	Regulatory Tax Liabilities	47,835,766	various	1,862,280	1,168,008	47,141,494
2						
3	Net Overcollection of Fuel Revenues:					
4	Texas	94,283	440s		5,100,102	5,194,385
5	New Mexico	3,826,599		991,151		2,835,448
6	FERC	101,994		4,941		97,053
7						
8	New Mexico Energy Efficiency Program	2,238,256	131	1,023,368	903,636	2,118,524
9						
10	Texas Military Base Discount and Recovery	787,787	142	500,205	356,706	644,288
11						
12						
13						
14						
15						
16						
17						
18						
19						
20						
21						
22						
23						
24						
25						
26						
27						
28						
29						
30						
31						
32						
33						
34						
35						
36						
37						
38						
39						
40						
41	TOTAL	54,884,685		4,381,945	7,528,452	58,031,192

Name of Respondent El Paso Electric Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2016/Q1
FOOTNOTE DATA			

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

Amortization period ranges from 5 to 40 years.

Schedule Page: 278 Line No.: 8 Column: a

In accordance with the Final Order in Docket 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

PURA Section 36.354 requires that each electric utility provide Military Base Rate discounts to military bases in areas where customer choice is not available. In accordance with the Final Order in Docket No. 37690, the Military Base Discount Recovery Factor allows the Company to recover the total base rate discount provided to military base facilities from non-military base customers through a recovery factor.

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	60,221,593	59,649,375
3	(442) Commercial and Industrial Sales		
4	Small (or Comm.) (See Instr. 4)	42,483,243	42,137,046
5	Large (or Ind.) (See Instr. 4)	12,518,037	12,761,474
6	(444) Public Street and Highway Lighting	1,136,442	1,188,219
7	(445) Other Sales to Public Authorities	23,473,822	23,338,471
8	(446) Sales to Railroads and Railways		
9	(448) Interdepartmental Sales		
10	TOTAL Sales to Ultimate Consumers	139,833,137	139,074,585
11	(447) Sales for Resale	11,975,892	17,787,515
12	TOTAL Sales of Electricity	151,809,029	156,862,100
13	(Less) (449.1) Provision for Rate Refunds		
14	TOTAL Revenues Net of Prov. for Refunds	151,809,029	156,862,100
15	Other Operating Revenues		
16	(450) Forfeited Discounts	242,840	334,164
17	(451) Miscellaneous Service Revenues	767,338	1,020,733
18	(453) Sales of Water and Water Power		
19	(454) Rent from Electric Property	597,681	754,460
20	(455) Interdepartmental Rents		
21	(456) Other Electric Revenues	75,825	58,487
22	(456.1) Revenues from Transmission of Electricity of Others	4,316,662	4,715,825
23	(457.1) Regional Control Service Revenues		
24	(457.2) Miscellaneous Revenues		
25			
26	TOTAL Other Operating Revenues	6,000,346	6,883,669
27	TOTAL Electric Operating Revenues	157,809,375	163,745,769

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
569,085	561,653			2
				3
500,226	490,066			4
244,926	253,120			5
9,727	10,135			6
336,508	332,958			7
				8
				9
1,660,472	1,647,932			10
836,217	865,383			11
2,496,689	2,513,315			12
				13
2,496,689	2,513,315			14

Line 12, column (b) includes \$ -3,746,000 of unbilled revenues.
 Line 12, column (d) includes -55,513 MWH relating to unbilled revenues

Name of Respondent El Paso Electric Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2016/Q1
FOOTNOTE DATA			

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

Includes 245,703 MWs 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 169,909 MWs 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 245,703 MWs 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 169,909 MWs 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 245,703 MWs 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 169,909 MWs 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:

	<u>March 2016</u>
Non Pay Reconnect Charges	312,825
Name Change/Cut in Charge	266,554
New Service Charges	78,503
Overhead/Underground Connection Charges	45,538
Misc Other	<u>63,918</u>
Total	<u>767,338</u>

Schedule Page: 300 Line No.: 17 Column: c

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

	<u>March 2015</u>
Non Pay Reconnect Charges	581,716
Name Change/Cut in Charge	266,665
New Service Charges	75,467
Overhead/Underground Connection Charges	43,992
Misc Other	<u>52,893</u>
Total	<u>1,020,733</u>

ELECTRIC PRODUCTION, OTHER POWER SUPPLY EXPENSES, TRANSMISSION AND DISTRIBUTION EXPENSES

Report Electric production, other power supply expenses, transmission, regional control and market operation, and distribution expenses through the reporting period.

Line No.	Account (a)	Year to Date Quarter (b)
1	1. POWER PRODUCTION AND OTHER SUPPLY EXPENSES	
2	Steam Power Generation - Operation (500-509)	22,819,701
3	Steam Power Generation - Maintenance (510-515)	9,051,778
4	Total Power Production Expenses - Steam Power	31,871,479
5	Nuclear Power Generation - Operation (517-525)	23,374,863
6	Nuclear Power Generation - Maintenance (528-532)	4,064,687
7	Total Power Production Expenses - Nuclear Power	27,439,550
8	Hydraulic Power Generation - Operation (535-540.1)	
9	Hydraulic Power Generation - Maintenance (541-545.1)	
10	Total Power Production Expenses - Hydraulic Power	
11	Other Power Generation - Operation (546-550.1)	4,987,873
12	Other Power Generation - Maintenance (551-554.1)	550,980
13	Total Power Production Expenses - Other Power	5,538,853
14	Other Power Supply Expenses	
15	Purchased Power (555)	9,646,204
16	System Control and Load Dispatching (556)	318,483
17	Other Expenses (557)	
18	Total Other Power Supply Expenses (line 15-17)	9,964,687
19	Total Power Production Expenses (Total of lines 4, 7, 10, 13 and 18)	74,814,569
20	2. TRANSMISSION EXPENSES	
21	Transmission Operation Expenses	
22	(560) Operation Supervision and Engineering	427,320
23		
24	(561.1) Load Dispatch-Reliability	23,033
25	(561.2) Load Dispatch-Monitor and Operate Transmission System	184,346
26	(561.3) Load Dispatch-Transmission Service and Scheduling	193,039
27	(561.4) Scheduling, System Control and Dispatch Services	170,845
28	(561.5) Reliability, Planning and Standards Development	223,795
29	(561.6) Transmission Service Studies	
30	(561.7) Generation Interconnection Studies	
31	(561.8) Reliability, Planning and Standards Development Services	
32	(562) Station Expenses	91,152
33	(563) Overhead Line Expenses	43,882
34	(564) Underground Line Expenses	
35	(565) Transmission of Electricity by Others	1,476,878
36	(566) Miscellaneous Transmission Expenses	1,546,035
37	(567) Rents	109,741
38	(567.1) Operation Supplies and Expenses (Non-Major)	

ELECTRIC PRODUCTION, OTHER POWER SUPPLY EXPENSES, TRANSMISSION AND DISTRIBUTION EXPENSES

Report Electric production, other power supply expenses, transmission, regional control and market operation, and distribution expenses through the reporting period.

Line No.	Account (a)	Year to Date Quarter (b)
39	TOTAL Transmission Operation Expenses (Lines 22 - 38)	4,490,066
40	Transmission Maintenance Expenses	
41	(568) Maintenance Supervision and Engineering	23,317
42	(569) Maintenance of Structures	4,564
43	(569.1) Maintenance of Computer Hardware	
44	(569.2) Maintenance of Computer Software	
45	(569.3) Maintenance of Communication Equipment	
46	(569.4) Maintenance of Miscellaneous Regional Transmission Plant	
47	(570) Maintenance of Station Equipment	107,839
48	(571) Maintenance Overhead Lines	354,987
49	(572) Maintenance of Underground Lines	
50	(573) Maintenance of Miscellaneous Transmission Plant	31,220
51	(574) Maintenance of Transmission Plant	
52	TOTAL Transmission Maintenance Expenses (Lines 41 - 51)	521,927
53	Total Transmission Expenses (Lines 39 and 52)	5,011,993
54	3. REGIONAL MARKET EXPENSES	
55	Regional Market Operation Expenses	
56	(575.1) Operation Supervision	
57	(575.2) Day-Ahead and Real-Time Market Facilitation	
58	(575.3) Transmission Rights Market Facilitation	
59	(575.4) Capacity Market Facilitation	
60	(575.5) Ancillary Services Market Facilitation	
61	(575.6) Market Monitoring and Compliance	
62	(575.7) Market Facilitation, Monitoring and Compliance Services	
63	Regional Market Operation Expenses (Lines 55 - 62)	
64	Regional Market Maintenance Expenses	
65	(576.1) Maintenance of Structures and Improvements	
66	(576.2) Maintenance of Computer Hardware	
67	(576.3) Maintenance of Computer Software	
68	(576.4) Maintenance of Communication Equipment	
69	(576.5) Maintenance of Miscellaneous Market Operation Plant	
70	Regional Market Maintenance Expenses (Lines 65-69)	
71	TOTAL Regional Control and Market Operation Expenses (Lines 63,70)	
72	4. DISTRIBUTION EXPENSES	
73	Distribution Operation Expenses (580-589)	3,915,992
74	Distribution Maintenance Expenses (590-598)	1,692,584
75	Total Distribution Expenses (Lines 73 and 74)	5,608,576

ELECTRIC CUSTOMER ACCOUNTS, SERVICE, SALES, ADMINISTRATIVE AND GENERAL EXPENSES

Report the amount of expenses for customer accounts, service, sales, and administrative and general expenses year to date.

Line No.	Account (a)	Year to Date Quarter (b)
1	(901-905) Customer Accounts Expenses	4,073,860
2	(907-910) Customer Service and Information Expenses	51,387
3	(911-917) Sales Expenses	
4	8. ADMINISTRATIVE AND GENERAL EXPENSES	
5	Operations	
6	920 Administrative and General Salaries	6,902,803
7	921 Office Supplies and Expenses	1,277,487
8	(Less) 922 Administrative Expenses Transferred-Credit	
9	923 Outside Services Employed	3,746,593
10	924 Property Insurance	1,043,712
11	925 Injuries and Damages	1,073,913
12	926 Employee Pensions and Benefits	7,216,085
13	927 Franchise Requirements	
14	928 Regulatory Commission Expenses	1,470,666
15	(Less) 929 Duplicate Charges-Credit	
16	930.1 General Advertising Expenses	174,477
17	930.2 Miscellaneous General Expenses	3,882,489
18	931 Rents	77,670
19	TOTAL Operation (Total of lines 6 thru 18)	26,865,895
20	Maintenance	
21	935 Maintenance of General Plant	1,632,790
22	TOTAL Administrative and General Expenses (Total of lines 19 and 21)	28,498,685

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	Rio Grande Electric Co-Op	El Paso Electric Marketing	El Paso Electric Marketing	FNO
2	Arizona Electric Power Cooperative	Salt River Project	Arizona Public Service Company	LFP
3	Arizona Electric Power Cooperative	Salt River Project	Arizona Public Service Company	NF
4	Arizona Electric Power Cooperative	Salt River Project	Arizona Public Service Company	SFP
5	Arizona Electric Power Cooperative	Arizona Public Service Company	Salt River Project	NF
6	Arizona Electric Power Cooperative	Arizona Public Service Company	Salt River Project	SFP
7	Arizona Public Service Company	Salt River Project	Salt River Project	SFP
8	Coral Power	Salt River Project	Arizona Public Service Company	LFP
9	Coral Power	Salt River Project	Arizona Public Service Company	SFP
10	Eagle Energy Partners	Salt River Project	Salt River Project	NF
11	Eagle Energy Partners	Salt River Project	Salt River Project	SFP
12	Imperial Irrigation District	Salt River Project	Arizona Public Service Company	NF
13	Macquarie Cook Power	Salt River Project	Arizona Public Service Company	NF
14	Macquarie Cook Power	Arizona Public Service Company	Salt River Project	SFP
15	Morgan Stanley	Salt River Project	Arizona Public Service Company	NF
16	Morgan Stanley	Salt River Project	Arizona Public Service Company	NF
17	PacificCorp Power Marketing	Arizona Public Service Company	Salt River Project	SFP
18	PacificCorp Power Marketing	Arizona Public Service Company	Salt River Project	SFP
19	Powerex	Arizona Public Service Company	Salt River Project	SFP
20	Public Service Company of New Mexico	Public Service Company of New Mex	Public Service Company of New Mex	SFP
21	Public Service Company of New Mexico	Public Service Company of New Mex	Public Service Company of New Mex	SFP
22	Public Service Company of New Mexico	Public Service Company of New Mex	Tucson Electric Power Company	LFP
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	Public Service Company of New Mex	LFP
25	Public Service Company of New Mexico	Public Service Company of New Mex	Public Service Company of New Mex	SFP
26	Public Service Company of New Mexico	Public Service Company of New Mex	Public Service Company of New Mex	SFP
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	Tucson Electric Power Company	Public Service Company of New Mex	NF
29	Public Service Company of New Mexico	Tucson Electric Power Company	Public Service Company of New Mex	SFP
30	Public Service Company of New Mexico	Public Service Company of New Mex	Tucson Electric Power Company	LFP
31	Public Service Company of New Mexico	Public Service Company of New Mex	Tucson Electric Power Company	SFP
32	Public Service Company of New Mexico	Public Service Company of New Mex	Tucson Electric Power Company	SFP
33	Public Service Company of New Mexico	Public Service Company of New Mex	Tucson Electric Power Company	SFP
34	Public Service Company of New Mexico	Public Service Company of New Mex	Public Service Company of New Mex	LFP
	TOTAL			

TRANSMISSION OF ELECTRICITY FOR OTHERS (Account 456)(Continued)
(Including transactions referred 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 (Substation or Other Designation) (f)	Point of Delivery (Substation or Other Designation) (g)	Billing Demand (MW) (h)	TRANSFER OF ENERGY		Line No.
				MegaWatt Hours Received (i)	MegaWatt Hours Delivered (j)	
OATT	EPE System	Coyote/Farmer	5	11,842	11,842	1
OATT	Palo Verde	Westwing	125	68,617	68,617	2
OATT	Palo Verde	Westwing		316	316	3
OATT	Palo Verde	Westwing		208	208	4
OATT	Westwing	Palo Verde				5
OATT	Westwing	Palo Verde		501	501	6
OATT	Jojoba	Palo Verde		2	2	7
OATT	Palo Verde	Westwing	125	30,899	30,899	8
OATT	Palo Verde	Westwing		97	97	9
OATT	Jojoba	Palo Verde		13	13	10
OATT	Jojoba	Palo Verde		4	4	11
OATT	Palo Verde	Westwing		144	144	12
OATT	Palo Verde	Westwing				13
OATT	Westwing	Palo Verde		1,396	1,396	14
OATT	Palo Verde	Westwing		794	794	15
OATT	Palo Verde	Westwing		1,285	1,285	16
OATT	Westwing	Palo Verde		15,188	15,188	17
OATT	Westwing	Palo Verde		33	33	18
OATT	Westwing	Palo Verde		281	281	19
OATT	Afton	Luna		652	652	20
OATT	Afton	Luna		8,621	8,621	21
OATT	Afton	Springerville	94	32,501	32,501	22
OATT	Afton	Springerville		1,374	1,374	23
OATT	Afton	Westmesa	141	46,137	46,137	24
OATT	Afton	Westmesa		654	654	25
OATT	Afton	Westmesa		15,563	15,563	26
OATT	Greenlee	Hidalgo		203	203	27
OATT	Greenlee	Luna				28
OATT	Greenlee	Luna		494	494	29
OATT	Luna	Springerville	60	6,728	6,728	30
OATT	Luna	Springerville				31
OATT	Luna	Springerville	60	41,284	41,284	32
OATT	Luna	Springerville		2,033	2,033	33
OATT	Westmesa	Amrad	25	41,334	41,334	34
			879	947,804	947,804	

TRANSMISSION OF ELECTRICITY FOR OTHERS (Account 456) (Continued)
(Including transactions referred 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.
32,661			32,661	1
152,697			152,697	2
	285		285	3
				4
	23		23	5
	838		838	6
	3		3	7
153,219			153,219	8
				9
	66		66	10
	11		11	11
	135		135	12
	547		547	13
	1,230		1,230	14
	766		766	15
	1,164		1,164	16
	15,124		15,124	17
	767		767	18
	192		192	19
	5,556		5,556	20
	39,750		39,750	21
679,728			679,728	22
				23
583,130			583,130	24
	2,778		2,778	25
	75,070		75,070	26
	1,190		1,190	27
	53		53	28
	9,057		9,057	29
430,695			430,695	30
	4,630		4,630	31
404,974			404,974	32
	9,813		9,813	33
181,819			181,819	34
3,630,958	685,704	0	4,316,662	

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

TRANSMISSION OF ELECTRICITY FOR OTHERS (Account 456)(Continued)
(Including transactions referred 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 (Substation or Other Designation) (f)	Point of Delivery (Substation or Other Designation) (g)	Billing Demand (MW) (h)	TRANSFER OF ENERGY		Line No.
				MegaWatt Hours Received (i)	MegaWatt Hours Delivered (j)	
OATT	Westmesa	Amrad		8	8	1
OATT	Westmesa	Amrad		1,951	1,951	2
OATT	Westmesa	Las Cruces		580	580	3
OATT	Westmesa	Las Cruces		818	818	4
OATT	Palo Verde	Westwing		14,518	14,518	5
OATT	Palo Verde	Westwing		10	10	6
OATT	Westwing	Palo Verde		16	16	7
80	Springerville	Las Cruces/Orogrande	50	97,078	97,078	8
OATT	Springerville	Las Cruces/Orogrande		4,107	4,107	9
OATT	Westmesa	Las Cruces		5	5	10
OATT	Greenlee	Hidalgo		58	58	11
OATT	Greenlee	Luna		31	31	12
OATT	Jojoba	Kyrene	142	161,595	161,595	13
OATT	Jojoba	Kyrene		47	47	14
OATT	Jojoba	Kyrene		809	809	15
OATT	Jojoba	Palo Verde		2,375	2,375	16
OATT	Jojoba	Palo Verde		42	42	17
OATT	Jojoba	Westwing		19,011	19,011	18
OATT	Luna	Greenlee	30	25,340	25,340	19
OATT	Luna	Greenlee		1,299	1,299	20
OATT	Luna	Greenlee		1,074	1,074	21
OATT	Luna	Springerville	10			22
OATT	Luna	Springerville		1,346	1,346	23
OATT	Luna	Springerville		269	269	24
OATT	Macho Springs	Springerville		6,722	6,722	25
OATT	Macho Springs	Springerville		4,347	4,347	26
OATT	Macho Springs	Springerville	10	7,733	7,733	27
OATT	Palo Verde	Jojoba		3	3	28
OATT	Palo Verde	Kyrene		30,860	30,860	29
OATT	Palo Verde	Kyrene		47	47	30
OATT	Palo Verde	Westwing		97,924	97,924	31
OATT	Palo Verde	Westwing		50	50	32
OATT	Springerville	Greenlee		2,756	2,756	33
OATT	Springerville	Luna		1,523	1,523	34
			879	947,804	947,804	

TRANSMISSION OF ELECTRICITY FOR OTHERS (Account 456) (Continued)
(Including transactions referred 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.
	43		43	1
	1,739		1,739	2
	3,241		3,241	3
	4,483		4,483	4
	12,872		12,872	5
	9		9	6
	14		14	7
346,500			346,500	8
				9
				10
	253		253	11
	260		260	12
360,078			360,078	13
				14
				15
	5,692		5,692	16
	91		91	17
	65,991		65,991	18
218,183			218,183	19
	12,035		12,035	20
				21
				22
	11,564		11,564	23
	4,250		4,250	24
	103,465		103,465	25
	53,000		53,000	26
72,728			72,728	27
	22		22	28
	45,452		45,452	29
				30
	68,545		68,545	31
	45		45	32
	11,908		11,908	33
	8,353		8,353	34
3,630,958	685,704	0	4,316,662	

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	UniSource Energy Services	Salt River Project	Salt River Project	NF
2	UniSource Energy Services	Salt River Project	Arizona Public Service Company	NF
3	UniSource Energy Services	Salt River Project	Arizona Public Service Company	NF
4	UniSource Energy Services	Tucson Electric Power Company	Tucson Electric Power Company	NF
5	Western Area Power Admin	Public Service Company of New Mex	Public Service Company of New Mex	LFP
6	Western Area Power Admin	Public Service Company of New Mex	Public Service Company of New Mex	SFP
7				
8				
9				
10				
11				
12				
13				
14				
15				
16				
17				
18				
19				
20				
21				
22				
23				
24				
25				
26				
27				
28				
29				
30				
31				
32				
33				
34				
	TOTAL			

TRANSMISSION OF ELECTRICITY FOR OTHERS (Account 456)(Continued)
(Including transactions referred 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 (Substation or Other Designation) (f)	Point of Delivery (Substation or Other Designation) (g)	Billing Demand (MW) (h)	TRANSFER OF ENERGY		Line No.
				MegaWatt Hours Received (i)	MegaWatt Hours Delivered (j)	
OATT	Jojoba	Palo Verde		50	50	1
OATT	Jojoba	Westwing		1,102	1,102	2
OATT	Palo Verde	Westwing		130,985	130,985	3
OATT	Springerville	Greenlee		16	16	4
OATT	Westmesa	Holloman	2	2,016	2,016	5
OATT	Westmesa	Holloman		85	85	6
						7
						8
						9
						10
						11
						12
						13
						14
						15
						16
						17
						18
						19
						20
						21
						22
						23
						24
						25
						26
						27
						28
						29
						30
						31
						32
						33
						34
			879	947,804	947,804	

TRANSMISSION OF ELECTRICITY FOR OTHERS (Account 456) (Continued)
(Including transactions referred 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.
	110		110	1
	4,730		4,730	2
	98,390		98,390	3
	99		99	4
14,546			14,546	5
				6
				7
				8
				9
				10
				11
				12
				13
				14
				15
				16
				17
				18
				19
				20
				21
				22
				23
				24
				25
				26
				27
				28
				29
				30
				31
				32
				33
				34
3,630,958	685,704	0	4,316,662	

Name of Respondent El Paso Electric Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2016/Q1
FOOTNOTE DATA			

Schedule Page: 328 Line No.: 1 Column: d

Network Integration Transmission Service. Evergreen contract expires March 31st with a two year notice.

Schedule Page: 328 Line No.: 1 Column: e

OATT = Open Access Transmission Tariff

Schedule Page: 328 Line No.: 2 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.: 4 Column: i

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

Schedule Page: 328 Line No.: 8 Column: d

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

Schedule Page: 328 Line No.: 9 Column: i

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

Schedule Page: 328 Line No.: 22 Column: d

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

Schedule Page: 328 Line No.: 23 Column: i

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

Schedule Page: 328 Line No.: 24 Column: d

Firm transmission contracts of 111 and 30 MW, expiration January 1, 2019. Service was partially redirected to monthly, daily and hourly services.

Schedule Page: 328 Line No.: 30 Column: d

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

Schedule Page: 328 Line No.: 34 Column: d

Firm transmission contract, expiration July 1, 2018.

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

Firm transmission contract, expiration January 1, 2026.

Schedule Page: 328.1 Line No.: 9 Column: i

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

Schedule Page: 328.1 Line No.: 10 Column: i

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

Schedule Page: 328.1 Line No.: 13 Column: d

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

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

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

Schedule Page: 328.1 Line No.: 15 Column: i

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

Schedule Page: 328.1 Line No.: 19 Column: d

Firm transmission contract, expiration November 1, 2029.

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

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

Schedule Page: 328.1 Line No.: 22 Column: d

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

Name of Respondent El Paso Electric Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2016/Q1
FOOTNOTE DATA			

monthly services.

Schedule Page: 328.1 Line No.: 30 Column: i

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

Schedule Page: 328.2 Line No.: 5 Column: d

Firm transmission contract, expiration October 1, 2024.

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

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

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			
			Megawatt-hours Received (c)	Megawatt-hours Delivered (d)	Demand Charges (\$) (e)	Energy Charges (\$) (f)	Other Charges (\$) (g)	Total Cost of Transmission (\$) (h)
1	Arizona Public Service	OS	37	37			776	776
2	Public Serv. Co. of NM	LFP	127,317	127,317	850,239			850,239
3	Public Serv. Co. of NM	LFP	22,741	22,741	163,508			163,508
4	Public Serv. Co. of NM	SFP	13,581	13,581		8,266		8,266
5	Public Serv. Co. of NM	NF	1,762	1,762		12,339		12,339
6	Salt River Project	OLF	24,912	24,912	441,750			441,750
7	Tucson Electric Power	OLF	126,892	126,892				
8								
9								
10								
11								
12								
13								
14								
15								
16								
	TOTAL		317,242	317,242	1,455,497	20,605	776	1,476,878

Name of Respondent El Paso Electric Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2016/Q1
FOOTNOTE DATA			

Schedule Page: 332 Line No.: 1 Column: b

Four Corners switchyard transformer/reactor losses.

Schedule Page: 332 Line No.: 1 Column: c

Four Corners switchyard transformer/reactor losses.

Schedule Page: 332 Line No.: 1 Column: d

Four Corners switchyard transformer/reactor losses.

Schedule Page: 332 Line No.: 1 Column: g

Four Corners switchyard transformer/reactor losses.

Schedule Page: 332 Line No.: 2 Column: b

Contract terminates July 1, 2017.

Schedule Page: 332 Line No.: 2 Column: c

Amounts shown based on actual energy flows.

Schedule Page: 332 Line No.: 2 Column: d

Amounts shown based on actual energy flows.

Schedule Page: 332 Line No.: 3 Column: b

Contract terminates June 1, 2019.

Schedule Page: 332 Line No.: 3 Column: c

Amounts shown based on actual energy flows.

Schedule Page: 332 Line No.: 3 Column: d

Amounts shown based on actual energy flows.

Schedule Page: 332 Line No.: 4 Column: c

Amounts shown based on actual energy flows and transmission reservations.

Schedule Page: 332 Line No.: 4 Column: d

Amounts shown based on actual energy flows and transmission reservations.

Schedule Page: 332 Line No.: 4 Column: f

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

Schedule Page: 332 Line No.: 5 Column: c

Amounts shown based on transmission reservations.

Schedule Page: 332 Line No.: 5 Column: d

Amounts shown based on transmission reservations.

Schedule Page: 332 Line No.: 5 Column: f

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

Schedule Page: 332 Line No.: 6 Column: b

Contract expires concurrent with the ANPP Participation Agreement.

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.: 7 Column: e

Under a pre-order 888/889 agreement, the Company was assigned rights as part of the Power Exchange and Transmission Agreement.

Depreciation, Depletion and Amortization of Electric Plant (Accts 403, 403.1, 404, and 405) (Except Amortization of Acquisition Adjustments)

1. Report the year to date amounts of depreciation expense, asset retirement cost depreciation, depletion and amortization, except amortization of acquisition adjustments for the accounts indicated and classified according to the plant functional groups described.

Line No.	Functional Classification (a)	Depreciation Expense (Account 403) (b)	Depreciation Expense for Asset Retirement Costs (Account 403.1) (c)	Amortization of Other Limited-Term Electric Plant (Account 404) (e)	Amortization of Other Electric Plant (Account 405) (e)	Total (f)
1	Intangible Plant			1,298,379		1,298,379
2	Steam Production Plant	4,496,676	37,660			4,534,336
3	Nuclear Production Plant	5,963,638	(327,529)			5,636,109
4	Hydraulic Production Plant Conv					
5	Hydraulic Production Plant - Pumped Storage					
6	Other Production Plant	2,180,506	1,231			2,181,737
7	Transmission Plant	1,995,321				1,995,321
8	Distribution Plant	5,464,355				5,464,355
9	General Plant	1,973,768				1,973,768
10	Common Plant					
11	TOTAL ELECTRIC (lines 2 through 10)	22,074,264	(288,638)	1,298,379		23,084,005

--	--	--	--	--	--	--

MONTHLY PEAKS AND OUTPUT

(1) (1) Report the monthly peak load and energy output. If the respondent has two or more power systems which are not physically integrated, furnish the required information for each non- integrated system. In quarter 1 report January, February, and March only. In quarter 2 report April, May, and June only. In quarter 3 report July, August, and September only.

(2) Report on column (b) by month the system's output in Megawatt hours for each month.

(3) Report on column (c) by month the non-requirements sales for resale. Include in the monthly amounts any energy losses associated with the sales.

(4) Report on column (d) by month the system's monthly maximum megawatt load (60 minute integration) associated with the system.

(5) Report on columns (e) and (f) the specified information for each monthly peak load reported on column (d).

(6) Report Monthly Peak Hours in military time; 0100 for 1:00 AM, 1200 for 12 AM, and 1830 for 6:30 PM, etc.

NAME OF SYSTEM:

Line No.	Month (a)	Total Monthly Energy (MWH) (b)	Monthly Non-Requirements Sales for Resale & Associated Losses (c)	MONTHLY PEAK		
				Megawatts (See Instr. 4) (d)	Day of Month (e)	Hour (f)
1	January	916,793	276,359	1,095	4	2000
2	February	847,666	277,494	1,099	2	2000
3	March	853,098	270,523	990	2	2000
4	Total	2,617,557	824,376	3,184		
5	April				0	0
6	May				0	0
7	June				0	0
8	Total					
9	July				0	0
10	August				0	0
11	September				0	0
12	Total					

Name of Respondent El Paso Electric Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2016/Q1
FOOTNOTE DATA			

Schedule Page: 399 Line No.: 1 Column: b

Includes 75,538 MWs related to the Company's Power Purchase and Sales Agreement with Freeport-McMoRan dated December 16, 2005.

Schedule Page: 399 Line No.: 1 Column: c

Includes 75,538 MWs related to the Company's Power Purchase and Sales Agreement with Freeport-McMoRan dated December 16, 2005.

Schedule Page: 399 Line No.: 2 Column: b

Includes 86,641 MWs related to the Company's Power Purchase and Sales Agreement with Freeport-McMoRan dated December 16, 2005.

Schedule Page: 399 Line No.: 2 Column: c

Includes 86,641 MWs related to the Company's Power Purchase and Sales Agreement with Freeport-McMoRan dated December 16, 2005.

Schedule Page: 399 Line No.: 3 Column: b

Includes 83,524 MWs related to the Company's Power Purchase and Sales Agreement with Freeport-McMoRan dated December 16, 2005.

Schedule Page: 399 Line No.: 3 Column: c

Includes 83,524 MWs related to the Company's Power Purchase and Sales Agreement with Freeport-McMoRan dated December 16, 2005

Name of Respondent
El Paso Electric Company

This Report Is:
(1) An Original
(2) A Resubmission

Date of Report
(Mo, Da, Yr)
/ /

Year/Period of Report
End of 2016/Q1

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	1,095	4	2000		5	681	50	73	
2	February	1,099	2	2000		5	684	50	70	
3	March	990	2	2000		6	638	50	72	
4	Total for Quarter 1					16	2,003	150	215	
5	April									
6	May									
7	June									
8	Total for Quarter 2									
9	July									
10	August									
11	September									
12	Total for Quarter 3									
13	October									
14	November									
15	December									
16	Total for Quarter 4									
17	Total Year to Date/Year					16	2,003	150	215	

INDEX

<u>Schedule</u>	<u>Page No.</u>
Accrued and prepaid taxes	262-263
Accumulated Deferred Income Taxes	234
	272-277
Accumulated provisions for depreciation of	
common utility plant	356
utility plant	219
utility plant (summary)	200-201
Advances	
from associated companies	256-257
Allowances	228-229
Amortization	
miscellaneous	340
of nuclear fuel	202-203
Appropriations of Retained Earnings	118-119
Associated Companies	
advances from	256-257
corporations controlled by respondent	103
control over respondent	102
interest on debt to	256-257
Attestation	i
Balance sheet	
comparative	110-113
notes to	122-123
Bonds	256-257
Capital Stock	251
expense	254
premiums	252
reacquired	251
subscribed	252
Cash flows, statement of	120-121
Changes	
important during year	108-109
Construction	
work in progress - common utility plant	356
work in progress - electric	216
work in progress - other utility departments	200-201
Control	
corporations controlled by respondent	103
over respondent	102
Corporation	
controlled by	103
incorporated	101
CPA, background information on	101
CPA Certification, this report form	i-ii

<u>Schedule</u>	<u>Page No.</u>
Deferred	
credits, other	269
debits, miscellaneous	233
income taxes accumulated - accelerated	
amortization property	272-273
income taxes accumulated - other property	274-275
income taxes accumulated - other	276-277
income taxes accumulated - pollution control facilities	234
Definitions, this report form	iii
Depreciation and amortization	
of common utility plant	356
of electric plant	219
	336-337
Directors	105
Discount - premium on long-term debt	256-257
Distribution of salaries and wages	354-355
Dividend appropriations	118-119
Earnings, Retained	118-119
Electric energy account	401
Expenses	
electric operation and maintenance	320-323
electric operation and maintenance, summary	323
unamortized debt	256
Extraordinary property losses	230
Filing requirements, this report form	
General information	101
Instructions for filing the FERC Form 1	i-iv
Generating plant statistics	
hydroelectric (large)	406-407
pumped storage (large)	408-409
small plants	410-411
steam-electric (large)	402-403
Hydro-electric generating plant statistics	406-407
Identification	101
Important changes during year	108-109
Income	
statement of, by departments	114-117
statement of, for the year (see also revenues)	114-117
deductions, miscellaneous amortization	340
deductions, other income deduction	340
deductions, other interest charges	340
Incorporation information	101

<u>Schedule</u>	<u>Page No.</u>
Interest	
charges, paid on long-term debt, advances, etc	256-257
Investments	
nonutility property	221
subsidiary companies	224-225
Investment tax credits, accumulated deferred	266-267
Law, excerpts applicable to this report form	iv
List of schedules, this report form	2-4
Long-term debt	256-257
Losses-Extraordinary property	230
Materials and supplies	227
Miscellaneous general expenses	335
Notes	
to balance sheet	122-123
to statement of changes in financial position	122-123
to statement of income	122-123
to statement of retained earnings	122-123
Nonutility property	221
Nuclear fuel materials	202-203
Nuclear generating plant, statistics	402-403
Officers and officers' salaries	104
Operating	
expenses-electric	320-323
expenses-electric (summary)	323
Other	
paid-in capital	253
donations received from stockholders	253
gains on resale or cancellation of reacquired	
capital stock	253
miscellaneous paid-in capital	253
reduction in par or stated value of capital stock	253
regulatory assets	232
regulatory liabilities	278
Peaks, monthly, and output	401
Plant, Common utility	
accumulated provision for depreciation	356
acquisition adjustments	356
allocated to utility departments	356
completed construction not classified	356
construction work in progress	356
expenses	356
held for future use	356
in service	356
leased to others	356
Plant data	336-337
	401-429

<u>Schedule</u>	<u>Page No.</u>
Plant - electric	
accumulated provision for depreciation	219
construction work in progress	216
held for future use	214
in service	204-207
leased to others	213
Plant - utility and accumulated provisions for depreciation	
amortization and depletion (summary)	201
Pollution control facilities, accumulated deferred	
income taxes	234
Power Exchanges	326-327
Premium and discount on long-term debt	256
Premium on capital stock	251
Prepaid taxes	262-263
Property - losses, extraordinary	230
Pumped storage generating plant statistics	408-409
Purchased power (including power exchanges)	326-327
Reacquired capital stock	250
Reacquired long-term debt	256-257
Receivers' certificates	256-257
Reconciliation of reported net income with taxable income	
from Federal income taxes	261
Regulatory commission expenses deferred	233
Regulatory commission expenses for year	350-351
Research, development and demonstration activities	352-353
Retained Earnings	
amortization reserve Federal	119
appropriated	118-119
statement of, for the year	118-119
unappropriated	118-119
Revenues - electric operating	300-301
Salaries and wages	
directors fees	105
distribution of	354-355
officers'	104
Sales of electricity by rate schedules	304
Sales - for resale	310-311
Salvage - nuclear fuel	202-203
Schedules, this report form	2-4
Securities	
exchange registration	250-251
Statement of Cash Flows	120-121
Statement of income for the year	114-117
Statement of retained earnings for the year	118-119
Steam-electric generating plant statistics	402-403
Substations	426
Supplies - materials and	227

<u>Schedule</u>	<u>Page No.</u>
Taxes	
accrued and prepaid	262-263
charged during year	262-263
on income, deferred and accumulated	234
	272-277
reconciliation of net income with taxable income for	261
Transformers, line - electric	429
Transmission	
lines added during year	424-425
lines statistics	422-423
of electricity for others	328-330
of electricity by others	332
Unamortized	
debt discount	256-257
debt expense	256-257
premium on debt	256-257
Unrecovered Plant and Regulatory Study Costs	230