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

Form 1 Approved
OMB No.1902-0021
(Expires 12/31/2014)

Form 1-F Approved
OMB No.1902-0029
(Expires 12/31/2014)

Form 3-Q Approved
OMB No.1902-0205
(Expires 05/31/2014)

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

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

Exact Legal Name of Respondent (Company)	**Year/Period of Report**
El Paso Electric Company	**End of** 2014/Q3

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.)

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

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

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

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

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

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

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

General Penalties

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

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

IDENTIFICATION

01 Exact Legal Name of Respondent El Paso Electric Company	02 Year/Period of Report End of 2014/Q3
03 Previous Name and Date of Change *(if name changed during year)* / /	
04 Address of Principal Office at End of Period *(Street, City, State, Zip Code)* P.O. Box 982, El Paso, TX 79960-0982; 100 North Stanton, El Paso, TX 79901	
05 Name of Contact Person Russell G. Gibson	06 Title of Contact Person Vice President & Controller
07 Address of Contact Person *(Street, City, State, Zip Code)* P.O. Box 982, El Paso, TX 79960-0982; 100 North Stanton, El Paso, TX 79901	

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

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 *(Mo, Da, Yr)* 11/18/2014
02 Title Vice President & Controller		

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

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
El Paso Electric Company	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2014/Q3

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".

Name of Respondent	This Report Is:	Date of Report	Year/Period of Report
El Paso Electric Company	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2014/Q3

IMPORTANT CHANGES DURING THE QUARTER/YEAR

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

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

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

1. Changes in and Important Additions to Franchise Rights:

None

2. Acquisition of Ownership in Other Companies:

None

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

None

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

None

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

None

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

Revolving Credit Facility. On January 14, 2014, the Company and Rio Grande Resources Trust ("RGRT") entered into a second amended and restated credit agreement related to the revolving credit facility ("RCF") with JP Morgan Chase Bank, N.A., as administrative agent and issuing bank, and Union Bank, N.A., as syndication agent, and various lending banks party thereto. Under the terms of the agreement, the Company has available $300 million and the ability to increase the RCF by up to $100 million (up to a total of $400 million) upon the satisfaction of certain conditions, more fully set forth in the agreement, including obtaining commitments from lenders or third party financial institutions. The RCF has a term ending January 2019. The Company may extend the maturity date up to two times, in each case for an additional one year period upon the satisfaction of certain conditions. Authorization for this transaction was received in FERC Docket No. ES 13-59-000 and New Mexico Public Regulation Commission ("NMPRC") Case No. 13-00317-UT.

7. Changes in Articles of Incorporation:

None

8. Important Wage Scale Changes:

Base salaries for non-union employees were increased by an average of approximately 3.5% effective in January 2014 compared to 2013 through the merit award process. The annual effect of this increase was approximately $1.7 million.

Base salaries for union employees under contract were increased by 3.0% effective September 2014 compared to 2013. The annual effect of this increase was approximately $0.8 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.

Fuel Reconciliation Proceeding. Pursuant to the 2012 Texas retail rate settlement, on September 27, 2013, the Company filed an application with the Public Utility Commission of Texas ("PUCT"), designated as 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. The nine months ended September 30, 2014 financial results includes a $2.1 million, pre-tax increase to income reflecting the settlement of the Texas fuel reconciliation proceeding. The settlement included the recognition of $3.4 million of Palo Verde performance rewards associated with the 2009 to 2012 performance periods net of disallowed fuel and purchased power costs of $1.75 million of which $0.5 million had been reserved. Palo Verde performance rewards are not recorded on the Company's books until the PUCT has ordered a final determination in a fuel proceeding or comparable evidence of collectability is obtained. In addition, the Company reimbursed the City of El Paso approximately $0.1 million in incurred expenses. The settlement provided for the current mine reclamation costs related to the Four Corners generating units to continue in the amount of approximately $70 thousand per month. The Company also agreed to file a request in a separate proceeding for a PUCT finding on the reasonableness of its decision to not continue participation in Four Corners Units 4 & 5 after July 2016 after the Company enters into an agreement containing the terms of the disposition. The settlement provides that 100% of margins on non-arbitrage sales (as defined by the settlement) and 50% of margins on arbitrage sales be shared with its Texas customers beginning April 1, 2014. For the period April 1, 2014 through June 30, 2015, the Company's total share of margins assignable to Texas retail jurisdiction, on arbitrage and non-arbitrage off-system sales, may not exceed 10% of the total margins assignable to the Texas retail jurisdiction on all off-system sales. The PUCT's final order completes the regulatory review and reconciliation of the Company's fuel expenses for the period through March 31, 2013.

10. Materially Important Transactions:

None

11. Reserved

12. Important changes during the year:

See response to items 1 to 11 and 13 to 14.

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

On April 7, 2014, the Company appointed Michael D. Blanchard as Vice President of Regulatory Affairs. Prior to joining the Company, Mr. Blanchard served as Assistant General Counsel at Nebraska Public Power District and brings more than 30 years of legal, regulatory and rate-making experience to the Company.

On April 17, 2014, Steven P. Busser resigned from his position as Vice President, Treasurer.

On June 9, 2014, David C. Hawkins, formerly Vice President of Power Marketing and Fuels and Resource and Delivery Planning, was appointed Vice President of System Operations, Resource Planning & Management.

On June 9, 2014, Robert Clay Doyle, formerly Vice President Transmission and Distribution and Systems Operations and Planning, was appointed Vice President of Transmission and Distribution and System Planning.

On July 15, 2014, Eduardo Gutierrez, formerly Manager of Public Relations, was appointed Vice President, External

and Public Affairs.

On September 16, 2014, the Company appointed Mary E. Kipp as President. Ms. Kipp had served as the Company's Senior Vice President, General Counsel and Chief Compliance Officer since June 2010.

On September 16, 2014, the Company appointed John R. Boomer as Vice President, General Counsel. Mr. Boomer had served as the Company's Vice President, Treasurer since April 21, 2014. Prior to joining the Company, Mr. Boomer was Senior Vice President of Investor Relations at Helen of Troy. He previously served as the Company's Assistant General Counsel from 1998 to 1999.

On September 16, 2014, the Company appointed Russell G. Gibson as Vice President, Controller. Prior to joining the Company Mr. Gibson was Chief Financial Officer, Vice President of ReadyOne Industries, Inc. He previously served as the Company's Vice President, Controller from 1989 to 1995.

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

Not applicable

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
El Paso Electric Company	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2014/Q3

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	4,015,187,483	3,937,846,897
3	Construction Work in Progress (107)	200-201	389,244,941	282,646,861
4	TOTAL Utility Plant (Enter Total of lines 2 and 3)		4,404,432,424	4,220,493,758
5	(Less) Accum. Prov. for Depr. Amort. Depl. (108, 110, 111, 115)	200-201	2,109,197,388	2,069,281,349
6	Net Utility Plant (Enter Total of line 4 less 5)		2,295,235,036	2,151,212,409
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)		197,031,456	189,389,905
12	(Less) Accum. Prov. for Amort. of Nucl. Fuel Assemblies (120.5)	202-203	83,018,093	74,610,066
13	Net Nuclear Fuel (Enter Total of lines 7-11 less 12)		114,013,363	114,779,839
14	Net Utility Plant (Enter Total of lines 6 and 13)		2,409,248,399	2,265,992,248
15	Utility Plant Adjustments (116)		536,156	762,842
16	Gas Stored Underground - Noncurrent (117)		0	0
17	**OTHER PROPERTY AND INVESTMENTS**			
18	Nonutility Property (121)		234,121	405,743
19	(Less) Accum. Prov. for Depr. and Amort. (122)		0	0
20	Investments in Associated Companies (123)		0	0
21	Investment in Subsidiary Companies (123.1)	224-225	0	0
22	(For Cost of Account 123.1, See Footnote Page 224, line 42)			
23	Noncurrent Portion of Allowances	228-229	0	0
24	Other Investments (124)		1,608,475	1,554,750
25	Sinking Funds (125)		0	0
26	Depreciation Fund (126)		0	0
27	Amortization Fund - Federal (127)		0	0
28	Other Special Funds (128)		236,209,290	221,440,666
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)		238,051,886	223,401,159
33	**CURRENT AND ACCRUED ASSETS**			
34	Cash and Working Funds (Non-major Only) (130)		0	0
35	Cash (131)		13,143,066	24,805,566
36	Special Deposits (132-134)		0	0
37	Working Fund (135)		160,696	413,172
38	Temporary Cash Investments (136)		105,894	373,325
39	Notes Receivable (141)		0	0
40	Customer Accounts Receivable (142)		73,450,981	47,116,799
41	Other Accounts Receivable (143)		14,609,312	715,577
42	(Less) Accum. Prov. for Uncollectible Acct.-Credit (144)		2,309,180	2,261,241
43	Notes Receivable from Associated Companies (145)		0	0
44	Accounts Receivable from Assoc. Companies (146)		0	0
45	Fuel Stock (151)	227	1,533,288	1,297,394
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	44,766,629	44,688,673
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	-15,575	-34,975

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
El Paso Electric Company	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2014/Q3

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	0	-8,972
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)		8,889,521	8,398,836
58	Advances for Gas (166-167)		0	0
59	Interest and Dividends Receivable (171)		5,075	5,320
60	Rents Receivable (172)		0	0
61	Accrued Utility Revenues (173)		26,925,000	19,774,000
62	Miscellaneous Current and Accrued Assets (174)		804,974	796,962
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)		182,069,681	146,080,436
68	**DEFERRED DEBITS**			
69	Unamortized Debt Expenses (181)		11,960,060	11,914,584
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	138,916,971	137,672,469
73	Prelim. Survey and Investigation Charges (Electric) (183)		2,820,992	4,904,452
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)		24,407	-182,614
77	Temporary Facilities (185)		0	0
78	Miscellaneous Deferred Debits (186)	233	7,118,299	6,834,145
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)		18,566,491	19,230,934
82	Accumulated Deferred Income Taxes (190)	234	168,128,428	204,266,691
83	Unrecovered Purchased Gas Costs (191)		0	0
84	Total Deferred Debits (lines 69 through 83)		347,535,648	384,640,661
85	TOTAL ASSETS (lines 14-16, 32, 67, and 84)		3,177,441,770	3,020,877,346

Name of Respondent	This Report is:	Date of Report (mo, da, yr)	Year/Period of Report
El Paso Electric Company	(1) [X] An Original (2) [ ] A Resubmission	/ /	end of 2014/Q3

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	65,767,661	65,695,588
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)		305,443,577	302,273,508
7	Other Paid-In Capital (208-211)	253	2,111,613	2,205,552
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	1,062,909,666	1,006,809,842
12	Unappropriated Undistributed Subsidiary Earnings (216.1)	118-119	0	0
13	(Less) Reaquired Capital Stock (217)	250-251	424,646,957	424,646,957
14	Noncorporate Proprietorship (Non-major only) (218)		0	0
15	Accumulated Other Comprehensive Income (219)	122(a)(b)	17,560,941	2,611,733
16	Total Proprietary Capital (lines 2 through 15)		1,028,805,562	954,608,327
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	700,000,000	700,000,000
22	Unamortized Premium on Long-Term Debt (225)		0	0
23	(Less) Unamortized Discount on Long-Term Debt-Debit (226)		3,446,834	3,514,806
24	Total Long-Term Debt (lines 18 through 23)		889,688,166	889,620,194
25	OTHER NONCURRENT LIABILITIES			
26	Obligations Under Capital Leases - Noncurrent (227)		95,000,000	110,000,000
27	Accumulated Provision for Property Insurance (228.1)		0	0
28	Accumulated Provision for Injuries and Damages (228.2)		0	0
29	Accumulated Provision for Pensions and Benefits (228.3)		112,283,697	134,666,386
30	Accumulated Miscellaneous Operating Provisions (228.4)		0	0
31	Accumulated Provision for Rate Refunds (229)		0	581,752
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)		69,565,814	65,213,986
35	Total Other Noncurrent Liabilities (lines 26 through 34)		276,849,511	310,462,124
36	CURRENT AND ACCRUED LIABILITIES			
37	Notes Payable (231)		72,000,000	0
38	Accounts Payable (232)		61,551,690	61,794,541
39	Notes Payable to Associated Companies (233)		0	0
40	Accounts Payable to Associated Companies (234)		0	0
41	Customer Deposits (235)		6,244,523	5,858,436
42	Taxes Accrued (236)	262-263	31,450,043	20,281,174
43	Interest Accrued (237)		13,745,208	10,280,428
44	Dividends Declared (238)		0	0
45	Matured Long-Term Debt (239)		0	0

Name of Respondent	This Report is:	Date of Report (mo, da, yr)	Year/Period of Report
El Paso Electric Company	(1) [X] An Original (2) [ ] A Resubmission	/ /	end of 2014/Q3

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)		608,776	-586,267
48	Miscellaneous Current and Accrued Liabilities (242)		17,553,100	17,659,332
49	Obligations Under Capital Leases-Current (243)		33,174,267	16,261,519
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)		236,327,607	131,549,163
55	DEFERRED CREDITS			
56	Customer Advances for Construction (252)		15,142,226	13,345,219
57	Accumulated Deferred Investment Tax Credits (255)	266-267	22,773,332	23,640,795
58	Deferred Gains from Disposition of Utility Plant (256)		0	0
59	Other Deferred Credits (253)	269	16,206,649	15,164,102
60	Other Regulatory Liabilities (254)	278	57,967,919	55,544,263
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)		557,320,681	548,208,981
64	Accum. Deferred Income Taxes-Other (283)		76,360,117	78,734,178
65	Total Deferred Credits (lines 56 through 64)		745,770,924	734,637,538
66	TOTAL LIABILITIES AND STOCKHOLDER EQUITY (lines 16, 24, 35, 54 and 65)		3,177,441,770	3,020,877,346

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
El Paso Electric Company	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2014/Q3

STATEMENT OF INCOME

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

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

Line No.	Title of Account (a)	(Ref.) Page No. (b)	Total Current Year to Date Balance for Quarter/Year (c)	Total Prior Year to Date Balance for Quarter/Year (d)	Current 3 Months Ended Quarterly Only No 4th Quarter (e)	Prior 3 Months Ended Quarterly Only No 4th Quarter (f)
1	UTILITY OPERATING INCOME					
2	Operating Revenues (400)	300-301	720,961,786	700,064,689	283,644,748	282,660,917
3	Operating Expenses					
4	Operation Expenses (401)	320-323	417,663,847	390,869,312	146,729,501	144,088,181
5	Maintenance Expenses (402)	320-323	45,619,258	41,260,430	15,392,895	12,723,353
6	Depreciation Expense (403)	336-337	55,391,504	52,137,156	18,313,851	17,967,767
7	Depreciation Expense for Asset Retirement Costs (403.1)	336-337	-994,159	-925,716	-333,178	-304,120
8	Amort. & Depl. of Utility Plant (404-405)	336-337	5,982,775	5,946,372	2,049,041	2,023,747
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)		114,138	114,138	38,046	38,046
13	(Less) Regulatory Credits (407.4)					
14	Taxes Other Than Income Taxes (408.1)	262-263	48,882,622	44,782,006	17,963,482	18,152,752
15	Income Taxes - Federal (409.1)	262-263	-2,447,005	577,770	-1,645,262	-126,648
16	- Other (409.1)	262-263	3,218,403	2,320,834	2,416,578	1,480,875
17	Provision for Deferred Income Taxes (410.1)	234, 272-277	85,461,520	90,419,903	51,830,516	48,349,857
18	(Less) Provision for Deferred Income Taxes-Cr. (411.1)	234, 272-277	53,880,306	49,069,937	33,922,528	23,440,963
19	Investment Tax Credit Adj. - Net (411.4)	266	-892,960	-541,684	-296,800	54,476
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)		12		12	
23	Losses from Disposition of Allowances (411.9)					
24	Accretion Expense (411.10)		4,351,828	4,400,932	1,450,603	1,465,580
25	TOTAL Utility Operating Expenses (Enter Total of lines 4 thru 24)		608,471,453	582,291,516	219,986,733	222,472,903
26	Net Util Oper Inc (Enter Tot line 2 less 25) Carry to Pg117,line 27		112,490,333	117,773,173	63,658,015	60,188,014

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
El Paso Electric Company	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2014/Q3

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
720,961,786	700,064,689					2
						3
417,663,847	390,869,312					4
45,619,258	41,260,430					5
55,391,504	52,137,156					6
-994,159	-925,716					7
5,982,775	5,946,372					8
						9
						10
						11
114,138	114,138					12
						13
48,882,622	44,782,006					14
-2,447,005	577,770					15
3,218,403	2,320,834					16
85,461,520	90,419,903					17
53,880,306	49,069,937					18
-892,960	-541,684					19
						20
						21
12						22
						23
4,351,828	4,400,932					24
608,471,453	582,291,516					25
112,490,333	117,773,173					26

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
El Paso Electric Company	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2014/Q3

STATEMENT OF INCOME FOR THE YEAR (continued)

Line No.	Title of Account (a)	(Ref.) Page No. (b)	TOTAL Current Year (c)	TOTAL Previous Year (d)	Current 3 Months Ended Quarterly Only No 4th Quarter (e)	Prior 3 Months Ended Quarterly Only No 4th Quarter (f)
27	Net Utility Operating Income (Carried forward from page 114)		112,490,333	117,773,173	63,658,015	60,188,014
28	Other Income and Deductions					
29	Other Income					
30	Nonutilty Operating Income					
31	Revenues From Merchandising, Jobbing and Contract Work (415)		25,261	14,724	6,495	13,173
32	(Less) Costs and Exp. of Merchandising, Job. & Contract Work (416)		13,304	3,022	9,344	1,614
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		-8,184		
37	Interest and Dividend Income (419)		4,692,329	4,666,487	1,560,558	1,688,164
38	Allowance for Other Funds Used During Construction (419.1)		10,215,201	7,464,820	3,848,520	2,286,353
39	Miscellaneous Nonoperating Income (421)		7,749,583	4,434,241	1,821,889	1,548,076
40	Gain on Disposition of Property (421.1)		2,096,363	100	8,461	
41	TOTAL Other Income (Enter Total of lines 31 thru 40)		24,765,433	16,569,166	7,236,579	5,534,152
42	Other Income Deductions					
43	Loss on Disposition of Property (421.2)		4,522			
44	Miscellaneous Amortization (425)		226,686	226,686	75,562	75,562
45	Donations (426.1)		1,355,281	1,983,876	698,323	323,996
46	Life Insurance (426.2)		147,392	67,713	147,392	
47	Penalties (426.3)		12,459	15,209	9,000	15,000
48	Exp. for Certain Civic, Political & Related Activities (426.4)		503,687	505,536	161,961	160,159
49	Other Deductions (426.5)		-114,726	-15,083	-346,277	-153,007
50	TOTAL Other Income Deductions (Total of lines 43 thru 49)		2,135,301	2,783,937	745,961	421,710
51	Taxes Applic. to Other Income and Deductions					
52	Taxes Other Than Income Taxes (408.2)	262-263	7,233	7,754	2,401	2,031
53	Income Taxes-Federal (409.2)	262-263	4,790,669	1,197,704	3,815,350	553,033
54	Income Taxes-Other (409.2)	262-263				
55	Provision for Deferred Inc. Taxes (410.2)	234, 272-277	2,246,948	553,871	488,073	118,644
56	(Less) Provision for Deferred Income Taxes-Cr. (411.2)	234, 272-277	301,556	76,236	240,693	1,693
57	Investment Tax Credit Adj.-Net (411.5)					
58	(Less) Investment Tax Credits (420)		-25,497	-25,496	-8,499	-8,499
59	TOTAL Taxes on Other Income and Deductions (Total of lines 52-58)		6,768,791	1,708,589	4,073,630	680,514
60	Net Other Income and Deductions (Total of lines 41, 50, 59)		15,861,341	12,076,640	2,416,988	4,431,928
61	Interest Charges					
62	Interest on Long-Term Debt (427)		42,370,845	42,386,608	14,121,058	14,124,424
63	Amort. of Debt Disc. and Expense (428)		767,141	778,396	273,583	277,724
64	Amortization of Loss on Reaquired Debt (428.1)		664,443	664,443	221,481	221,481
65	(Less) Amort. of Premium on Debt-Credit (429)					
66	(Less) Amortization of Gain on Reaquired Debt-Credit (429.1)					
67	Interest on Debt to Assoc. Companies (430)					
68	Other Interest Expense (431)		1,028,824	635,903	457,868	-57,525
69	(Less) Allowance for Borrowed Funds Used During Construction-Cr. (432)		5,840,709	4,520,282	2,189,051	1,379,225
70	Net Interest Charges (Total of lines 62 thru 69)		38,990,544	39,945,068	12,884,939	13,186,879
71	Income Before Extraordinary Items (Total of lines 27, 60 and 70)		89,361,130	89,904,745	53,190,064	51,433,063
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)		89,361,130	89,904,745	53,190,064	51,433,063

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
El Paso Electric Company	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2014/Q3

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		1,006,809,842	959,965,047
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)		89,361,130	92,788,215
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		-33,261,306	(42,049,111)
32				
33				
34				
35				
36	TOTAL Dividends Declared-Common Stock (Acct. 438)		-33,261,306	(42,049,111)
37	Transfers from Acct 216.1, Unapprop. Undistrib. Subsidiary Earnings			(3,894,309)
38	Balance - End of Period (Total 1,9,15,16,22,29,36,37)		1,062,909,666	1,006,809,842
	APPROPRIATED RETAINED EARNINGS (Account 215)			
39				
40				

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
El Paso Electric Company	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2014/Q3

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)		1,062,909,666	1,006,809,842
	UNAPPROPRIATED UNDISTRIBUTED SUBSIDIARY EARNINGS (Account			
	Report only on an Annual Basis, no Quarterly			
49	Balance-Beginning of Year (Debit or Credit)			
50	Equity in Earnings for Year (Credit) (Account 418.1)			
51	(Less) Dividends Received (Debit)			
52				
53	Balance-End of Year (Total lines 49 thru 52)			

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
El Paso Electric Company	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2014/Q3

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)	89,361,130	89,904,745
3	Noncash Charges (Credits) to Income:		
4	Depreciation and Depletion	55,391,504	52,137,156
5	Amortization of Other	16,534,640	15,026,878
6	Amortization of Nuclear Fuel	34,125,856	33,833,034
7			
8	Deferred Income Taxes (Net)	33,526,607	41,827,604
9	Investment Tax Credit Adjustment (Net)	-867,463	-516,188
10	Net (Increase) Decrease in Receivables	-47,330,733	-35,096,974
11	Net (Increase) Decrease in Inventory	-980,670	-4,773,046
12	Net (Increase) Decrease in Allowances Inventory	-19,400	768
13	Net Increase (Decrease) in Payables and Accrued Expenses	17,263,922	16,124,213
14	Net (Increase) Decrease in Other Regulatory Assets	-1,601,822	-2,627,064
15	Net Increase (Decrease) in Other Regulatory Liabilities	2,300,273	-1,757,403
16	(Less) Allowance for Other Funds Used During Construction	10,215,201	7,464,820
17	(Less) Undistributed Earnings from Subsidiary Companies		-8,184
18	Other (provide details in footnote):	-2,783,142	2,119,876
19			
20	Deferred Charges and Credits	-5,491,790	-8,241,031
21	Net (Increase) Decrease in Prepayments and Other	-4,380,585	-5,450,153
22	Net Cash Provided by (Used in) Operating Activities (Total 2 thru 21)	174,833,126	185,055,779
23			
24	Cash Flows from Investment Activities:		
25	Construction and Acquisition of Plant (including land):		
26	Gross Additions to Utility Plant (less nuclear fuel)	-205,329,240	-177,288,577
27	Gross Additions to Nuclear Fuel	-32,764,675	-23,938,012
28	Gross Additions to Common Utility Plant		
29	Gross Additions to Nonutility Plant		
30	(Less) Allowance for Other Funds Used During Construction	-10,215,201	-7,464,820
31	Other (provide details in footnote):		
32			
33			
34	Cash Outflows for Plant (Total of lines 26 thru 33)	-227,878,714	-193,761,769
35			
36	Acquisition of Other Noncurrent Assets (d)		
37	Proceeds from Disposal of Noncurrent Assets (d)	2,394,569	
38			
39	Investments in and Advances to Assoc. and Subsidiary Companies		-11,919
40	Contributions and Advances from Assoc. and Subsidiary Companies		
41	Disposition of Investments in (and Advances to)		
42	Associated and Subsidiary Companies		
43			
44	Purchase of Investment Securities (a)		
45	Proceeds from Sales of Investment Securities (a)		

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
El Paso Electric Company	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2014/Q3

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 Decomissioning Trust Fund (Purchases)	-54,342,584	-36,412,562
54	Investment in Decomissioning Trust Fund (Sales and Maturities)	47,354,727	29,418,924
55	Other (provide details in footnote):	4,437,787	4,855,645
56	Net Cash Provided by (Used in) Investing Activities		
57	Total of lines 34 thru 55)	-228,034,215	-195,911,681
58			
59	Cash Flows from Financing Activities:		
60	Proceeds from Issuance of:		
61	Long-Term Debt (b)		
62	Preferred Stock		
63	Common Stock		
64	Other: Financing and Other Capital Lease Obligations-Proceeds	186,215,251	25,167,214
65	Exercise of Stock Options		191,700
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)	186,215,251	25,358,914
71			
72	Payments for Retirement of:		
73	Long-term Debt (b)		
74	Preferred Stock		
75	Common Stock		
76	Other Financing Activities	-525,317	-746,097
77	Financing and Capital Lease Obligations	-111,039,128	-31,830,702
78	Net Decrease in Short-Term Debt (c)		
79	Tax (Obligations) Benefits from Long-Term Incentive Plans	-370,818	343,713
80	Dividends on Preferred Stock		
81	Dividends on Common Stock	-33,261,306	-31,379,144
82	Net Cash Provided by (Used in) Financing Activities		
83	(Total of lines 70 thru 81)	41,018,682	-38,253,316
84			
85	Net Increase (Decrease) in Cash and Cash Equivalents		
86	(Total of lines 22,57 and 83)	-12,182,407	-49,109,218
87			
88	Cash and Cash Equivalents at Beginning of Period	25,592,063	111,057,078
89			
90	Cash and Cash Equivalents at End of period	13,409,656	61,947,860

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

	2014	2013
Other:		
Gain on Sale of Property, Plant and Equipment	$ (2,091,841)	$ (100)
Net Gains on Equity Investments	(3,791,069)	(286,628)
Amortization of Unearned Compensation	3,265,154	2,718,469
Unrealized Gains on Investments in Debt Securities	(53,725)	(197,727)
Other Operating Activities	(111,661)	(114,138)
Total	$ (2,783,142)	$ 2,119,876

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

	2014	2013
Other:		
Customer Advances for Construction	$ 1,797,006	$ 4,299,219
Property Salvage Value	2,640,781	556,426
Total	$ 4,437,787	$ 4,855,645

Name of Respondent	This Report Is:	Date of Report	Year/Period of Report
El Paso Electric Company	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2014/Q3

NOTES TO FINANCIAL STATEMENTS

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

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

Note 1. Regulatory-Basis Financial Statements

The accompanying regulatory-basis financial statements are presented in accordance with the accounting requirements of the Federal Energy Regulatory Commission (the "FERC") as set forth in its applicable Uniform System of Accounts and published accounting releases which is a comprehensive basis of accounting other than U.S. Generally Accepted Accounting Principles ("GAAP") used in the September 30, 2014 Form 10-Q filed by El Paso Electric Company with the Securities and Exchange Commission. Notes A through I of the regulatory-basis financial statements are from the September 30, 2014 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 assets related to the accounting guidance for "Uncertainty in Income Taxes" as a tax benefit rather than a reduction 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.

Statement of Cash Flows

Cash and cash equivalents and amortization of other presented on the statement of cash flows for the nine months ended September 30, 2014 and 2013 consist of the following (in thousands):

	2014	2013
Cash and Cash Equivalents:		
Cash (131)	$ 13,143	$ 61,450
Working funds (135)	161	131
Temporary cash investments (136)	106	367
Cash and cash equivalents at end of period	$ 13,410	$ 61,948
Amortization of Other:		
ARO depreciation (403.1)	$ (994)	$ (926)
Other utility plant (404)	5,983	5,946
Regulatory assets (407.3)	114	114
ARO liability accretion (411.10)	4,352	4,401
Miscellaneous amortization (425)	227	227
Debt expense (428)	767	778
Loss on reacquired debt (428.1)	664	665
Interest rate lock losses	326	306
RCF issuance costs	130	152
Dry cask storage amortization	3,499	1,158
Coal reclamation amortization	886	887
Texas rate case expense amortization	581	1,319
	$ 16,535	$ 15,027

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 year ended December 31, 2013 (the "2013 FERC Form No.1"). Capitalized terms used in this report and not defined herein have the meaning ascribed to such terms in the 2013 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 September 30, 2014 and December 31, 2013; the results of its operations for the three and nine months ended September 30, 2014 and 2013; its comprehensive operations for the nine months ended September 30, 2014 and the year ended December 31, 2013; and its cash flows for the nine months ended September 30, 2014 and 2013. The results of operations for the three and nine months ended September 30, 2014 and the comprehensive operations and cash flows for the nine months ended September 30, 2014 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 Public Utility Commission of Texas (the "PUCT"), the New Mexico Public Regulation Commission (the "NMPRC"), and the FERC), which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

Use of Estimates. The preparation of financial statements in conformity with regulatory accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the regulatory-basis financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Revenues. Revenues related to the sale of electricity are generally recorded when service is rendered 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. Unbilled revenues (or "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 and recorded as Accrued Utility Revenues. The Company presents revenues net of sales taxes in its regulatory-basis statements of operations.

Supplemental Cash Flow Disclosures (in thousands)

	Nine Months Ended September 30,	
	2014	**2013**
Cash paid (received) for:		
Interest on long-term debt and borrowing under the revolving credit facility	$ 37,689	$ 36,975
Income tax paid (refunded), net	2,969	(36)
Non-cash financing activities:		
Grants of restricted shares of common stock	3,025	2,607
Issuance of performance shares	—	849

New Accounting Standards. In May 2014, the FASB issued new guidance (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 (IASB) 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 is effective for annual periods and interim periods within that reporting period beginning after December 15, 2016, for public business entities. Early adoption of ASU 2014-09 is not permitted. The Company is currently assessing the future impact of this ASU.

B. Regulation

General

The rates and services of the Company are regulated by incorporated municipalities in Texas, the PUCT, the NMPRC, and the FERC. The PUCT and the NMPRC have jurisdiction to review municipal orders, ordinances and utility agreements regarding rates and services within their respective states and over certain other activities of the Company. 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, NMPRC and the FERC are subject to judicial review.

Texas Regulatory Matters

2012 Texas Retail Rate Settlement. 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 later discussed. 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.

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 2013 energy efficiency program results in accordance with PUCT rules. In a proposal for decision issued on October 7, 2014, the Administrative Law Judge ("ALJ") recommended approval of the Company's requested cost recovery including the requested bonus. The PUCT approved the ALJ's recommendation at its November 14, 2014 open meeting.

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. On April 15, 2014, the Company filed a request, which was assigned Docket No. 42384, to increase its fixed fuel factor by $10.7 million or 6.9% annually, pursuant to its approved formula. The revised fixed fuel factor reflects expected increases in prices for natural gas over the twelve month period beginning March 2014. The increase in the fixed fuel factor received final approval on May 28, 2014 and was effective with May 2014 billings. On August 26, 2014, the Company filed a request with the PUCT, which was designated Docket No. 42779, to surcharge under-recovered fuel costs of $19.9 million to customers over a twelve month period to begin in October 2014. However, on October 3, 2014, the Company withdrew its surcharge request as the Company believes that, as a result of declining natural gas prices and the reimbursement by the United States Department of Energy ("DOE") of amounts spent by the Company on spent nuclear fuel storage (see Note C), under-recovered costs, which as of September 30, 2014 have been reduced to $10.7 million, can be recovered through the current fuel factor.

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 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. The nine months ended September 30, 2014 financial results includes a $2.1 million, pre-tax increase to income reflecting the settlement of the Texas fuel reconciliation proceeding. The settlement included the recognition of $3.4 million of Palo Verde performance rewards associated with the 2009 to 2012 performance periods net of disallowed fuel and purchased power costs of $1.75 million of which $0.5 million had been reserved. Palo Verde performance rewards are not recorded on the Company's books until the PUCT has ordered a final determination in a fuel proceeding or comparable evidence of collectability is obtained. In addition, the Company reimbursed the City of El Paso approximately $0.1 million in incurred expenses. The settlement provided for the current mine reclamation costs related to the Four Corners generating units to continue in the amount of approximately $70 thousand per month. The Company also agreed to file a request in a separate

proceeding for a PUCT finding on the reasonableness of its decision to not continue participation in Four Corners Units 4 & 5 after July 2016 after the Company enters into an agreement containing the terms of the disposition. The settlement provides that 100% of margins on non-arbitrage sales (as defined by the settlement) and 50% of margins on arbitrage sales be shared with its Texas customers beginning April 1, 2014. For the period April 1, 2014 through June 30, 2015, the Company's total share of margins assignable to Texas retail jurisdiction, on arbitrage and non-arbitrage off-system sales, may not exceed 10% of the total margins assignable to the Texas retail jurisdiction on all off-system sales. The PUCT's final order completes the regulatory review and reconciliation of the Company's fuel expenses for the period through March 31, 2013.

Montana Power Station Approvals. As discussed further below, the Company has received a Certificate of Convenience and Necessity ("CCN") from the PUCT to construct all four units of the Montana Power Station ("MPS") in El Paso County, Texas. The Company also obtained air permits from the Texas Commission on Environmental Quality ("TCEQ"), and Environmental Protection Agency ("EPA").

On June 23, 2014, the U.S. Supreme Court issued an opinion in the *Utility Air Regulatory Group vs EPA* regarding EPA's authority to require greenhouse gas emissions ("GHG") Prevention of Significant Deterioration ("PSD") permits for stationary sources. The opinion concluded that EPA erred in making applicability of the Clean Air Act ("CAA") permitting requirements based on GHG emissions. As a result, the Company believes its EPA air permit is no longer required and could be rescinded, and it is eligible for a standard air permit to replace the new source review permit issued by the TCEQ. Accordingly, on August 1, 2014, the Company submitted a request to EPA to rescind the EPA air permit which request remains pending. Also, on September 16, 2014, the Company applied for a standard air permit, which TCEQ issued on October 2, 2014.

On December 13, 2012, in PUCT Docket No. 40301, the Company received CCN approval from the PUCT for MPS Units 1 and 2. On September 6, 2013, the Company filed an application with the PUCT for issuance of a CCN to construct, own and operate two additional 88 MW natural gas-fired generating units designated as the MPS Units 3 and 4. The case was designated PUCT Docket No. 41763. Hearings in this case were held before an ALJ in February 2014. On July 11, 2014, the PUCT approved the CCN to construct MPS Units 3 and 4.

In 2013 the Company filed three transmission line CCN applications with the PUCT as part of the MPS Project:

- MPS to Caliente: a 115-kV transmission line from the MPS to the existing Caliente Substation in east El Paso. (PUCT Docket No. 41360)
- MPS In & Out: a 115-kV transmission line from the MPS to intersect with the existing Caliente - Coyote 115-kV transmission line. (PUCT Docket No. 41359)
- MPS to Montwood: a 115-kV transmission line from the MPS to the existing Montwood Substation in east El Paso. (PUCT Docket No. 41809)

The Company is requesting to build these transmission lines to connect the new MPS to the electrical grid in order to meet expected customer growth and electric demand and to improve system reliability. On March 10, 2014, the PUCT issued a final order approving a unanimous settlement in the MPS to Caliente transmission CCN filing. On August 18, 2014, the PUCT issued final orders approving unanimous settlements of the MPS In & Out transmission CCN filing and the MPS to Montwood transmission CCN filing.

Other Required Approvals. The Company has obtained other required approvals for recovery of fuel costs through fixed fuel factors, other 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 requires an annual filing and approval of the related costs and incentives and any necessary adjustments to the recovery factors.

Fuel and Purchased Power Cost Recovery. Fuel and purchased power costs are recovered through a Fuel and Purchased Power Cost Adjustment Clause (the "FPPCAC"). 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 its investment in Palo Verde Unit 3 in New Mexico through the FPPCAC as purchased power using a proxy market price approved in the 2009 New Mexico rate stipulation.

Montana Power Station Approvals. The Company has received a CCN from the NMPRC to construct all four units of the MPS. The Company obtained air permits from the TCEQ and EPA as explained above. On September 6, 2013, the Company filed an application with the NMPRC for issuance of a CCN to construct, own and operate two additional 88 MW natural gas-fired generating units designated as the MPS Units 3 and 4. The case was designated NMPRC Case No. 13-00297-UT. A final order approving the Company's application was issued on June 11, 2014.

Revolving Credit Facility, Issuance of Long-Term Debt and Guarantee of Debt. On October 30, 2013, the Company received approval in NMPRC Case No. 13-00317-UT to amend its current $300 million Revolving Credit Facility ("RCF") to include an option, subject to lender's approval, to expand the amount of the potential borrowings available under the facility to $400 million and extend the maturity date by up to four years; issue up to $300 million in new long-term debt; and to guarantee the issuance of up to $50 million of new debt by Rio Grande Resources Trust ("RGRT") to finance future purchases of nuclear fuel and to refinance existing debt obligations related to the financing of purchases of nuclear fuel.

On January 14, 2014, the Company and RGRT entered into a second amended and restated credit agreement related to the RCF with JP Morgan Chase Bank, N.A., as administrative agent and issuing bank, and Union Bank, N.A., as syndication agent, and various lending banks party thereto. Under the terms of the agreement, the Company has available $300 million and the ability to increase the RCF by up to $100 million (up to a total of $400 million) upon the satisfaction of certain conditions, more fully set forth in the agreement, including obtaining commitments from lenders or third party financial institutions. The RCF has a term ending January 2019. The Company may extend the maturity date up to two times, in each case for an additional one year period upon the satisfaction of certain conditions.

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

Federal Regulatory Matters

Revolving Credit Facility, Issuance of Long-Term Debt and Guarantee of Debt. On November 15, 2013, the FERC issued an order in Docket No. ES13-59-000 approving the Company's filing to amend its current $300 million RCF to include an option, subject to lender's approval, to expand the amount of the potential borrowings available under the facility to $400 million and extend the maturity date by up to four years; issue up to $300 million in new long-term debt; and to guarantee the issuance of up to $50 million of new debt by RGRT to finance future purchases of nuclear fuel and to refinance existing debt obligations related to the purchase of nuclear fuel. As noted above, on January 14, 2014, the Company and RGRT entered into a second amended and restated credit agreement related to the RCF.

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 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 May 17, 2012, Arizona

Public Service Company ("APS") submitted to the government a claim for damages ("Initial Disclosure") associated with the DOE's partial breach of the Standard Contract with Palo Verde. The Initial Disclosure sought damages for spent nuclear fuel storage and management costs incurred by APS, on behalf of the participant owners of Palo Verde, for the period January 1, 2007 through June 30, 2011. On April 21, 2014, the Department of Justice recommended a payment amount of approximately $57 million for APS' claim, acting on behalf of itself and the participant owners of Palo Verde, for spent nuclear fuel related damages from January 1, 2007 through June 30, 2011, and reimbursement for certain ongoing future spent nuclear fuel storage costs through at least 2016 through an annual claims submission process. On October 8, 2014, the Company received approximately $9.1 million, representing its share of the award, which was recorded as an accounts receivable as of September 30, 2014. The majority of the award was refunded to customers through the applicable fuel adjustment clauses in September 2014. On October 31, 2014, APS acting on behalf of the participant owners of Palo Verde, 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 total submitted claim amount was $42.5 million, of which the Company’s portion is $6.7 million. Any reimbursement is anticipated to be received in the first half of 2015 and the majority will be refunded to customers through the applicable fuel adjustment clauses.

The One-Mill Fee

In 2011, the National Association of Regulatory Utility Commissioners and the Nuclear Energy Institute challenged DOE's 2010 determination of the adequacy of the one tenth of a cent per kWh fee (the "one-mill fee") paid by the nation's commercial nuclear power plant owners pursuant to their individual obligations under the Standard Contract. This fee is recovered by the Company through applicable fuel adjustment clauses. In June 2012, the U.S. Court of Appeals for the District of Columbia Circuit (the "D.C. Circuit") held that DOE failed to conduct a sufficient fee analysis in making the 2010 determination. The D.C. Circuit remanded the 2010 determination to the Secretary of the DOE ("Secretary") with instructions to conduct a new fee adequacy determination within six months. In February 2013, upon completion of the DOE's revised one-mill fee adequacy determination, the court reopened the proceedings. On November 19, 2013, the D.C. Circuit ordered the Secretary to notify Congress of his intent to suspend collecting annual fees for nuclear waste disposal from nuclear power plant operators, as he is required to do pursuant to the NWPA and the court's order. On January 3, 2014, the Secretary notified Congress of his intention to suspend collection of the one-mill fee, subject to Congress' disapproval and on May 12, 2014, APS was notified by the DOE that, effective May 16, 2014, the one-mill fee would be suspended. Electricity generated and sold prior to May 16, 2014 remained subject to the one-mill fee.

D. Common Stock

Dividend Policy. The Company paid $11.3 million and $10.7 million in quarterly cash dividends during the three months ended September 30, 2014 and 2013, respectively. The Company paid a total of $33.3 million and $31.4 million in quarterly cash dividends during the nine months ended September 30, 2014 and 2013, 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, Arizona and New Mexico jurisdictions for years prior to 2009. The Company is currently under audit in Texas for tax years 2007 through 2011. The Company reached a settlement with the Arizona Department of Revenue ("ADOR") in March 2014 in their audit of income tax returns for the years 1998 through 2007 which did not have a material effect on income tax expense. Additionally, the Company reached a settlement with the ADOR in September 2014 in their audit of income tax returns for 2008 which did not have a material effect on income tax expense.

For the three months ended September 30, 2014 and 2013, the Company’s regulatory-basis effective tax rate was 29.7% and 34.4%, respectively. For the nine months ended September 30, 2014 and 2013, the Company's regulatory-basis effective tax rate was 30.0% and 33.6%, respectively. The Company's regulatory-basis effective tax rate for all time periods presented differs from the federal statutory tax rate of 35.0% primarily due to the allowance for equity funds used during construction, a domestic production activities deduction earned in 2014 and state income taxes. The Company's regulatory-basis effective tax rate for the nine months ended September 30, 2014 also differs from the federal statutory tax rate of 35.0% due to capital gains in the qualified decommissioning trusts realized in the first quarter of 2014, which are taxed at a federal rate of 20.0%.

F. Commitments, Contingencies and Uncertainties

For a full discussion of commitments and contingencies, see Note I of Notes to Regulatory-Basis Financial Statements in the 2013 FERC Form No. 1. In addition, see Notes B and C above and Notes B and D of Notes to Regulatory-Basis Financial Statements in the 2013 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 reserves, and to meet required renewable portfolio standards, the Company engages in firm power purchase arrangements which may vary in duration and amount based on 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 I of Notes to Regulatory-Basis Financial Statements in the 2013 FERC Form No. 1. In addition, the 50 MW Macho Springs solar photovoltaic project located in Luna County, New Mexico began commercial operation in May 2014.

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 full discussion of certain key environmental issues, laws and regulations facing the Company see Note I of Notes to Regulatory-Basis Financial Statements in the 2013 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, which was scheduled to go into effect on January 1, 2012. On October 23, 2014, the D.C. Circuit lifted its stay of CSAPR, and oral arguments to address some provisions not previously addressed in litigation are to take place on March 11, 2015. The Company is evaluating what impact the D.C. Circuit actions may have on its operations.

Other Laws and Regulations and Risks. The Company intends to cease its participation in Four Corners Generating Station ("Four Corners") 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. For example, as a result of APS's recent Best Available Retrofit Technology Federal Implementation Plan compliance strategy notification to the EPA, Four Corners is required to install expensive pollution control equipment in order to continue operation in the future. The Company's share of the cost of these controls is currently estimated by APS to be approximately $39 million if the Company were to extend its participation in the plant. In addition, the EPA has entered into a consent decree which would require it to issue its final rulemaking regarding the regulation of coal combustion residuals ("CCR") under the federal Resource, Conservation and Recovery Act by December 19, 2014. Once issued, the Company may be required to incur significant costs to address CCRs either generated in the past and disposed of at or from Four Corners, as well as CCRs generated in connection with the ongoing operations of Four Corners. Further, assured supplies of water are important for the Company's operations and assets, including Four Corners. Four Corners is located in a region that has been experiencing drought conditions which could affect the plant's water supply. Four Corners has accordingly been involved in negotiations and proceedings with third parties relating to water supply issues. The drought conditions and related negotiations and proceedings could adversely

affect the amount of power available, or the price thereof, from Four Corners. The Company is negotiating with APS on the disposition of its ownership interest in Four Corners to allow the other participants to pursue a life extension of the Four Corners plant.

Climate Change. On June 25, 2013, President Obama set forth his plan to address climate change. He reiterated a goal of reducing GHG "in the range of 17 percent" below 2005 levels by 2020. The plan included a variety of executive actions, including regulatory measures to reduce carbon dioxide emissions from power plants. In a White House memorandum of the same date, the President directed the EPA to issue a new proposal for GHG rulemaking addressing new power plants by September 20, 2013, and a rule for existing power plants by June 1, 2014. The formal proposal for new power plants was published in the Federal Register on January 8, 2014. The Company submitted its comments on the proposal to EPA on May 9, 2014. Also, on June 16, 2014, the EPA published the proposed rule, "Carbon Pollution Emission Guidelines for Existing Stationary Sources: Electric Utility Generating Units," also called the "Clean Power Plan" or the Clean Air Act Section 111(d) proposed rule, to limit GHGs from existing power plants. The rule is proposing state-specific rate-based goals for carbon dioxide emissions from the power sector, as well as guidelines for states to follow in developing plans to achieve the state-specific goals. The Company is reviewing the proposed rule and plans to provide comments to EPA in the assigned comment period. EPA is expected to issue a final rule by June 1, 2015. Given the significant remaining uncertainties regarding these rules, the costs of these potential requirements can not be estimated.

Environmental Litigation and Investigations. Since 2009, the EPA and certain environmental organizations have been scrutinizing, and in some cases, have filed lawsuits, relating to certain air emissions and air permitting matters related to Four Corners. In particular, since July 2011, the U.S. Department of Justice (the "DOJ"), on behalf of the EPA, and APS have been engaged in substantive settlement negotiations in an effort to resolve the pending matters. The allegations being addressed through settlement negotiations are that APS failed to obtain the necessary permits and install the controls necessary under the Clean Air Act ("CAA") to reduce SO2, NOx, and particular matter ("PM"), and that defendants failed to obtain an operating permit under Title V of the CAA that reflects applicable requirements imposed by law. In March 2012, the DOJ provided APS with a draft consent decree to settle the EPA matter, which decree contains specific provisions for the reduction and control of NOx, SO2, and PM, as well as provisions for a civil penalty, and expenditures on environmental mitigation projects with an emphasis on projects that address alleged harm to the Navajo Nation. Settlement discussions are on-going and the Company is unable to predict the outcome of these settlement negotiations. The Company has accrued a total of $0.5 million as a loss contingency related to this matter.

Earthjustice filed a lawsuit in the United States District Court for New Mexico on October 4, 2011 for alleged violations of the Prevention of Significant Deterioration ("PSD") provisions of the CAA related to Four Corners. On January 6, 2012, Earthjustice filed a First Amended Complaint adding claims for violations of the CAA's New Source Performance Standards ("NSPS") program. Among other things, the plaintiffs seek to have the court enjoin operations at Four Corners until APS applies for and obtains any required PSD permits and complies with the referenced NSPS program. The plaintiffs further request the court to order the payment of civil penalties, including a beneficial mitigation project. On April 2, 2012, APS and the other Four Corners participants filed motions to dismiss with the court. The case is being held in abeyance while the parties seek to negotiate a settlement. On March 30, 2013, upon joint motion of the parties, the court issued an order deeming the motions to dismiss withdrawn without prejudice during pendency of the stay. At such time as the stay is lifted, APS, the Company and the other Four Corners participants may reinstate the motions to dismiss. Settlement discussions are on-going. The Company is unable to predict the outcome of this litigation.

New Mexico Tax Matter Related to Coal Supplied to Four Corners

On May 23, 2013, the New Mexico Taxation and Revenue Department 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 New Mexico Taxation and Revenue Department 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. APS believes the Assessment and the refund claim denial are without merit. The Company cannot predict the timing, results, or potential impacts of the outcome of this litigation.

G. Litigation

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 on 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. See Notes B and F above and Notes B and I of the Notes to Regulatory-Basis Financial Statements in the 2013 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 and nine months ended September 30, 2014 and 2013 is made up of the components listed below as determined using the projected unit credit actuarial cost method (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2014	2013	2014	2013
Components of net periodic benefit cost:				
Service cost	$ 2,112	$ 2,166	$ 6,474	$ 6,996
Interest Cost	3,691	3,410	11,351	10,210
Expected return on plan assets	(4,681)	(4,281)	(14,017)	(12,831)
Amortization of:				
Net loss	2,283	2,903	6,571	8,323
Prior service (benefit) cost	(877)	23	(2,030)	73
Net periodic benefit cost	$ 2,528	$ 4,221	$ 8,349	$ 12,771

During the nine months ended September 30, 2014, the Company contributed $10.4 million of its projected $10.9 million 2014 annual contribution to its retirement plans.

During the quarter ended March 31, 2014, the Company implemented certain amendments to the Retirement Income Plan and Excess Benefit Plan. In the first quarter of 2014, the Company offered a cash balance pension plan as an alternative to its current final average pay pension plan for employees hired prior to January 1, 2014. The cash balance pension plan also included an enhanced employer matching contribution to the employee's respective 401(k) Defined Contribution Plan. The revisions in the benefit plans were effective April 1, 2014. As a result of these actions, the Company remeasured the assets and liabilities of the retirement plans based on actuarially determined estimates, using the end of alternative choice date of February 28, 2014 as the remeasurement date. The discount rate used to remeasure the benefit obligation at February 28, 2014 was 4.6% for the Retirement Income Plan and 4.5% for the Excess Benefit Plan, compared to 4.9% for both plans at December 31, 2013. As a result of the changes described above, the benefit obligation of the affected plans decreased $19.7 million, accumulated other comprehensive income before income taxes increased $19.7 million, estimated future benefit payments from 2014 through 2018 increased $21.7 million compared to the previous estimates. The 2014 net periodic benefit cost is estimated to decrease by $6.2 million compared to the net periodic benefit cost incurred in 2013 due to the changes described above and revisions to actuarial assumptions.

Other Postretirement Benefits

The net periodic benefit cost recognized for the three and nine months ended September 30, 2014 and 2013 is made up of the components listed below (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2014	2013	2014	2013
Components of net periodic benefit cost:				
Service cost	$ 712	$ 972	$ 2,134	$ 3,172
Interest cost	1,115	1,292	3,347	4,042
Expected return on plan assets	(529)	(485)	(1,587)	(1,435)
Amortization of:				
Prior service benefit	(1,188)	(1,392)	(3,564)	(4,242)
Net (gain) loss	(668)	—	(2,004)	—
Net periodic benefit cost (benefit)	$ (558)	$ 387	$ (1,674)	$ 1,537

The Company has not contributed to its other postretirement benefits plan during the nine months ended September 30, 2014 and does not expect to contribute to its other postretirement benefit plan in 2014.

I. Financial Instruments and Investments

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 obligation, 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 fair value.

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

	September 30, 2014		December 31, 2013	
	Carrying Amount	Estimated Fair Value	Carrying Amount	Estimated Fair Value
Pollution Control Bonds	$ 193,135	$ 209,049	$ 193,135	$ 193,990
Senior Notes	696,553	828,958	696,485	734,515
RGRT Senior Notes (1)	110,000	117,145	110,000	115,850
RCF (1)	90,174	90,174	16,262	16,262
Total	$ 1,089,862	$ 1,245,326	$ 1,015,882	$ 1,060,617

(1) Nuclear fuel financing as of September 30, 2014 and December 31, 2013 is funded through the $110 million RGRT Senior Notes and $18.2 million and $16.3 million, respectively under the RCF. As of September 30, 2014, $72.0 million was outstanding under the RCF for working capital or general corporate purposes. As of December 31, 2013, no amount was outstanding under the RCF for working capital or general corporate purposes. The interest rate on the Company's borrowings under the RCF is reset throughout the quarter reflecting current market rates. Consequently, the carrying value approximates fair value.

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 $229.0 million and $214.1 million at September 30, 2014 and December 31, 2013, respectively. 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. 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):

	September 30, 2014					
	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	$ 874	$ (6)	$ 2,371	$ (113)	$ 3,245	$ (119)
U.S. Government Bonds	1,223	(4)	16,322	(799)	17,545	(803)
Municipal Obligations	4,344	(34)	11,679	(532)	16,023	(566)
Corporate Obligations	1,415	(15)	2,061	(86)	3,476	(101)
Total Debt Securities	7,856	(59)	32,433	(1,530)	40,289	(1,589)
Common Stock	801	(137)	—	—	801	(137)
Common Collective Trust-Equity Funds	16,760	(139)	—	—	16,760	(139)
Total Temporarily Impaired Securities	$ 25,417	$ (335)	$ 32,433	$(1,530)	$ 57,850	$ (1,865)

(1) Includes approximately 101 securities.

	December 31, 2013					
	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	$ 6,444	$ (169)	$ 1,421	$ (119)	$ 7,865	$ (288)
U.S. Government Bonds	8,114	(245)	10,866	(840)	18,980	(1,085)
Municipal Obligations	12,286	(335)	7,782	(479)	20,068	(814)
Corporate Obligations	3,284	(96)	901	(54)	4,185	(150)
Total Debt Securities	30,128	(845)	20,970	(1,492)	51,098	(2,337)
Common Stock	2,305	(126)	—	—	2,305	(126)
Total Temporarily Impaired Securities	$ 32,433	$ (971)	$ 20,970	$ (1,492)	$ 53,403	$ (2,463)

(2) Includes approximately 122 securities.

The Company monitors the length of time the security trades 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. In addition, the Company will research the future prospects of individual securities as necessary. As a result of these factors, as well as the Company's intent and ability to hold these securities until their market price recovers, these securities are considered temporarily impaired. The Company does not anticipate expending monies held in trust before 2044 or a later period when the Company begins to decommission Palo Verde.

The reported fair values 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):

	September 30, 2014		December 31, 2013	
	Fair Value	Unrealized Gains	Fair Value	Unrealized Gains
Description of Securities:				
Federal Agency Mortgage Backed Securities	$ 12,975	$ 586	$ 9,929	$ 433
U.S. Government Bonds	12,482	279	6,258	126
Municipal Obligations	14,748	630	8,783	450
Corporate Obligations	11,645	729	9,188	506
Total Debt Securities	51,850	2,224	34,158	1,515
Common Stock	109,848	49,060	103,808	43,145
Equity Mutual Funds	—	—	16,802	3,081
Cash and Cash Equivalents	9,500	—	5,924	—
Total	$ 171,198	$ 51,284	$ 160,692	$ 47,741

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 three years to eight years and reflects anticipated future prepayments. The contractual year for maturity of these available-for-sale securities as of September 30, 2014 is as follows (in thousands):

	Total	2014	2015 through 2018	2019 through 2023	2024 and Beyond
Municipal Debt Obligations	$ 30,771	$ —	$ 11,151	$ 15,911	$ 3,709
Corporate Debt Obligations	15,121	—	3,267	7,441	4,413
U.S. Government Bonds	30,027	—	15,931	7,236	6,860

The Company recognizes impairment losses on certain of its securities deemed to be other than temporary. In accordance with FASB guidance, these impairment losses are recognized in net income, and a lower cost basis is established for these securities. The Company did not recognize other than temporary impairment losses on its available-for-sale securities in the three and nine month periods ending September 30, 2014. The Company did not recognize other than temporary impairment losses on its available-for-sale securities in the three and nine month periods ending September 30, 2013.

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 and the related effects on pre-tax income are as follows (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2014	2013	2014	2013
Proceeds from sales or maturities of available-for-sale securities	$10,980	$ 7,057	$47,355	$29,419
Gross realized gains included in pre-tax income	$ 1,239	$ 212	$ 4,502	$ 593
Gross realized losses included in pre-tax income	(415)	(13)	(711)	(306)
Net gains in pre-tax income	$ 824	$ 199	$ 3,791	$ 287
Net unrealized holding gains (losses) included in accumulated other comprehensive income	$ 897	$ 4,300	$ 7,965	$ 8,861
Net gains reclassified out of accumulated other comprehensive income	(824)	(199)	(3,791)	(287)
Net gains (losses) in other comprehensive income	$ 73	$ 4,101	$ 4,174	$ 8,574

Fair Value Measurements. FASB guidance requires the Company to provide expanded quantitative disclosures for financial assets and liabilities recorded on the balance sheet at fair value. Financial assets carried at fair value include the Company's decommissioning trust investments and investment 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 Common Collective Trusts are valued using the net asset value ("NAV") provided by the administrator of the fund. The NAV price is quoted on a restrictive market although the underlying investments are traded on active markets.

- 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 analyses. 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. 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.

During the first quarter of 2014, the Company sold its nuclear decommissioning trust investments in equity mutual funds, classified as Level 1, and invested those assets in common collective trusts which are classified as Level 2. The fair value of the Company's decommissioning trust funds and investment in debt securities, at September 30, 2014 and December 31, 2013, and the level within the three levels of the fair value hierarchy defined by FASB guidance are presented in the table below (in thousands):

Description of Securities	Fair Value as of September 30, 2014	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	$ 1,608	$ —	$ —	$ 1,608
Available for sale:				
U.S. Government Bonds	$ 30,027	$ 30,027	$ —	$ —
Federal Agency Mortgage Backed Securities	16,220	—	16,220	—
Municipal Obligations	30,771	—	30,771	—
Corporate Obligations	15,121	—	15,121	—
Subtotal, Debt Securities	92,139	30,027	62,112	—
Common Stock	110,649	110,649	—	—
Common Collective Trust-Equity Funds	16,760	—	16,760	—
Cash and Cash Equivalents	9,500	9,500	—	—
Total available for sale	$ 229,048	$ 150,176	$ 78,872	$ —

Description of Securities	Fair Value as of December 31, 2014	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	$ 1,555	$ —	$ —	$ 1,555
Available for sale:				
U.S. Government Bonds	$ 25,238	$ 25,238	$ —	$ —
Federal Agency Mortgage Backed Securities	17,794	—	17,794	—
Municipal Obligations	28,851	—	28,851	—
Corporate Obligations	13,373	—	13,373	—
Subtotal, Debt Securities	85,256	25,238	60,018	—
Common Stock	106,113	106,113	—	—
Equity Mutual Funds	16,802	16,802	—	—
Cash and Cash Equivalents	5,924	5,924	—	—
Total available for sale	$ 214,095	$ 154,077	$ 60,018	$ —

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 and nine month periods ending September 30, 2014 and 2013. There were no purchases, sales, issuances, and settlements related to the assets in the Level 3 fair value measurement category during the three and nine months ended September 30, 2014 and 2013.

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
El Paso Electric Company	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2014/Q3

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	22,192,008			(75,735,176)
2	Preceding Qtr/Yr to Date Reclassifications from Acct 219 to Net Income	(435,665)			3,037,622
3	Preceding Quarter/Year to Date Changes in Fair Value	14,481,526			51,369,555
4	Total (lines 2 and 3)	14,045,861			54,407,177
5	Balance of Account 219 at End of Preceding Quarter/Year	36,237,869			(21,327,999)
6	Balance of Account 219 at Beginning of Current Year	36,237,869			(21,327,999)
7	Current Qtr/Yr to Date Reclassifications from Acct 219 to Net Income	(3,092,476)			(632,768)
8	Current Quarter/Year to Date Changes in Fair Value	6,379,358			12,143,520
9	Total (lines 7 and 8)	3,286,882			11,510,752
10	Balance of Account 219 at End of Current Quarter/Year	39,524,751			(9,817,247)

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
El Paso Electric Company	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2014/Q3

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

Line No.	Other Cash Flow Hedges Interest Rate Swaps (f)	Other Cash Flow Hedges [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		(12,540,834)	(66,084,002)		
2		242,697	2,844,654		
3			65,851,081		
4		242,697	68,695,735	92,779,951	161,475,686
5		(12,298,137)	2,611,733		
6		(12,298,137)	2,611,733		
7		151,574	(3,573,670)		
8			18,522,878		
9		151,574	14,949,208	89,361,130	104,310,338
10		(12,146,563)	17,560,941		

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 securites 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 postretirement benefit plans being recognized as a component of net periodic benefit cost of the period.

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.

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
El Paso Electric Company	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2014/Q3

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)	3,749,817,799	3,749,817,799
4	Property Under Capital Leases		
5	Plant Purchased or Sold		
6	Completed Construction not Classified	265,369,684	265,369,684
7	Experimental Plant Unclassified		
8	Total (3 thru 7)	4,015,187,483	4,015,187,483
9	Leased to Others		
10	Held for Future Use		
11	Construction Work in Progress	389,244,941	389,244,941
12	Acquisition Adjustments		
13	Total Utility Plant (8 thru 12)	4,404,432,424	4,404,432,424
14	Accum Prov for Depr, Amort, & Depl	2,109,197,388	2,109,197,388
15	Net Utility Plant (13 less 14)	2,295,235,036	2,295,235,036
16	Detail of Accum Prov for Depr, Amort & Depl		
17	In Service:		
18	Depreciation	2,066,226,989	2,066,226,989
19	Amort & Depl of Producing Nat Gas Land/Land Right		
20	Amort of Underground Storage Land/Land Rights		
21	Amort of Other Utility Plant	42,970,399	42,970,399
22	Total In Service (18 thru 21)	2,109,197,388	2,109,197,388
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)	2,109,197,388	2,109,197,388

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
El Paso Electric Company	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2014/Q3

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

Gas (d)	Other (Specify) (e)	Other (Specify) (f)	Other (Specify) (g)	Common (h)	Line No.
					1
					2
					3
					4
					5
					6
					7
					8
					9
					10
					11
					12
					13
					14
					15
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					28
					29
					30
					31
					32
					33

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
El Paso Electric Company	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2014/Q3

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	121,084,837	42,970,399
2	Steam Production Plant	558,908,885	273,048,611
3	Nuclear Production Plant	1,701,864,059	1,193,902,140
4	Hydraulic Production - Conventional		
5	Hydraulic Production - Pumped Storage		
6	Other Production	112,995,050	15,024,256
7	Transmission	393,852,626	207,442,646
8	Distribution	980,922,712	316,407,060
9	Regional Transmission and Market Operation		
10	General	145,559,314	60,402,276
11	TOTAL (Total of lines 1 through 10)	4,015,187,483	2,109,197,388

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
El Paso Electric Company	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2014/Q3

Transmission Service and Generation Interconnection Study Costs

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

Line No.	Description (a)	Costs Incurred During Period (b)	Account Charged (c)	Reimbursements Received During the Period (d)	Account Credited With Reimbursement (e)
1	**Transmission Studies**				
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
18					
19					
20					
21	**Generation Studies**				
22	None				
23					
24					
25					
26					
27					
28					
29					
30					
31					
32					
33					
34					
35					
36					
37					
38					
39					
40					

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
El Paso Electric Company	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2014/Q3

OTHER REGULATORY ASSETS (Account 182.3)

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

Line No.	Description and Purpose of Other Regulatory Assets (a)	Balance at Beginning of Current Quarter/Year (b)	Debits (c)	CREDITS: Written off During the Quarter /Year Account Charged (d)	CREDITS: Written off During the Period Amount (e)	Balance at end of Current Quarter/Year (f)
1	Taxes-Regulatory Assets	108,436,551	11,310,564	various	10,384,994	109,362,121
2						
3	Rio Grande Resources Trust:					
4	Nuclear Fuel Postload Daily Finance Charge	4,569,652	725,652	518	946,820	4,348,484
5						
6	Coal reclamation	3,699,220		501/431	295,355	3,403,865
7						
8	Net Undercollection of Fuel Revenues					
9	Texas	17,147,076		440's	6,365,677	10,781,399
10	New Mexico	2,300,974		440's	2,300,974	
11	FERC	120,816		440's	120,816	
12						
13	Texas:					
14	Texas 2015 Rate Case Costs		40,451			40,451
15						
16	New Mexico Renewable Energy Cost:					
17	Renewable Procurement Plan	139,510				139,510
18	Renewable Energy Credits	4,836,273	800,829			5,637,102
19						
20	New Mexico:					
21	2010 FPPCAC Audit	434,259				434,259
22	2015 New Mexico Rate Case Cost	8,060	3,905			11,965
23						
24	Palo Verde Deferred Depreciation	4,795,861		407.3	38,046	4,757,815
25						
26						
27						
28						
29						
30						
31						
32						
33						
34						
35						
36						
37						
38						
39						
40						
41						
42						
43						
44	**TOTAL :**	146,488,252	12,881,401		20,452,682	138,916,971

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: f

Represents total Company final coal mine reclamation liability. 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. In the Company's New Mexico jurisdiction, the recovery of 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 termination date of the 50-year participation agreement among the owners of the Four Corners generating facility. In the Company's Texas jurisdiction, the recovery of 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 Final Order of PUCT Docket No. 41852 issued July 11, 2014 provided for the final coal reclamation costs to continue in the amount of approximately $70 thousand per month. In the Company's FERC jurisdiction final coal reclamation costs will not be recovered until actual final reclamation is paid. See Note F of the Notes to the Regulatory-Basis Financial Statements and Note D of the Notes to the Regulatory-Basis Financial Statements in the 2013 FERC Form 1 for a discussion of Four Corners.

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

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

Schedule Page: 232 Line No.: 17 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.: 18 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.: 21 Column: a

Represents costs incurred for a Fuel and Purchased Power Cost Adjustment Clause (FPPCAC) audit. As ordered by the NMPRC in Case No. 09-00171-UT, the Company can defer these costs as a regulatory asset and request recovery in a future rate proceeding after the costs are incurred.

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

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.: 24 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.

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
El Paso Electric Company	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2014/Q3

OTHER REGULATORY LIABILITIES (Account 254)

1. Report below the particulars (details) called for concerning other regulatory liabilities, including rate order docket number, if applicable.
2. Minor items (5% of the Balance in Account 254 at end of period, or amounts less than $100,000 which ever is less), may be grouped by classes.
3. For Regulatory Liabilities being amortized, show period of amortization.

Line No.	Description and Purpose of Other Regulatory Liabilities (a)	Balance at Begining of Current Quarter/Year (b)	DEBITS Account Credited (c)	DEBITS Amount (d)	Credits (e)	Balance at End of Current Quarter/Year (f)
1	Regulatory Tax Liabilities	49,132,933	various	1,498,997	1,060,899	48,694,835
2						
3	Net Overcollection of Fuel Revenues					
4	New Mexico				3,326,756	3,326,756
5	FERC				21,342	21,342
6						
7	New Mexico Energy Efficiency Program	4,349,993	182.3	866,019	1,476,787	4,960,761
8						
9	Texas Energy Efficiency Program	215,266	182.3	1,096,651	1,343,671	462,286
10						
11	Texas Military Base Discount and Recovery	63,629	182.3	1,376,917	1,815,227	501,939
12						
13						
14						
15						
16						
17						
18						
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29						
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32						
33						
34						
35						
36						
37						
38						
39						
40						
41	TOTAL	53,761,821		4,838,584	9,044,682	57,967,919

FOOTNOTE DATA

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

Amortization period ranges from 5 to 40 years.

Schedule Page: 278 Line No.: 7 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.: 9 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: 278 Line No.: 11 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.

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
El Paso Electric Company	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2014/Q3

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	251,832,360	250,283,308
3	(442) Commercial and Industrial Sales		
4	Small (or Comm.) (See Instr. 4)	203,287,038	197,548,954
5	Large (or Ind.) (See Instr. 4)	52,736,555	51,502,932
6	(444) Public Street and Highway Lighting	3,289,907	4,245,153
7	(445) Other Sales to Public Authorities	107,038,666	106,394,762
8	(446) Sales to Railroads and Railways		
9	(448) Interdepartmental Sales		
10	TOTAL Sales to Ultimate Consumers	618,184,526	609,975,109
11	(447) Sales for Resale	81,114,788	66,056,781
12	TOTAL Sales of Electricity	699,299,314	676,031,890
13	(Less) (449.1) Provision for Rate Refunds		
14	TOTAL Revenues Net of Prov. for Refunds	699,299,314	676,031,890
15	Other Operating Revenues		
16	(450) Forfeited Discounts	990,909	1,008,339
17	(451) Miscellaneous Service Revenues	2,747,723	3,101,598
18	(453) Sales of Water and Water Power		
19	(454) Rent from Electric Property	2,843,316	2,456,737
20	(455) Interdepartmental Rents		
21	(456) Other Electric Revenues	308,609	216,995
22	(456.1) Revenues from Transmission of Electricity of Others	14,771,915	17,249,130
23	(457.1) Regional Control Service Revenues		
24	(457.2) Miscellaneous Revenues		
25			
26	TOTAL Other Operating Revenues	21,662,472	24,032,799
27	TOTAL Electric Operating Revenues	720,961,786	700,064,689

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
El Paso Electric Company	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2014/Q3

ELECTRIC OPERATING REVENUES (Account 400)

6. Commercial and industrial Sales, Account 442, may be classified according to the basis of classification (Small or Commercial, and Large or Industrial) regularly used by the respondent if such basis of classification is not generally greater than 1000 Kw of demand. (See Account 442 of the Uniform System of Accounts. Explain basis of classification in a footnote.)
7. See pages 108-109, Important Changes During Period, for important new territory added and important rate increase or decreases.
8. For Lines 2,4,5,and 6, see Page 304 for amounts relating to unbilled revenue by accounts.
9. Include unmetered sales. Provide details of such Sales in a footnote.

MEGAWATT HOURS SOLD		AVG.NO. CUSTOMERS PER MONTH		Line No.
Year to Date Quarterly/Annual (d)	Amount Previous year (no Quarterly) (e)	Current Year (no Quarterly) (f)	Previous Year (no Quarterly) (g)	
				1
2,087,558	2,138,436			2
				3
1,809,477	1,813,330			4
794,891	813,099			5
23,735	30,612			6
1,178,668	1,215,189			7
				8
				9
5,894,329	6,010,666			10
2,660,246	2,133,490			11
8,554,575	8,144,156			12
				13
8,554,575	8,144,156			14

Line 12, column (b) includes $ 7,151,000 of unbilled revenues.

Line 12, column (d) includes 25,476 MWH relating to unbilled revenues

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

Includes 605,295 MWhs related to the Company's Power Purchase and Sales Agreement with Freeport-McMoRan dated December 16, 2005.

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

Includes 189,316 MWhs related to the Company's Power Purchase and Sales Agreement with Freeport-McMoRan dated December 16, 2005.

Schedule Page: 300 Line No.: 12 Column: d

Includes 605,295 MWhs related to the Company's Power Purchase and Sales Agreement with Freeport-McMoRan dated December 16, 2005.

Schedule Page: 300 Line No.: 12 Column: e

Includes 189,316 MWhs related to the Company's Power Purchase and Sales Agreement with Freeport-McMoRan dated December 16, 2005.

Schedule Page: 300 Line No.: 14 Column: d

Includes 605,295 MWhs related to the Company's Power Purchase and Sales Agreement with Freeport-McMoRan dated December 16, 2005.

Schedule Page: 300 Line No.: 14 Column: e

Includes 189,316 MWhs related to the Company's Power Purchase and Sales Agreement with Freeport-McMoRan dated December 16, 2005.

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

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

	September 2014
Non Pay Reconnect Charges	1,305,081
Name Change/Cut in Charge	846,599
New Service Charges	233,118
Overhead/Underground Connection Charges	162,422
Misc Other	200,503
Total	2,747,723

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

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

	September 2013
Non Pay Reconnect Charges	1,415,002
Name Change/Cut in Charge	825,022
New Service Charges	241,425
Overhead/Underground Connection Charges	156,518
Energy Efficiency Bonus	208,224
Misc Other	255,407
Total	3,101,598

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

Includes $306,683 related to te Company's 15.8% share of Palo Verde other electric revenues from APS.

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
El Paso Electric Company	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2014/Q3

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)	163,434,722
3	Steam Power Generation - Maintenance (510-515)	17,317,030
4	Total Power Production Expenses - Steam Power	180,751,752
5	Nuclear Power Generation - Operation (517-525)	63,173,074
6	Nuclear Power Generation – Maintenance (528-532)	15,558,453
7	Total Power Production Expenses - Nuclear Power	78,731,527
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)	9,133,663
12	Other Power Generation - Maintenance (551-554.1)	2,540,697
13	Total Power Production Expenses - Other Power	11,674,360
14	Other Power Supply Expenses	
15	Purchased Power (555)	54,113,777
16	System Control and Load Dispatching (556)	835,448
17	Other Expenses (557)	304,507
18	Total Other Power Supply Expenses (line 15-17)	55,253,732
19	Total Power Production Expenses (Total of lines 4, 7, 10, 13 and 18)	326,411,371
20	2. TRANSMISSION EXPENSES	
21	Transmission Operation Expenses	
22	(560) Operation Supervision and Engineering	1,009,407
23		
24	(561.1) Load Dispatch-Reliability	70,697
25	(561.2) Load Dispatch-Monitor and Operate Transmission System	478,644
26	(561.3) Load Dispatch-Transmission Service and Scheduling	357,864
27	(561.4) Scheduling, System Control and Dispatch Services	772,692
28	(561.5) Reliability, Planning and Standards Development	700,536
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	157,468
33	(563) Overhead Line Expenses	69,068
34	(564) Underground Line Expenses	
35	(565) Transmission of Electricity by Others	4,204,741
36	(566) Miscellaneous Transmission Expenses	3,855,390
37	(567) Rents	146,813
38	(567.1) Operation Supplies and Expenses (Non-Major)	

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
El Paso Electric Company	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2014/Q3

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)	11,823,320
40	Transmission Maintenance Expenses	
41	(568) Maintenance Supervision and Engineering	8,912
42	(569) Maintenance of Structures	22,546
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	410,759
48	(571) Maintenance Overhead Lines	734,395
49	(572) Maintenance of Underground Lines	
50	(573) Maintenance of Miscellaneous Transmission Plant	48,193
51	(574) Maintenance of Transmission Plant	
52	TOTAL Transmission Maintenance Expenses (Lines 41 - 51)	1,224,805
53	Total Transmission Expenses (Lines 39 and 52)	13,048,125
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)	11,088,258
74	Distribution Maintenance Expenses (590-598)	5,294,243
75	Total Distribution Expenses (Lines 73 and 74)	16,382,501

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
El Paso Electric Company	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2014/Q3

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	14,880,628
2	(907-910) Customer Service and Information Expenses	156,297
3	(911-917) Sales Expenses	
4	8. ADMINISTRATIVE AND GENERAL EXPENSES	
5	Operations	
6	920 Administrative and General Salaries	23,512,417
7	921 Office Supplies and Expenses	3,749,052
8	(Less) 922 Administrative Expenses Transferred-Credit	
9	923 Outside Services Employed	13,234,298
10	924 Property Insurance	2,278,211
11	925 Injuries and Damages	4,009,643
12	926 Employee Pensions and Benefits	23,571,838
13	927 Franchise Requirements	
14	928 Regulatory Commission Expenses	4,432,510
15	(Less) 929 Duplicate Charges-Credit	
16	930.1General Advertising Expenses	548,718
17	930.2Miscellaneous General Expenses	12,869,590
18	931 Rents	513,876
19	TOTAL Operation (Total of lines 6 thru 18)	88,720,153
20	Maintenance	
21	935 Maintenance of General Plant	3,684,030
22	TOTAL Administrative and General Expenses (Total of lines 19 and 21)	92,404,183

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
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TRANSMISSION OF ELECTRICITY FOR OTHERS (Account 456.1)
(Including transactions referred to as 'wheeling')

1. Report all transmission of electricity, i.e., wheeling, provided for other electric utilities, cooperatives, other public authorities, qualifying facilities, non-traditional utility suppliers and ultimate customers for the quarter.
2. Use a separate line of data for each distinct type of transmission service involving the entities listed in column (a), (b) and (c).
3. Report in column (a) the company or public authority that paid for the transmission service. Report in column (b) the company or public authority that the energy was received from and in column (c) the company or public authority that the energy was delivered to. Provide the full name of each company or public authority. Do not abbreviate or truncate name or use acronyms. Explain in a footnote any ownership interest in or affiliation the respondent has with the entities listed in columns (a), (b) or (c)
4. In column (d) enter a Statistical Classification code based on the original contractual terms and conditions of the service as follows: FNO - Firm Network Service for Others, FNS - Firm Network Transmission Service for Self, LFP - "Long-Term Firm Point to Point Transmission Service, OLF - Other Long-Term Firm Transmission Service, SFP - Short-Term Firm Point to Point Transmission Reservation, NF - non-firm transmission service, OS - Other Transmission Service and AD - Out-of-Period Adjustments. Use this code for any accounting adjustments or "true-ups" for service provided in prior reporting periods. Provide an explanation in a footnote for each adjustment. See General Instruction for definitions of codes.

Line No.	Payment By (Company of Public Authority) (Footnote Affiliation) (a)	Energy Received From (Company of Public Authority) (Footnote Affiliation) (b)	Energy Delivered To (Company of Public Authority) (Footnote Affiliation) (c)	Statistical Classifi-cation (d)
1	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	SFP
4	Arizona Electric Power Cooperative	Tucson Electric Power Company	Tucson Electric Power Company	NF
5	Arizona Electric Power Cooperative	Arizona Public Service Company	Salt River Project	SFP
6	Arizona Public Service Company	Salt River Project	Arizona Public Service Company	SFP
7	Arizona Public Service Company	Salt River Project	Arizona Public Service Company	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	AD
11	Eagle Energy Partners	Salt River Project	Salt River Project	NF
12	Eagle Energy Partners	Salt River Project	Salt River Project	SFP
13	Eagle Energy Partners	Salt River Project	Salt River Project	SFP
14	Eagle Energy Partners	Salt River Project	Salt River Project	SFP
15	Exelon Generation LLC	Salt River Project	Arizona Public Service Company	NF
16	Imperial Irrigation District	Salt River Project	Arizona Public Service Company	NF
17	Imperial Irrigation District	Salt River Project	Arizona Public Service Company	SFP
18	Imperial Irrigation District	Salt River Project	Arizona Public Service Company	SFP
19	Macquarie Cook Power	Salt River Project	Arizona Public Service Company	NF
20	Morgan Stanley	Salt River Project	Arizona Public Service Company	AD
21	Morgan Stanley	Salt River Project	Arizona Public Service Company	NF
22	Morgan Stanley	Salt River Project	Arizona Public Service Company	SFP
23	Morgan Stanley	Arizona Public Service Company	Salt River Project	NF
24	Morgan Stanley	Arizona Public Service Company	Salt River Project	SFP
25	Open Access Technology International, Inc.	Salt River Project	Arizona Public Service Company	NF
26	Open Access Technology International, Inc.	Tucson Electric Power Company	Tucson Electric Power Company	NF
27	PacificCorp Power Marketing	Salt River Project	Arizona Public Service Company	NF
28	PacificCorp Power Marketing	Arizona Public Service Company	Salt River Project	SFP
29	Panda Gila River	Salt River Project	Salt River Project	AD
30	Panda Gila River	Salt River Project	Salt River Project	NF
31	Panda Gila River	Salt River Project	Salt River Project	SFP
32	Panda Gila River	Salt River Project	Arizona Public Service Company	NF
33	Panda Gila River	Salt River Project	Arizona Public Service Company	SFP
34	Panda Gila River	Salt River Project	Salt River Project	SFP
	TOTAL			

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
El Paso Electric Company	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2014/Q3

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

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

FERC Rate Schedule of Tariff Number (e)	Point of Receipt (Subsatation or Other Designation) (f)	Point of Delivery (Substation or Other Designation) (g)	Billing Demand (MW) (h)	TRANSFER OF ENERGY		Line No.
				MegaWatt Hours Received (i)	MegaWatt Hours Delivered (j)	
01	EPE System	Coyote/Farmer	12	19,209	19,209	1
01	Palo Verde	Westwing	125	16,563	16,563	2
01	Palo Verde	Westwing		53	53	3
01	Springerville	Greenlee		5	5	4
01	Westwing	Palo Verde		80	80	5
01	Palo Verde	Westwing	71	239	239	6
01	Palo Verde	Westwing		1	1	7
01	Palo Verde	Westwing	125	65,979	65,979	8
01	Palo Verde	Westwing		234	234	9
01	Jojoba	Palo Verde				10
01	Jojoba	Palo Verde		601	601	11
01	Jojoba	Palo Verde		72,193	72,193	12
01	Jojoba	Palo Verde	400	320,698	320,698	13
01	Jojoba	Palo Verde	150	182,408	182,408	14
01	Palo Verde	Westwing		1,605	1,605	15
01	Palo Verde	Westwing		6,746	6,746	16
01	Palo Verde	Westwing		240	240	17
01	Palo Verde	Westwing	50	62,180	62,180	18
01	Palo Verde	Westwing		1,506	1,506	19
01	Palo Verde	Westwing				20
01	Palo Verde	Westwing		231,112	231,112	21
01	Palo Verde	Westwing		802	802	22
01	Westwing	Palo Verde		31	31	23
01	Westwing	Palo Verde		120	120	24
01	Jojoba	Westwing		455	455	25
01	Springerville	Greenlee		564	564	26
01	Palo Verde	Westwing		22,807	22,807	27
01	Westwing	Palo Verde		235	235	28
01	Jojoba	Palo Verde				29
01	Jojoba	Palo Verde		13,568	13,568	30
01	Jojoba	Palo Verde		58,682	58,682	31
01	Jojoba	Westwing		449	449	32
01	Jojoba	Westwing		606	606	33
01	Palo Verde	Jojoba		450	450	34
			1,425	**1,978,920**	**1,978,920**	

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
El Paso Electric Company	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2014/Q3

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

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

REVENUE FROM TRANSMISSION OF ELECTRICITY FOR OTHERS

Demand Charges ($) (k)	Energy Charges ($) (l)	(Other Charges) ($) (m)	Total Revenues ($) (k+l+m) (n)	Line No.
56,045		-774,521	-718,476	1
153,170			153,170	2
				3
	34		34	4
	73		73	5
58,220			58,220	6
	42		42	7
153,219			153,219	8
				9
	163		163	10
	1,304		1,304	11
	166,768		166,768	12
752,000			752,000	13
391,500			391,500	14
	1,065		1,065	15
	7,510		7,510	16
	10,926		10,926	17
61,500			61,500	18
	1,876		1,876	19
	97		97	20
	182,664		182,664	21
	598		598	22
	36		36	23
	80		80	24
	1,385		1,385	25
	1,672		1,672	26
	31,624		31,624	27
	184		184	28
	19,447		19,447	29
	32,643		32,643	30
	170,922		170,922	31
	1,340		1,340	32
	1,751		1,751	33
	1,015		1,015	34
4,532,884	**1,495,875**	**-774,521**	**5,254,238**	

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
El Paso Electric Company	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2014/Q3

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	Panda Gila River	Salt River Project	Arizona Public Service Company	NF
2	Panda Gila River	Salt River Project	Arizona Public Service Company	SFP
3	Panda Gila River	Salt River Project	Arizona Public Service Company	SFP
4	Powerex	Salt River Project	Arizona Public Service Company	NF
5	Powerex	Salt River Project	Arizona Public Service Company	SFP
6	Powerex	Arizona Public Service Company	Salt River Project	SFP
7	PPM Energy, Inc	Salt River Project	Arizona Public Service Company	NF
8	Public Service Company of New Mexico	Public Service Company of New Mex	Public Service Company of New Mex	SFP
9	Public Service Company of New Mexico	Public Service Company of New Mex	Tucson Electric Power Company	LFP
10	Public Service Company of New Mexico	Public Service Company of New Mex	Tucson Electric Power Company	SFP
11	Public Service Company of New Mexico	Public Service Company of New Mex	Public Service Company of New Mex	AD
12	Public Service Company of New Mexico	Public Service Company of New Mex	Public Service Company of New Mex	LFP
13	Public Service Company of New Mexico	Public Service Company of New Mex	Public Service Company of New Mex	NF
14	Public Service Company of New Mexico	Public Service Company of New Mex	Public Service Company of New Mex	SFP
15	Public Service Company of New Mexico	Tucson Electric Power Company	Public Service Company of New Mex	SFP
16	Public Service Company of New Mexico	Public Service Company of New Mex	Public Service Company of New Mex	SFP
17	Public Service Company of New Mexico	Public Service Company of New Mex	Tucson Electric Power Company	LFP
18	Public Service Company of New Mexico	Public Service Company of New Mex	Tucson Electric Power Company	SFP
19	Public Service Company of New Mexico	Public Service Company of New Mex	Tucson Electric Power Company	SFP
20	Public Service Company of New Mexico	Public Service Company of New Mex	Public Service Company of New Mex	LFP
21	Public Service Company of New Mexico	Public Service Company of New Mex	Public Service Company of New Mex	NF
22	Public Service Company of New Mexico	Public Service Company of New Mex	Public Service Company of New Mex	SFP
23	Public Service Company of New Mexico	Public Service Company of New Mex	Public Service Company of New Mex	NF
24	Public Service Company of New Mexico	Arizona Public Service Company	Salt River Project	SFP
25	Tristate Generating and Transmission Coop	Tucson Electric Power Company	Public Service Company of New Mex	LFP
26	Tristate Generating and Transmission Coop	Tucson Electric Power Company	Public Service Company of New Mex	SFP
27	Tucson Electric Power	Public Service Company of New Mex	Tucson Electric Power Company	LFP
28	Tucson Electric Power	Public Service Company of New Mex	Tucson Electric Power Company	NF
29	Tucson Electric Power	Public Service Company of New Mex	Tucson Electric Power Company	SFP
30	Tucson Electric Power	Public Service Company of New Mex	Tucson Electric Power Company	LFP
31	Tucson Electric Power	Public Service Company of New Mex	Tucson Electric Power Company	NF
32	Tucson Electric Power	Tucson Electric Power Company	Tucson Electric Power Company	NF
33	Tucson Electric Power	Tucson Electric Power Company	Tucson Electric Power Company	NF
34	Tucson Electric Power	Tucson Electric Power Company	Tucson Electric Power Company	SFP
	TOTAL			

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
El Paso Electric Company	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2014/Q3

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

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

FERC Rate Schedule of Tariff Number (e)	Point of Receipt (Subsatation or Other Designation) (f)	Point of Delivery (Substation or Other Designation) (g)	Billing Demand (MW) (h)	TRANSFER OF ENERGY		Line No.
				MegaWatt Hours Received (i)	MegaWatt Hours Delivered (j)	
01	Palo Verde	Westwing		2,057	2,057	1
01	Palo Verde	Westwing	10	9,780	9,780	2
01	Palo Verde	Westwing		183	183	3
01	Palo Verde	Westwing		1,360	1,360	4
01	Palo Verde	Westwing		161	161	5
01	Westwing	Palo Verde		915	915	6
01	Palo Verde	Westwing		124	124	7
01	Afton	Luna		14,747	14,747	8
01	Afton	Springerville	94	97,058	97,058	9
01	Afton	Springerville		4,336	4,336	10
01	Afton	Westmesa				11
01	Afton	Westmesa	141	113,749	113,749	12
01	Afton	Westmesa		594	594	13
01	Afton	Westmesa		48,362	48,362	14
01	Greenlee	Luna		668	668	15
01	Las Cruces	Amrad		5,461	5,461	16
01	Luna	Springerville	60	53,122	53,122	17
01	Luna	Springerville		2,599	2,599	18
01	Luna	Springerville	60	5,764	5,764	19
01	Westmesa	Amrad	25	43,535	43,535	20
01	Westmesa	Amrad		110	110	21
01	Westmesa	Amrad		1,841	1,841	22
01	Westmesa	Las Cruces		2	2	23
01	Westwing	Palo Verde		201	201	24
80	Springerville	Las Cruces/Orogrande	50	101,995	101,995	25
01	Springerville	Las Cruces/Orogrande		4,316	4,316	26
01	Luna	Greenlee	30	27,095	27,095	27
01	Luna	Greenlee		999	999	28
01	Luna	Greenlee		1,146	1,146	29
01	Luna	Springerville	10			30
01	Luna	Springerville		27	27	31
01	Macho Springs	Greenlee		878	878	32
01	Macho Springs	Springerville		552	552	33
01	Macho Springs	Springerville	10	19,347	19,347	34
			1,425	**1,978,920**	**1,978,920**	

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
El Paso Electric Company	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2014/Q3

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

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

REVENUE FROM TRANSMISSION OF ELECTRICITY FOR OTHERS

Demand Charges ($) (k)	Energy Charges ($) (l)	(Other Charges) ($) (m)	Total Revenues ($) (k+l+m) (n)	Line No.
	2,120		2,120	1
8,200			8,200	2
	1,905		1,905	3
	1,540		1,540	4
	260		260	5
	1,279		1,279	6
	200		200	7
	69,552		69,552	8
683,639			683,639	9
	738		738	10
	2,700		2,700	11
589,093			589,093	12
	3,626		3,626	13
	247,722		247,722	14
	26,312		26,312	15
	38,104		38,104	16
420,001			420,001	17
	4,100		4,100	18
374,784			374,784	19
181,819			181,819	20
	734		734	21
				22
	11		11	23
	111		111	24
346,500			346,500	25
				26
218,183			218,183	27
	5,484		5,484	28
				29
				30
	148		148	31
	3,382		3,382	32
	3,394		3,394	33
70,465			70,465	34
4,532,884	**1,495,875**	**-774,521**	**5,254,238**	

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
El Paso Electric Company	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2014/Q3

TRANSMISSION OF ELECTRICITY FOR OTHERS (Account 456.1)
(Including transactions referred to as 'wheeling')

1. Report all transmission of electricity, i.e., wheeling, provided for other electric utilities, cooperatives, other public authorities, qualifying facilities, non-traditional utility suppliers and ultimate customers for the quarter.
2. Use a separate line of data for each distinct type of transmission service involving the entities listed in column (a), (b) and (c).
3. Report in column (a) the company or public authority that paid for the transmission service. Report in column (b) the company or public authority that the energy was received from and in column (c) the company or public authority that the energy was delivered to. Provide the full name of each company or public authority. Do not abbreviate or truncate name or use acronyms. Explain in a footnote any ownership interest in or affiliation the respondent has with the entities listed in columns (a), (b) or (c)
4. In column (d) enter a Statistical Classification code based on the original contractual terms and conditions of the service as follows: FNO - Firm Network Service for Others, FNS - Firm Network Transmission Service for Self, LFP - "Long-Term Firm Point to Point Transmission Service, OLF - Other Long-Term Firm Transmission Service, SFP - Short-Term Firm Point to Point Transmission Reservation, NF - non-firm transmission service, OS - Other Transmission Service and AD - Out-of-Period Adjustments. Use this code for any accounting adjustments or "true-ups" for service provided in prior reporting periods. Provide an explanation in a footnote for each adjustment. See General Instruction for definitions of codes.

Line No.	Payment By (Company of Public Authority) (Footnote Affiliation) (a)	Energy Received From (Company of Public Authority) (Footnote Affiliation) (b)	Energy Delivered To (Company of Public Authority) (Footnote Affiliation) (c)	Statistical Classifi-cation (d)
1	Tucson Electric Power	Tucson Electric Power Company	Tucson Electric Power Company	SFP
2	Tucson Electric Power	Salt River Project	Arizona Public Service Company	AD
3	Tucson Electric Power	Salt River Project	Arizona Public Service Company	NF
4	Tucson Electric Power	Tucson Electric Power Company	Tucson Electric Power Company	NF
5	UniSource Energy Services	Salt River Project	Arizona Public Service Company	AD
6	UniSource Energy Services	Salt River Project	Arizona Public Service Company	NF
7	Western Area Power Admin	Public Service Company of New Mex	Public Service Company of New Mex	LFP
8	Western Area Power Admin	Public Service Company of New Mex	Public Service Company of New Mex	SFP
9	Western Area Power Admin - DSW	Salt River Project	Arizona Public Service Company	NF
10				
11				
12				
13				
14				
15				
16				
17				
18				
19				
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22				
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24				
25				
26				
27				
28				
29				
30				
31				
32				
33				
34				
	TOTAL			

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
El Paso Electric Company	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2014/Q3

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

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

FERC Rate Schedule of Tariff Number (e)	Point of Receipt (Subsatation or Other Designation) (f)	Point of Delivery (Substation or Other Designation) (g)	Billing Demand (MW) (h)	TRANSFER OF ENERGY		Line No.
				MegaWatt Hours Received (i)	MegaWatt Hours Delivered (j)	
01	Macho Springs	Springerville		24,697	24,697	1
01	Palo Verde	Westwing				2
01	Palo Verde	Westwing		57,061	57,061	3
01	Springerville	Greenlee		1,564	1,564	4
01	Palo Verde	Westwing				5
01	Palo Verde	Westwing		249,757	249,757	6
01	Westmesa	Holloman	2	1,913	1,913	7
01	Westmesa	Holloman		82	82	8
01	Palo Verde	Westwing		341	341	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
			1,425	**1,978,920**	**1,978,920**	

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
El Paso Electric Company	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2014/Q3

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

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

REVENUE FROM TRANSMISSION OF ELECTRICITY FOR OTHERS

Demand Charges ($) (k)	Energy Charges ($) (l)	(Other Charges) ($) (m)	Total Revenues ($) (k+l+m) (n)	Line No.
	127,776		127,776	1
	40		40	2
	54,183		54,183	3
	8,095		8,095	4
	14,814		14,814	5
	242,038		242,038	6
14,546			14,546	7
				8
	288		288	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
4,532,884	**1,495,875**	**-774,521**	**5,254,238**	

FOOTNOTE DATA

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

Network Integration Transmission Service expiration March 31, 2015.

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

Represents a billing adjustment related to the period May 2008 through May 2013.

Schedule Page: 328 Line No.: 2 Column: d

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

Schedule Page: 328 Line No.: 3 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.: 10 Column: d

Adjustment to bill for transmission not billed in prior period.

Schedule Page: 328 Line No.: 20 Column: d

Adjustment to bill for transmission not billed in prior period.

Schedule Page: 328 Line No.: 29 Column: d

Adjustment to bill for transmission not billed in prior period.

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

Firm transmission contract, expiration August 1, 2019.

Schedule Page: 328.1 Line No.: 11 Column: d

Adjustment to bill for transmission not billed in prior period.

Schedule Page: 328.1 Line No.: 12 Column: d

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

Schedule Page: 328.1 Line No.: 17 Column: d

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

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

Firm transmission contract, expiration July 1, 2018.

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

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

Schedule Page: 328.1 Line No.: 25 Column: d

Firm transmission contract, expiration January 1, 2026.

Schedule Page: 328.1 Line No.: 26 Column: i

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

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

Firm transmission contract, expiration November 1, 2029.

Schedule Page: 328.1 Line No.: 29 Column: i

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

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

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

Schedule Page: 328.2 Line No.: 2 Column: d

Adjustment to bill for transmission not billed in prior period.

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

Adjustment to bill for transmission not billed in prior period.

FOOTNOTE DATA

Schedule Page: 328.2 Line No.: 7 Column: d

Firm transmission contract, expiration October 1, 2024

Schedule Page: 328.2 Line No.: 8 Column: i

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

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
El Paso Electric Company	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2014/Q3

TRANSMISSION OF ELECTRICITY BY OTHERS (Account 565)
(Including transactions referred to as "wheeling")

1. Report all transmission, i.e. wheeling or electricity provided by other electric utilities, cooperatives, municipalities, other public authorities, qualifying facilities, and others for the quarter.
2. In column (a) report each company or public authority that provided transmission service. Provide the full name of the company, abbreviate if necessary, but do not truncate name or use acronyms. Explain in a footnote any ownership interest in or affiliation with the transmission service provider. Use additional columns as necessary to report all companies or public authorities that provided transmission service for the quarter reported.
3. In column (b) enter a Statistical Classification code based on the original contractual terms and conditions of the service as follows: FNS - Firm Network Transmission Service for Self, LFP - Long-Term Firm Point-to-Point Transmission Reservations. OLF - Other Long-Term Firm Transmission Service, SFP - Short-Term Firm Point-to- Point Transmission Reservations, NF - Non-Firm Transmission Service, and OS - Other Transmission Service. See General Instructions for definitions of statistical classifications.
4. Report in column (c) and (d) the total megawatt hours received and delivered by the provider of the transmission service.
5. Report in column (e), (f) and (g) expenses as shown on bills or vouchers rendered to the respondent. In column (e) report the demand charges and in column (f) energy charges related to the amount of energy transferred. On column (g) report the total of all other charges on bills or vouchers rendered to the respondent, including any out of period adjustments. Explain in a footnote all components of the amount shown in column (g). Report in column (h) the total charge shown on bills rendered to the respondent. If no monetary settlement was made, enter zero in column (h). Provide a footnote explaining the nature of the non-monetary settlement, including the amount and type of energy or service rendered.
6. Enter "TOTAL" in column (a) as the last line.
7. Footnote entries and provide explanations following all required data.

Line No.	Name of Company or Public Authority (Footnote Affiliations) (a)	Statistical Classification (b)	TRANSFER OF ENERGY		EXPENSES FOR TRANSMISSION OF ELECTRICITY BY OTHERS			
			Magawatt-hours Received (c)	Magawatt-hours Delivered (d)	Demand Charges ($) (e)	Energy Charges ($) (f)	Other Charges ($) (g)	Total Cost of Transmission ($) (h)
1	Public Serv. Co. of NM	LFP	21,702	21,702	145,763			145,763
2	Public Serv. Co. of NM	LFP	149,737	149,737	757,965			757,965
3	Public Serv. Co. of NM	SFP	12,896	12,896				
4	Public Serv. Co. of NM	NF	13,013	13,013		88,671		88,671
5	Salt River Project	OLF	64,108	64,108	427,125			427,125
6	Salt River Project	NF	7	7		23		23
7	Tucson Electric Power	OLF	86,730	86,730				
8	Tucson Electric Power	SFP	486	486		4,037		4,037
9	Tucson Electric Power	NF	532	532		4,268		4,268
10	Open Access Tech. Int	AD	1	1		8		8
11								
12								
13								
14								
15								
16								
	TOTAL		349,212	349,212	1,330,853	97,007		1,427,860

FOOTNOTE DATA

Schedule Page: 332 Line No.: 1 Column: b
Contract terminates June 1, 2019.

Schedule Page: 332 Line No.: 1 Column: c
Amounts shown based on actual energy flows.

Schedule Page: 332 Line No.: 1 Column: d
Amounts shown based on actual energy flows.

Schedule Page: 332 Line No.: 2 Column: b
Contract expires June 30, 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: c
Amounts shown based on actual energy flows and transmission reservations.

Schedule Page: 332 Line No.: 3 Column: d
Amounts shown based on actual energy flows and transmission reservations.

Schedule Page: 332 Line No.: 3 Column: f
Amounts shown include short term transmission reservations, related ancillary and losses.

Schedule Page: 332 Line No.: 4 Column: c
Amounts shown based on transmission reservations.

Schedule Page: 332 Line No.: 4 Column: d
Amounts shown based on 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: b
Contract expires concurrent with the ANPP Participation Agreement.

Schedule Page: 332 Line No.: 5 Column: c
Amounts shown based on actual energy flows.

Schedule Page: 332 Line No.: 5 Column: d
Amounts shown based on actual energy flows.

Schedule Page: 332 Line No.: 6 Column: c
Amounts shown based on transmission reservations.

Schedule Page: 332 Line No.: 6 Column: d
Amounts shown based on transmission reservations.

Schedule Page: 332 Line No.: 6 Column: f
Amounts shown include short term transmission reservations, related ancillary and losses.

Schedule Page: 332 Line No.: 7 Column: b
Service Schedule C terminates on the date of retirement of the last generating unit at Palo Verde Nuclear Generating Station, subject to twelve-month notice of termination by the Company.

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.

Schedule Page: 332 Line No.: 8 Column: c
Amounts shown based on transmission reservations.

Schedule Page: 332 Line No.: 8 Column: d
Amounts shown based on transmission reservations.

Schedule Page: 332 Line No.: 8 Column: f
Amounts shown include short term transmission reservations, related ancillary and losses.

FOOTNOTE DATA

Schedule Page: 332 Line No.: 9 Column: c

Amounts shown based on transmission reservations.

Schedule Page: 332 Line No.: 9 Column: d

Amounts shown based on transmission reservations.

Schedule Page: 332 Line No.: 9 Column: f

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

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

Represents adjustment to short term transmission reservations for June 2014.

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

Represents adjustment to short term transmission reservations for June 2014.

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

Represents adjustment to short term transmission reservations, related ancillary and losses for June 2014.

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
El Paso Electric Company	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2014/Q3

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			5,982,775		5,982,775
2	Steam Production Plant	13,026,560	22,143			13,048,703
3	Nuclear Production Plant	14,344,654	(1,016,613)			13,328,041
4	Hydraulic Production Plant Conv					
5	Hydraulic Production Plant - Pumped Storage					
6	Other Production Plant	2,333,932	311			2,334,243
7	Transmission Plant	5,411,601				5,411,601
8	Distribution Plant	14,759,039				14,759,039
9	General Plant	5,515,718				5,515,718
10	Common Plant					
11	TOTAL ELECTRIC (lines 2 through 10)	55,391,504	(994,159)	5,982,775		60,380,120

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
El Paso Electric Company	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2014/Q3

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-Requirments Sales for Resale & Associated Losses (c)	MONTHLY PEAK Megawatts (See Instr. 4) (d)	Day of Month (e)	Hour (f)
1	January	907,507	290,658	1,076	23	2000
2	February	816,889	287,850	1,092	5	2000
3	March	893,243	309,345	1,000	31	2000
4	Total	2,617,639	887,853	3,168		
5	April	788,578	188,042	1,163	22	1600
6	May	1,006,519	300,441	1,511	28	1600
7	June	1,152,851	266,999	1,764	4	1600
8	Total	2,947,948	755,482	4,438		
9	July	1,174,753	273,647	1,714	22	1500
10	August	1,169,865	339,435	1,603	6	1600
11	September	1,091,107	351,898	1,639	2	1600
12	Total	3,435,725	964,980	4,956		

FOOTNOTE DATA

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

Includes 62,930 MWhs related to sales to Freeport related to the Company's Power Purchase and Sales Agreement with Freeport dated December 16, 2005.

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

Includes 62,930 MWhs related to sales to Freeport related to the Company's Power Purchase and Sales Agreement with Freeport dated December 16, 2005.

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

Includes 60,404 MWhs related to sales to Freeport related to the Company's Power Purchase and Sales Agreement with Freeport dated December 16, 2005.

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

Includes 60,404 MWhs related to sales to Freeport related to the Company's Power Purchase and Sales Agreement with Freeport dated December 16, 2005.

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

Includes 67,505 MWhs related to sales to Freeport related to the Company's Power Purchase and Sales Agreement with Freeport dated December 16, 2005.

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

Includes 67,505 MWhs related to sales to Freeport related to the Company's Power Purchase and Sales Agreement with Freeport dated December 16, 2005.

Schedule Page: 399 Line No.: 5 Column: b

Includes 50,481 MWhs related to sales to Freeport related to the Company's Power Purchase and Sales Agreement with Freeport dated December 16, 2005.

Schedule Page: 399 Line No.: 5 Column: c

Includes 50,481 MWhs related to sales to Freeport related to the Company's Power Purchase and Sales Agreement with Freeport dated December 16, 2005.

Schedule Page: 399 Line No.: 6 Column: b

Includes 69,566 MWhs related to sales to Freeport related to the Company's Power Purchase and Sales Agreement with Freeport dated December 16, 2005.

Schedule Page: 399 Line No.: 6 Column: c

Includes 69,566 MWhs related to sales to Freeport related to the Company's Power Purchase and Sales Agreement with Freeport dated December 16, 2005.

Schedule Page: 399 Line No.: 7 Column: b

Includes 69,582 MWhs related to sales to Freeport related to the Company's Power Purchase and Sales Agreement with Freeport dated December 16, 2005.

Schedule Page: 399 Line No.: 7 Column: c

Includes 69,582 MWhs related to sales to Freeport related to the Company's Power Purchase and Sales Agreement with Freeport dated December 16, 2005.

Schedule Page: 399 Line No.: 9 Column: b

Includes 74,524 MWhs related to sales to Freeport related to the Company's Power Purchase and Sales Agreement with Freeport dated December 16, 2005.

Schedule Page: 399 Line No.: 9 Column: c

Includes 74,524 MWhs related to sales to Freeport related to the Company's Power Purchase and Sales Agreement with Freeport dated December 16, 2005.

Schedule Page: 399 Line No.: 10 Column: b

Includes 76,797 MWhs related to sales to Freeport related to the Company's Power Purchase and Sales Agreement with Freeport dated December 16, 2005.

Schedule Page: 399 Line No.: 10 Column: c

Includes 76,797 MWhs related to sales to Freeport related to the Company's Power Purchase and Sales Agreement with Freeport dated December 16, 2005.

Schedule Page: 399 Line No.: 11 Column: b

Includes 73,506 MWhs related to sales to Freeport related to the Company's Power Purchase and Sales Agreement with Freeport dated December 16, 2005.

Schedule Page: 399 Line No.: 11 Column: c

Includes 73,506 MWhs related to sales to Freeport related to the Company's Power Purchase and Sales Agreement with Freeport dated December 16, 2005.

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
El Paso Electric Company	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2014/Q3

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	1,076	23	2000		6	541	50	71	
2	February	1,092	5	2000		6	540	50	72	
3	March	1,000	31	2000		9	540	50	72	
4	Total for Quarter 1	3,168				21	1,621	150	215	
5	April	1,163	22	1600		8	536	50	76	
6	May	1,511	28	1600		11	504	50	258	
7	June	1,764	4	1600		13	537	50	535	
8	Total for Quarter 2	4,438				32	1,577	150	869	
9	July	1,714	22	1500		12	542	50	751	
10	August	1,603	6	1600		11	542	50	601	
11	September	1,639	2	1600		13	535	50	277	
12	Total for Quarter 3	4,956				36	1,619	150	1,629	
13	October									
14	November									
15	December									
16	Total for Quarter 4									
17	Total Year to Date/Year	12,562				89	4,817	450	2,713	