

THIS FILING IS

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

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



# FERC FINANCIAL REPORT

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

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

**Exact Legal Name of Respondent (Company)**

El Paso Electric Company

**Year/Period of Report**

**End of** 2014/Q4





KPMG LLP  
Suite 1000  
1000 Walnut Street  
Kansas City, MO 64106-2162

## **Report of Independent Registered Public Accounting Firm**

The Board of Directors  
El Paso Electric Company:

We have audited the accompanying financial statements of El Paso Electric Company, which comprise the balance sheets as of December 31, 2014 and 2013, and the related statements of income, retained earnings, cash flows, and accumulated comprehensive income, and hedging activities for the years then ended, included on pages 110 through 123 of the accompanying Federal Energy Regulatory Commission Form No. 1 and the related notes to the financial statements.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting requirements of the Federal Energy Regulatory Commission as set forth in its applicable Uniform System of Accounts and published accounting releases described in note 1; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditors' Responsibility***

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

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

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





***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of El Paso Electric Company as of December 31, 2014 and 2013, and the results of its operations and cash flows for the years then ended in accordance with the accounting requirements of the Federal Energy Regulatory Commission as set forth in its applicable Uniform System of Accounts and published accounting releases described in note 1.

***Basis of Accounting***

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

***Restriction on Use***

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

**KPMG LLP**

Kansas City, MO  
April 9, 2015



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

### GENERAL INFORMATION

#### I. Purpose

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

#### II. Who Must Submit

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

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

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

#### III. What and Where to Submit

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

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

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

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

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

The CPA Certification Statement should:

- a) Attest to the conformity, in all material aspects, of the below listed (schedules and pages) with the Commission's applicable Uniform System of Accounts (including applicable notes relating thereto and the Chief Accountant's published accounting releases), and
- b) Be signed by independent certified public accountants or an independent licensed public accountant certified or licensed by a regulatory authority of a State or other political subdivision of the U. S. (See 18 C.F.R. §§ 41.10-41.12 for specific qualifications.)

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

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

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

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

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

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

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

#### **IV. When to Submit:**

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



- a) FERC Form 1 for each year ending December 31 must be filed by April 18<sup>th</sup> of the following year (18 CFR § 141.1), and
- b) FERC Form 3-Q for each calendar quarter must be filed within 60 days after the reporting quarter (18 C.F.R. § 141.400).

**V. Where to Send Comments on Public Reporting Burden.**

The public reporting burden for the FERC Form 1 collection of information is estimated to average 1,144 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data-needed, and completing and reviewing the collection of information. The public reporting burden for the FERC Form 3-Q collection of information is estimated to average 150 hours per response.

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

## GENERAL INSTRUCTIONS

- I. Prepare this report in conformity with the Uniform System of Accounts (18 CFR Part 101) (USofA). Interpret all accounting words and phrases in accordance with the USofA.
- II. Enter in whole numbers (dollars or MWH) only, except where otherwise noted. (Enter cents for averages and figures per unit where cents are important. The truncating of cents is allowed except on the four basic financial statements where rounding is required.) The amounts shown on all supporting pages must agree with the amounts entered on the statements that they support. When applying thresholds to determine significance for reporting purposes, use for balance sheet accounts the balances at the end of the current reporting period, and use for statement of income accounts the current year's year to date amounts.
- III. Complete each question fully and accurately, even if it has been answered in a previous report. Enter the word "None" where it truly and completely states the fact.
- IV. For any page(s) that is not applicable to the respondent, omit the page(s) and enter "NA," "NONE," or "Not Applicable" in column (d) on the List of Schedules, pages 2 and 3.
- V. Enter the month, day, and year for all dates. Use customary abbreviations. **The "Date of Report" included in the header of each page is to be completed only for resubmissions** (see VII. below).
- VI. Generally, except for certain schedules, all numbers, whether they are expected to be debits or credits, must be reported as positive. Numbers having a sign that is different from the expected sign must be reported by enclosing the numbers in parentheses.
- VII. For any resubmissions, submit the electronic filing using the form submission software only. Please explain the reason for the resubmission in a footnote to the data field.
- VIII. Do not make references to reports of previous periods/years or to other reports in lieu of required entries, except as specifically authorized.
- IX. Wherever (schedule) pages refer to figures from a previous period/year, the figures reported must be based upon those shown by the report of the previous period/year, or an appropriate explanation given as to why the different figures were used.

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

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

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

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

termination date of the contract defined as the earliest date either buyer or seller can unilaterally cancel the contract.

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

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

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

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

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

#### DEFINITIONS

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

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

## EXCERPTS FROM THE LAW

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

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

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

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

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

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

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

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

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

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

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

### **General Penalties**

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

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

IDENTIFICATION		
01 Exact Legal Name of Respondent El Paso Electric Company		02 Year/Period of Report End of <u>2014/Q4</u>
03 Previous Name and Date of Change (if name changed during year) <p align="center">/ /</p>		
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) <input checked="" type="checkbox"/> An Original      (2) <input type="checkbox"/> A Resubmission	10 Date of Report (Mo, Da, Yr) / /
ANNUAL CORPORATE OFFICER CERTIFICATION		
<p>The undersigned officer certifies that:</p> <p>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.</p>		
01 Name /s/ Russell G. Gibson	03 Signature  /s/ Russell G. Gibson	04 Date Signed (Mo, Da, Yr) 04/09/2015
02 Title Vice President & Controller		
<p>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.</p>		

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Name of Respondent El Paso Electric Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of <u>2014/Q4</u>
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LIST OF SCHEDULES (Electric Utility)

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

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



Name of Respondent El Paso Electric Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of <u>2014/Q4</u>
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LIST OF SCHEDULES (Electric Utility) (continued)

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

Line No.	Title of Schedule (a)	Reference Page No. (b)	Remarks (c)
37	Other Deferred Credits	269	
38	Accumulated Deferred Income Taxes-Accelerated Amortization Property	272-273	Not Applicable
39	Accumulated Deferred Income Taxes-Other Property	274-275	
40	Accumulated Deferred Income Taxes-Other	276-277	
41	Other Regulatory Liabilities	278	
42	Electric Operating Revenues	300-301	
43	Regional Transmission Service Revenues (Account 457.1)	302	Not Applicable
44	Sales of Electricity by Rate Schedules	304	
45	Sales for Resale	310-311	
46	Electric Operation and Maintenance Expenses	320-323	
47	Purchased Power	326-327	
48	Transmission of Electricity for Others	328-330	
49	Transmission of Electricity by ISO/RTOs	331	Not Applicable
50	Transmission of Electricity by Others	332	
51	Miscellaneous General Expenses-Electric	335	
52	Depreciation and Amortization of Electric Plant	336-337	
53	Regulatory Commission Expenses	350-351	
54	Research, Development and Demonstration Activities	352-353	None
55	Distribution of Salaries and Wages	354-355	
56	Common Utility Plant and Expenses	356	None
57	Amounts included in ISO/RTO Settlement Statements	397	Not Applicable
58	Purchase and Sale of Ancillary Services	398	
59	Monthly Transmission System Peak Load	400	
60	Monthly ISO/RTO Transmission System Peak Load	400a	Not Applicable
61	Electric Energy Account	401	
62	Monthly Peaks and Output	401	
63	Steam Electric Generating Plant Statistics	402-403	
64	Hydroelectric Generating Plant Statistics	406-407	Not Applicable
65	Pumped Storage Generating Plant Statistics	408-409	Not Applicable
66	Generating Plant Statistics Pages	410-411	

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LIST OF SCHEDULES (Electric Utility) (continued)

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

Line No.	Title of Schedule (a)	Reference Page No. (b)	Remarks (c)
67	Transmission Line Statistics Pages	422-423	
68	Transmission Lines Added During the Year	424-425	None
69	Substations	426-427	
70	Transactions with Associated (Affiliated) Companies	429	None
71	Footnote Data	450	
	<p>Stockholders' Reports Check appropriate box:</p> <p><input checked="" type="checkbox"/> Two copies will be submitted</p> <p><input type="checkbox"/> No annual report to stockholders is prepared</p>		

Name of Respondent El Paso Electric Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of <u>2014/Q4</u>
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**GENERAL INFORMATION**

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

Russell G. Gibson Vice President & Controller Stanton Tower, 100 North Stanton El Paso, Texas 79901	Mailing Address: Russell G. Gibson Post Office Box 982 El Paso, Texas 79960-0982
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2. Provide the name of the State under the laws of which respondent is incorporated, and date of incorporation. If incorporated under a special law, give reference to such law. If not incorporated, state that fact and give the type of organization and the date organized.

Texas - August 30, 1901

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

Not applicable.

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

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

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

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

Name of Respondent El Paso Electric Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of <u>2014/Q4</u>
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**OFFICERS**

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

Line No.	Title (a)	Name of Officer (b)	Salary for Year (c)
1	Chief Executive Officer	Thomas V. Shockley III	669,231
2	President	Mary E. Kipp	344,423
3	Executive Vice President	David G. Carpenter	370,302
4	Executive Vice President	Hector R. Puente	324,062
5	Senior Vice President - Operations	Steven T. Buraczyk	282,077
6	Senior Vice President and Chief Financial Officer	Nathan T. Hirschi	298,269
7	Senior Vice President - Corporate Planning and		
8	Development and Chief Compliance Officer	Rocky R. Miracle	293,385
9	Senior Vice President - Human Resources		
10	and Customer Care	William A. Stiller	282,077
11	Vice President - Regulatory Affairs	Michael D. Blanchard	155,769
12	Vice President - General Counsel	John R. Boomer	154,519
13	Vice President - Transmission and Distribution		
14	and System Planning	Robert C. Doyle	232,077
15	Vice President - Controller	Russell G. Gibson	47,596
16	Vice President - External and Public Affairs	Eduardo Gutierrez	134,538
17	Vice President - System Operations, Resource		
18	Planning and Management	David C. Hawkins	184,808
19	Vice President - Customer Care	Kerry B. Lore	204,423
20	Vice President - Power Generation	Andres R. Ramirez	248,846
21	Vice President - Community Outreach	Guillermo Silva, Jr.	154,631
22	Vice President - Compliance and Chief Risk Officer	Henry W. Soza	214,423
23	Vice President - Corporate Development	Richard E. Turner	160,611
24	Corporate Secretary	Jessica M. Goldman	119,130
25	Vice President - Treasurer	Steven P. Busser	76,962
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Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2014/Q4
El Paso Electric Company			
FOOTNOTE DATA			

**Schedule Page: 104 Line No.: 2 Column: b**

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

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

On January 31, 2015, Mr. David G. Carpenter, Executive Vice President, retired from the Company.

**Schedule Page: 104 Line No.: 4 Column: b**

On January 31, 2015, Mr. Hector R. Puente, Executive Vice President, retired from the Company.

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

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.

**Schedule Page: 104 Line No.: 12 Column: b**

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 at Helen of Troy Limited. He previously served as the Company's Assistant General Counsel from 1998 to 1999.

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

On June 9, 2014, the Company appointed Robert C. Doyle as Vice President of Transmission and Distribution and System Planning. Mr. Doyle had previously served as the Company's Vice President Transmission and Distribution and Systems Operations and Planning.

**Schedule Page: 104 Line No.: 15 Column: b**

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.

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

On July 15, 2014, the Company appointed Eduardo Gutierrez as Vice President, External and Public Affairs. Mr. Gutierrez had previously served as the Company's Manager of Public Relations.

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

On June 9, 2014, the Company appointed David C. Hawkins as Vice President of System Operations, Resource Planning and Management. Mr. Hawkins had previously served as the Company's Vice President of Power Marketing and Fuels and Resource and Delivery Planning.

**Schedule Page: 104 Line No.: 23 Column: b**

On November 20, 2014, the Company appointed Richard E. Turner as Vice President of Corporate Development. Mr. Turner had previously served as the Company's Assistant Vice President and Director of Corporate Development.

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

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

Name of Respondent El Paso Electric Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2014/Q4
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**DIRECTORS**

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

Line No.	Name (and Title) of Director (a)	Principal Business Address (b)
1	Catherine A. Allen - Director	The Santa Fe Group
2		3 Chamisa Drive North, Suite 2
3		Santa Fe, New Mexico 87508
4		
5	John Robert Brown - Director	Brownco Capital, LLC
6		123 W. Mills, Suite 610
7		El Paso, Texas 79901
8		
9	James W. Cicconi - Director***	AT&T, Inc.
10		1120 20th Street, N.W., Suite 1000
11		Washington, D.C. 20036
12		
13	Edward Escudero - Director	High Desert Capital, LLC
14		6080 Surety Drive
15		El Paso, Texas 79905
16		
17	James W. Harris - Director***	OP Food Products, LLC and
18		Harris Financial Advisors, LLC
19		Post Office Box 38
20		Manns Harbor, North Carolina 27953
21		
22	Patricia Z. Holland-Branch - Director	The Facilities Connection, Inc.
23		240 East Sunset
24		El Paso, Texas 79922
25		
26	Woodley L. Hunt - Director	Hunt Companies, Inc.
27		4401 N. Mesa Street, Suite 201
28		El Paso, Texas 79901
29		
30	Michael K. Parks - Director and	El Paso Electric Company
31	Chairman of the Board**	100 N. Stanton
32		El Paso, Texas 79901
33		
34	Thomas V. Shockley III - Director and	El Paso Electric Company
35	CEO	100 N. Stanton
36		El Paso, Texas 79901
37		
38	Eric B. Siegel - Director***	11100 Santa Monica Blvd., Suite 2000
39		Los Angeles, California 90025
40		
41	Stephen N. Wertheimer - Director***	W Capital Partners
42		One East 52nd Street
43		New York, New York 10022
44		
45	Charles A. Yamarone - Director	Houlihan Lokey
46		10250 Constellation Blvd., 5th Floor
47		Los Angeles, California 90067
48		

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FOOTNOTE DATA			

**Schedule Page: 105 Line No.: 13 Column: a**

On February 5, 2015, the Board of Directors appointed Mr. Escudero as Vice Chairman of the Board.

**Schedule Page: 105 Line No.: 30 Column: a**

On February 5, 2015, Mr. Parks resigned from the Board of Directors and as Chairman of the Board of Directors, and as Chairman of the Executive Committee. The Board of Directors appointed Mr. Yamarone as Chairman of the Board and Mr. Escudero as Vice Chairman of the Board.

**Schedule Page: 105 Line No.: 38 Column: a**

On March 18, 2015, Mr. Siegel was appointed Chairman of the Executive Committee.

**Schedule Page: 105 Line No.: 45 Column: a**

On February 5, 2015, Mr. Parks resigned from the Board of Directors and as Chairman of the Board of Directors, and as Chairman of the Executive Committee. The Board of Directors appointed Mr. Yamarone as Chairman of the Board.

Name of Respondent El Paso Electric Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of <u>2014/Q4</u>
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INFORMATION ON FORMULA RATES  
FERC Rate Schedule/Tariff Number FERC Proceeding

Does the respondent have formula rates?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
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1. Please list the Commission accepted formula rates including FERC Rate Schedule or Tariff Number and FERC proceeding (i.e. Docket No) accepting the rate(s) or changes in the accepted rate.

Line No.	FERC Rate Schedule or Tariff Number	FERC Proceeding
1	Rate Schedule FERC No. 18	ER08-742-001
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Name of Respondent El Paso Electric Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of <u>2014/Q4</u>
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INFORMATION ON FORMULA RATES  
FERC Rate Schedule/Tariff Number FERC Proceeding

Does the respondent file with the Commission annual (or more frequent) filings containing the inputs to the formula rate(s)?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
--	--

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

Line No.	Accession No.	Document Date \ Filed Date	Docket No.	Description	Formula Rate FERC Rate Schedule Number or Tariff Number
1	20141001-5099	09/30/2014	ER08-742-000	2014 ANNUAL UPDATE	18
2		10/01/2014			
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Name of Respondent El Paso Electric Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2014/Q4
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**INFORMATION ON FORMULA RATES**  
Formula Rate Variances

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

Line No.	Page No(s).	Schedule	Column	Line No
1	N/A			
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Name of Respondent El Paso Electric Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2014/Q4
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**Schedule Page: 1061 Line No.: 1 Column: d**  
The 2014 annual update is to the cost-based formula rate included in the Power Sales Agreement under ER08-742.

Name of Respondent El Paso Electric Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report / /	Year/Period of Report End of 2014/Q4
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**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.

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El Paso Electric Company			
IMPORTANT CHANGES DURING THE QUARTER/YEAR (Continued)			

1. Changes in and Important Additions to Franchise Rights:

None

2. Acquisition of Ownership in Other Companies:

None

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

The Company owns a 7% interest in Units 4 and 5 at Four Corners and shares power entitlements and allocated costs with APS, the operating agent, and the other Four Corners participants. The Company notified the other participants in 2013 that it would not continue in Four Corners after the termination of the 50-year contractual term of the participation agreement but that it would offer to sell its interest to them in order to facilitate their decision to extend the life of the plant. On February 17, 2015, the Company and APS entered into an asset purchase agreement (the "Agreement"), providing for the purchase by APS of the Company's interests in Four Corners. The cash purchase price is equal to the net book value of the Company's interest in Four Corners at the date of closing, which is expected to occur not later than July 2016, subject to the receipt of regulatory approvals. The purchase price will be adjusted downward to reflect APs's assumption in the Agreement of the Company's obligation to pay for future plant decommissioning and mine reclamation expenses. At the closing, APS will also reimburse the Company for the undepreciated value of certain capital expenditures made prior thereto. APS will assume responsibility for all capital expenditures made after July 2016 and, with certain exceptions, any pre-2016 capital expenditures to be put into service following the closing. In addition, APS will indemnify the Company against liabilities and costs related to the future operation of Four Corners. Included in the Company's regulatory-basis balance sheet at December 31, 2014 are obligations of \$6.1 million and \$19.3 million for plant decommissioning and mine reclamation costs, respectively, which the Company expects to pay at closing in accordance with the Agreement.

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.

*Issuance of \$150 million of Senior Notes.* On December 1, 2014, the Company issued \$150 million in aggregate

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IMPORTANT CHANGES DURING THE QUARTER/YEAR (Continued)			

principal amount of 5.00% Senior Notes due December 1, 2044. Authorization for this transaction was received in FERC Docket No. ES13-59-000 and from the New Mexico Regulation Commission ("NMPRC") in Case No. 13-00317-UT. The gross proceeds from the issuance of the senior notes were \$149.5 million, net of \$0.5 million discount before commissions and expenses and the effective interest rate was 5.10%. The senior notes were issued to fund construction expenditures and for working capital and general corporate purposes.

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 C, J and K 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 PUCT Docket No. 41852, to reconcile \$545.3 million of fuel and purchased power expenses incurred during the 45-month period from July 1, 2009 through March 31, 2013. A settlement was reached and a final order was issued by the PUCT on July 11, 2014. The twelve months ended December 31, 2014 financial results include 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 previously reserved. Palo Verde performance rewards are not recognized in the Company's financial results 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 also provides that 100% of margins on nonarbitrage off-system sales (as defined by the settlement) and 50% of margins on arbitrage off-system 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 Company also agreed to file with the PUCT a proceeding to address the reasonableness of the Company's decision to not continue to participate in the Four Corners coal-fired generating Units 4 and 5 after July 2016. It is expected that issues related to the final coal mine closing and reclamation costs will be addressed in that proceeding as well as other issues related to post-participation events such as the asset retirement obligations of the Company related to those two units. 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:

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

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.

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 C. 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 at Helen of Troy Limited. 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.

On November 20, 2014, Richard Turner, formerly Assistant Vice President and Director of Corporate Development, was appointed Vice President of Corporate Development.

On January 31, 2015, David G. Carpenter, Executive Vice President, retired from the Company.

On January 31, 2015, Hector R. Puente, Executive Vice President, retired from the Company.

On February 5, 2015, the Company Board of Directors announced the election of board members Charles A. Yamarone as the new Chairman of the Board of Directors and Edward Escudero as Vice Chairman of the Board. Mr. Yamarone replaced departing Chairman, Michael K. Parks, who resigned on February 5, 2015.

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IMPORTANT CHANGES DURING THE QUARTER/YEAR (Continued)			

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

Not applicable



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**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	<b>UTILITY PLANT</b>			
2	Utility Plant (101-106, 114)	200-201	4,095,848,314	3,937,846,897
3	Construction Work in Progress (107)	200-201	414,284,207	282,646,861
4	TOTAL Utility Plant (Enter Total of lines 2 and 3)		4,510,132,521	4,220,493,758
5	(Less) Accum. Prov. for Depr. Amort. Depl. (108, 110, 111, 115)	200-201	2,125,210,546	2,069,281,349
6	Net Utility Plant (Enter Total of line 4 less 5)		2,384,921,975	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)		186,416,447	189,389,905
12	(Less) Accum. Prov. for Amort. of Nucl. Fuel Assemblies (120.5)	202-203	72,863,120	74,610,066
13	Net Nuclear Fuel (Enter Total of lines 7-11 less 12)		113,553,327	114,779,839
14	Net Utility Plant (Enter Total of lines 6 and 13)		2,498,475,302	2,265,992,248
15	Utility Plant Adjustments (116)		460,594	762,842
16	Gas Stored Underground - Noncurrent (117)		0	0
17	<b>OTHER PROPERTY AND INVESTMENTS</b>			
18	Nonutility Property (121)		692,126	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)		1,653,064	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)		241,390,445	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)		243,735,635	223,401,159
33	<b>CURRENT AND ACCRUED ASSETS</b>			
34	Cash and Working Funds (Non-major Only) (130)		0	0
35	Cash (131)		40,119,429	24,805,566
36	Special Deposits (132-134)		0	0
37	Working Fund (135)		271,140	413,172
38	Temporary Cash Investments (136)		113,267	373,325
39	Notes Receivable (141)		0	0
40	Customer Accounts Receivable (142)		48,463,192	47,116,799
41	Other Accounts Receivable (143)		3,838,124	715,577
42	(Less) Accum. Prov. for Uncollectible Acct.-Credit (144)		2,333,113	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	1,397,719	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	44,514,605	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	-22,280	-34,975

Name of Respondent El Paso Electric Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of <u>2014/Q4</u>
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**COMPARATIVE BALANCE SHEET (ASSETS AND OTHER DEBITS)**(Continued)

Line No.	Title of Account (a)	Ref. Page No. (b)	Current Year End of Quarter/Year Balance (c)	Prior Year End Balance 12/31 (d)
53	(Less) Noncurrent Portion of Allowances		0	0
54	Stores Expense Undistributed (163)	227	-1,086	-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)		11,569,509	8,398,836
58	Advances for Gas (166-167)		0	0
59	Interest and Dividends Receivable (171)		5,830	5,320
60	Rents Receivable (172)		0	0
61	Accrued Utility Revenues (173)		21,191,000	19,774,000
62	Miscellaneous Current and Accrued Assets (174)		1,034,393	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)		170,161,729	146,080,436
68	<b>DEFERRED DEBITS</b>			
69	Unamortized Debt Expenses (181)		13,183,608	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	152,445,158	137,672,469
73	Prelim. Survey and Investigation Charges (Electric) (183)		773,683	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)		-134,745	-182,614
77	Temporary Facilities (185)		0	0
78	Miscellaneous Deferred Debits (186)	233	6,473,271	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)		18,345,010	19,230,934
82	Accumulated Deferred Income Taxes (190)	234	203,294,226	204,266,691
83	Unrecovered Purchased Gas Costs (191)		0	0
84	Total Deferred Debits (lines 69 through 83)		394,380,211	384,640,661
85	TOTAL ASSETS (lines 14-16, 32, 67, and 84)		3,307,213,471	3,020,877,346

Name of Respondent El Paso Electric Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (mo, da, yr) / /	Year/Period of Report end of 2014/Q4
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**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	65,784,977	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)		306,119,436	302,273,508
7	Other Paid-In Capital (208-211)	253	2,432,300	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	1,057,500,972	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)	-8,001,395	2,611,733
16	Total Proprietary Capital (lines 2 through 15)		998,848,394	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	850,000,000	700,000,000
22	Unamortized Premium on Long-Term Debt (225)		0	0
23	(Less) Unamortized Discount on Long-Term Debt-Debit (226)		3,955,402	3,514,806
24	Total Long-Term Debt (lines 18 through 23)		1,039,179,598	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)		153,613,948	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)		74,576,650	65,213,986
35	Total Other Noncurrent Liabilities (lines 26 through 34)		323,190,598	310,462,124
36	CURRENT AND ACCRUED LIABILITIES			
37	Notes Payable (231)		0	0
38	Accounts Payable (232)		78,862,366	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)		6,696,298	5,858,436
42	Taxes Accrued (236)	262-263	24,650,650	20,281,174
43	Interest Accrued (237)		10,848,852	10,280,428
44	Dividends Declared (238)		0	0
45	Matured Long-Term Debt (239)		0	0

Name of Respondent El Paso Electric Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (mo, da, yr) / /	Year/Period of Report end of 2014/Q4
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**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)		-526,644	-586,267
48	Miscellaneous Current and Accrued Liabilities (242)		18,544,867	17,659,332
49	Obligations Under Capital Leases-Current (243)		31,441,075	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)		170,517,464	131,549,163
55	DEFERRED CREDITS			
56	Customer Advances for Construction (252)		15,005,672	13,345,219
57	Accumulated Deferred Investment Tax Credits (255)	266-267	22,483,761	23,640,795
58	Deferred Gains from Disposition of Utility Plant (256)		0	0
59	Other Deferred Credits (253)	269	22,409,827	15,164,102
60	Other Regulatory Liabilities (254)	278	54,333,963	55,544,263
61	Unamortized Gain on Required Debt (257)		0	0
62	Accum. Deferred Income Taxes-Accel. Amort.(281)	272-277	0	0
63	Accum. Deferred Income Taxes-Other Property (282)		583,109,431	548,208,981
64	Accum. Deferred Income Taxes-Other (283)		78,134,763	78,734,178
65	Total Deferred Credits (lines 56 through 64)		775,477,417	734,637,538
66	TOTAL LIABILITIES AND STOCKHOLDER EQUITY (lines 16, 24, 35, 54 and 65)		3,307,213,471	3,020,877,346

Name of Respondent El Paso Electric Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of <u>2014/Q4</u>
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**STATEMENT OF INCOME**

Quarterly

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

Annual or Quarterly if applicable

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

Line No.	Title of Account (a)	(Ref.) Page No. (b)	Total Current Year to Date Balance for Quarter/Year (c)	Total Prior Year to Date Balance for Quarter/Year (d)	Current 3 Months Ended Quarterly Only No 4th Quarter (e)	Prior 3 Months Ended Quarterly Only No 4th Quarter (f)
1	UTILITY OPERATING INCOME					
2	Operating Revenues (400)	300-301	917,525,428	890,361,710		
3	Operating Expenses					
4	Operation Expenses (401)	320-323	549,103,963	520,616,951		
5	Maintenance Expenses (402)	320-323	65,629,261	61,068,032		
6	Depreciation Expense (403)	336-337	74,462,928	70,251,454		
7	Depreciation Expense for Asset Retirement Costs (403.1)	336-337	-1,067,836	-1,225,519		
8	Amort. & Depl. of Utility Plant (404-405)	336-337	8,051,001	7,682,899		
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)		152,184	152,184		
13	(Less) Regulatory Credits (407.4)					
14	Taxes Other Than Income Taxes (408.1)	262-263	62,749,863	57,747,007		
15	Income Taxes - Federal (409.1)	262-263	-2,690,265	-2,122,021		
16	- Other (409.1)	262-263	-37,978	-128,693		
17	Provision for Deferred Income Taxes (410.1)	234, 272-277	122,323,648	120,301,627		
18	(Less) Provision for Deferred Income Taxes-Cr. (411.1)	234, 272-277	87,915,349	79,675,531		
19	Investment Tax Credit Adj. - Net (411.4)	266	-1,191,034	-737,115		
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	8		
23	Losses from Disposition of Allowances (411.9)					
24	Accretion Expense (411.10)		5,802,474	5,867,284		
25	TOTAL Utility Operating Expenses (Enter Total of lines 4 thru 24)		795,372,848	759,798,551		
26	Net Util Oper Inc (Enter Tot line 2 less 25) Carry to Pg117,line 27		122,152,580	130,563,159		



Name of Respondent El Paso Electric Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2014/Q4
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STATEMENT OF INCOME FOR THE YEAR (continued)

Line No.	Title of Account (a)	(Ref.) Page No. (b)	TOTAL		Current 3 Months Ended Quarterly Only No 4th Quarter (e)	Prior 3 Months Ended Quarterly Only No 4th Quarter (f)
			Current Year (c)	Previous Year (d)		
27	Net Utility Operating Income (Carried forward from page 114)		122,152,580	130,563,159		
28	Other Income and Deductions					
29	Other Income					
30	Nonutility Operating Income					
31	Revenues From Merchandising, Jobbing and Contract Work (415)		1,931,378	763,894		
32	(Less) Costs and Exp. of Merchandising, Job. & Contract Work (416)		1,637,155	476,225		
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		-8,264		
37	Interest and Dividend Income (419)		6,184,920	6,220,079		
38	Allowance for Other Funds Used During Construction (419.1)		14,662,196	10,008,517		
39	Miscellaneous Nonoperating Income (421)		14,024,049	6,380,053		
40	Gain on Disposition of Property (421.1)		2,096,363	111,600		
41	TOTAL Other Income (Enter Total of lines 31 thru 40)		37,261,751	22,999,654		
42	Other Income Deductions					
43	Loss on Disposition of Property (421.2)		4,522			
44	Miscellaneous Amortization (425)		302,248	302,248		
45	Donations (426.1)		1,552,983	2,249,257		
46	Life Insurance (426.2)		233,040	164,072		
47	Penalties (426.3)		12,459	15,209		
48	Exp. for Certain Civic, Political & Related Activities (426.4)		677,351	668,952		
49	Other Deductions (426.5)		1,268,502	42,151		
50	TOTAL Other Income Deductions (Total of lines 43 thru 49)		4,051,105	3,441,889		
51	Taxes Applic. to Other Income and Deductions					
52	Taxes Other Than Income Taxes (408.2)	262-263	9,280	10,410		
53	Income Taxes-Federal (409.2)	262-263	5,798,120	4,110,094		
54	Income Taxes-Other (409.2)	262-263	154,203	182,643		
55	Provision for Deferred Inc. Taxes (410.2)	234, 272-277	2,817,276	807,851		
56	(Less) Provision for Deferred Income Taxes-Cr. (411.2)	234, 272-277	706,411	1,034,893		
57	Investment Tax Credit Adj.-Net (411.5)					
58	(Less) Investment Tax Credits (420)		-34,000	-33,995		
59	TOTAL Taxes on Other Income and Deductions (Total of lines 52-58)		8,106,468	4,110,100		
60	Net Other Income and Deductions (Total of lines 41, 50, 59)		25,104,178	15,447,665		
61	Interest Charges					
62	Interest on Long-Term Debt (427)		57,122,593	56,687,739		
63	Amort. of Debt Disc. and Expense (428)		1,019,223	1,061,218		
64	Amortization of Loss on Reaquired Debt (428.1)		885,924	885,924		
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)		1,349,769	651,212		
69	(Less) Allowance for Borrowed Funds Used During Construction-Cr. (432)		8,367,807	6,055,220		
70	Net Interest Charges (Total of lines 62 thru 69)		52,009,702	53,230,873		
71	Income Before Extraordinary Items (Total of lines 27, 60 and 70)		95,247,056	92,779,951		
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)		95,247,056	92,779,951		



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FOOTNOTE DATA			

**Schedule Page: 114 Line No.: 36 Column: d**

MiraSol Energy Services, Inc. ("MiraSol"), a formerly wholly owned subsidiary, provided energy efficiency products and discontinued these activities in 2002. The Company dissolved MiraSol in the fourth quarter of 2013. At the time it was dissolved, MiraSol's net assets and stockholders' equity totaled less than \$0.1 million

Name of Respondent El Paso Electric Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2014/Q4
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**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)		95,247,056	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		-44,555,926	( 42,049,111)
32				
33				
34				
35				
36	TOTAL Dividends Declared-Common Stock (Acct. 438)		-44,555,926	( 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)		1,057,500,972	1,006,809,842
	APPROPRIATED RETAINED EARNINGS (Account 215)			
39				
40				

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**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)		1,057,500,972	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)			( 3,886,045)
50	Equity in Earnings for Year (Credit) (Account 418.1)			( 8,264)
51	(Less) Dividends Received (Debit)			
52	Transfers to Acct 216, Unapprop. Undistrib. Subsidiary Earnings			3,894,309
53	Balance-End of Year (Total lines 49 thru 52)			

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FOOTNOTE DATA			

**Schedule Page: 118 Line No.: 52 Column: d**

MiraSol Energy Services, Inc. ("MiraSol"), a formerly wholly owned subsidiary, provided energy efficiency products and discontinued these activities in 2002. The Company dissolved MiraSol in the fourth quarter of 2013. At the time it was dissolved, MiraSol's net assets and stockholders' equity totaled less than \$0.1 million.

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Name of Respondent El Paso Electric Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2014/Q4
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**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)	95,247,056	92,779,951
3	Noncash Charges (Credits) to Income:		
4	Depreciation and Depletion	74,462,928	70,251,454
5	Amortization of Other	21,553,038	19,820,554
6	Amortization of Nuclear Fuel	44,128,974	42,769,529
7			
8	Deferred Income Taxes (Net)	36,519,164	40,399,053
9	Investment Tax Credit Adjustment (Net)	-1,157,034	-703,120
10	Net (Increase) Decrease in Receivables	-5,814,578	-2,450,236
11	Net (Increase) Decrease in Inventory	-773,795	-3,695,960
12	Net (Increase) Decrease in Allowances Inventory	-12,695	22,644
13	Net Increase (Decrease) in Payables and Accrued Expenses	10,039,087	11,771,317
14	Net (Increase) Decrease in Other Regulatory Assets	-11,835,945	-2,919,871
15	Net Increase (Decrease) in Other Regulatory Liabilities	-115,797	-3,595,215
16	(Less) Allowance for Other Funds Used During Construction	14,662,196	10,008,517
17	(Less) Undistributed Earnings from Subsidiary Companies		-8,264
18	Other (provide details in footnote):	-5,424,500	2,570,949
19			
20	Deferred Charges and Credits	4,176,509	-4,997,865
21	Net (Increase) Decrease in Prepayments and Other	-2,749,596	-4,295,263
22	Net Cash Provided by (Used in) Operating Activities (Total 2 thru 21)	243,580,620	247,727,668
23			
24	Cash Flows from Investment Activities:		
25	Construction and Acquisition of Plant (including land):		
26	Gross Additions to Utility Plant (less nuclear fuel)	-300,107,529	-253,474,672
27	Gross Additions to Nuclear Fuel	-43,210,219	-36,097,252
28	Gross Additions to Common Utility Plant		
29	Gross Additions to Nonutility Plant		
30	(Less) Allowance for Other Funds Used During Construction	-14,662,196	-10,008,517
31	Other (provide details in footnote):		
32			
33			
34	Cash Outflows for Plant (Total of lines 26 thru 33)	-328,655,552	-279,563,407
35			
36	Acquisition of Other Noncurrent Assets (d)		
37	Proceeds from Disposal of Noncurrent Assets (d)	2,394,569	111,600
38			
39	Investments in and Advances to Assoc. and Subsidiary Companies		11,426
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)		

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**STATEMENT OF CASH FLOWS**

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

Line No.	Description (See Instruction No. 1 for Explanation of Codes) (a)	Current Year to Date Quarter/Year (b)	Previous Year to Date Quarter/Year (c)
46	Loans Made or Purchased		
47	Collections on Loans		
48			
49	Net (Increase) Decrease in Receivables		
50	Net (Increase ) Decrease in Inventory		
51	Net (Increase) Decrease in Allowances Held for Speculation		
52	Net Increase (Decrease) in Payables and Accrued Expenses		
53	Investment in Decommissioning Trust Fund (Purchases)	-117,674,743	-65,491,330
54	Investment in Decommissioning Trust Fund (Sales and Maturities)	108,310,703	56,148,015
55	Other (provide details in footnote):	4,191,830	5,767,572
56	Net Cash Provided by (Used in) Investing Activities		
57	Total of lines 34 thru 55)	-331,433,193	-283,016,124
58			
59	Cash Flows from Financing Activities:		
60	Proceeds from Issuance of:		
61	Long-Term Debt (b)	149,467,500	
62	Preferred Stock		
63	Common Stock		
64	Other: Financing and Other Capital Lease Obligations-Proceeds	231,398,938	44,884,164
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)	380,866,438	45,075,864
71			
72	Payments for Retirement of:		
73	Long-term Debt (b)		
74	Preferred Stock		
75	Common Stock		
76	Other Financing Activities	-2,024,384	-945,522
77	Financing and Capital Lease Obligations	-231,219,382	-52,686,377
78	Net Decrease in Short-Term Debt (c)		
79	Tax (Obligations) Benefits from Long-Term Incentive Plans	-302,400	428,587
80	Dividends on Preferred Stock		
81	Dividends on Common Stock	-44,555,926	-42,049,111
82	Net Cash Provided by (Used in) Financing Activities		
83	(Total of lines 70 thru 81)	102,764,346	-50,176,559
84			
85	Net Increase (Decrease) in Cash and Cash Equivalents		
86	(Total of lines 22,57 and 83)	14,911,773	-85,465,015
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	40,503,836	25,592,063

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FOOTNOTE DATA			

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

	<u>2014</u>	<u>2013</u>
Other:		
Net Gain on Sale of Property, Plant and Equipment	\$ (2,091,841)	\$ (111,600)
Net Gains on Equity Investments	(7,349,640)	(553,401)
Amortization of Unearned Compensation	4,264,999	3,647,661
Unrealized Gains on Investments in Debt Securities	(98,314)	(259,528)
Other Operating Activities	<u>(149,704)</u>	<u>(152,183)</u>
Total	\$ (5,424,500)	\$ 2,570,949

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

	<u>2014</u>	<u>2013</u>
Other:		
Customer Advances for Construction	\$ 1,660,452	\$ 4,506,038
Property Salvage Value	<u>2,531,378</u>	<u>1,261,534</u>
Total	\$ 4,191,830	\$ 5,767,572



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**NOTES TO FINANCIAL STATEMENTS**

1. Use the space below for important notes regarding the Balance Sheet, Statement of Income for the year, Statement of Retained Earnings for the year, and Statement of Cash Flows, or any account thereof. Classify the notes according to each basic statement, providing a subheading for each statement except where a note is applicable to more than one statement.
2. Furnish particulars (details) as to any significant contingent assets or liabilities existing at end of year, including a brief explanation of any action initiated by the Internal Revenue Service involving possible assessment of additional income taxes of material amount, or of a claim for refund of income taxes of a material amount initiated by the utility. Give also a brief explanation of any dividends in arrears on cumulative preferred stock.
3. For Account 116, Utility Plant Adjustments, explain the origin of such amount, debits and credits during the year, and plan of disposition contemplated, giving references to Commission orders or other authorizations respecting classification of amounts as plant adjustments and requirements as to disposition thereof.
4. Where Accounts 189, Unamortized Loss on 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.

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El Paso Electric Company			
NOTES TO FINANCIAL STATEMENTS (Continued)			

### Note 1. Regulatory-Basis Financial Statements

The accompanying regulatory-basis financial statements are presented in accordance with the accounting requirements of the Federal Energy Regulatory Commission (the "FERC") as set forth in its applicable Uniform System of Accounts and published accounting releases which is a comprehensive basis of accounting other than generally accepted accounting principles ("GAAP") used in the 2014 Form 10-K filed by El Paso Electric Company with the Securities and Exchange Commission. Notes A through O of the regulatory-basis financial statements are from the 2014 Form 10-K and have been revised where the presentation of regulatory-basis financial statements, in accordance with requirements under the Uniform System of Accounts and published accounting releases of the FERC, result in different financial statement amounts or disclosures than under GAAP. Because many types of transactions are susceptible to varying interpretations, the amounts and classifications reported in the accompanying regulatory-basis financial statements may be subject to change at a later date upon final determination by the FERC. In the remainder of this Note 1, information contained in Notes A through O is supplemented for additional regulatory-basis disclosures.

### Regulatory-Basis Financial Statements Compared to GAAP

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

GAAP requires earnings per share information on the income statement and the classification of tax assets related to 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. If GAAP were followed, items in the accompanying regulatory-basis financial statements would be increased (decreased) as follows (in thousands):

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Line No.	2014	2013
<b><u>Assets and Other Debits (Pages 110-111)</u></b>		
2	\$ (866,593)	\$ (861,298)
5	(858,539)	(855,193)
11	(1,232)	(1,204)
12	838	1,210
15	(461)	(763)
18	(692)	(406)
24	(1,653)	(1,555)
28	(241,390)	(221,441)
67	9,862	5,746
84	(3,454)	(7,652)
<b><u>Liabilities and Other Credits (Pages 112-113)</u></b>		
2	65	64
6	12,396	12,170
7	(2,432)	(2,205)
10	(341)	(341)
11	(24,964)	(21,145)
24	95,000	110,000
35	(323,191)	(310,462)
54	4,492	5,972
65	(9,619)	(29,325)
<b><u>Statements of Income for the Year (Pages 114-117)</u></b>		
25	(29,010)	(35,072)
26	29,010	35,072
60	3,067	(1,132)
70	(5,192)	(5,519)
-	41,088	43,655
78	(3,819)	(4,197)
<b><u>Statement of Retained Earnings (Pages 118-119)</u></b>		
1	\$ (21,145)	\$ (20,834)
48	(24,964)	(21,145)
<b><u>Statement of Cash Flows (Pages 120-121)</u></b>		
22	\$ (241)	\$ (252)
57	241	252

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NOTES TO FINANCIAL STATEMENTS (Continued)			

### Statement of Cash Flows

Cash and cash equivalents and amortization of other presented on the statement of cash flows for the years ended December 31, 2014 and 2013 consist of the following (in thousands):

	<u>2014</u>	<u>2013</u>
<b>Cash and Cash Equivalents:</b>		
Cash (131)	\$ 40,120	\$ 24,806
Working funds (135)	271	413
Temporary cash investments (136)	113	373
Cash and cash equivalents at end of period	<u>\$ 40,504</u>	<u>\$ 25,592</u>

### Amortization of Other:

ARO depreciation (403.1)	\$ (1,068)	\$ (1,225)
Other utility plant (404)	8,051	7,683
Regulatory assets (407.3)	152	152
ARO accretion expense (411.10)	5,803	5,867
Miscellaneous amortization (425)	302	302
Debt expense (428)	1,019	1,061
Loss on reacquired debt (428.1)	886	886
Interest rate lock losses	438	411
RCF issuance costs	166	179
Dry cask storage amortization	4,042	1,567
Coal reclamation amortization	1,181	1,183
Texas rate case expense amortization	581	1,755
	<u>\$ 21,553</u>	<u>\$ 19,821</u>

### Utility Plant Adjustments

The following table summarizes amounts reflected as Utility Plant Adjustments for the New Mexico jurisdiction as of December 31, 2014 and 2013 (in thousands):

	<u>December 31,</u> <u>2013</u>	<u>2014 Activity</u>		<u>December 31,</u> <u>2014</u>
		<u>Additions</u> <u>(Debits)</u>	<u>Amortization</u> <u>(Credits)</u>	
<b>New Mexico (a)</b>				
Utility Plant Adjustment	\$ 17,848	\$ -	\$ -	\$ 17,848
Accumulated Amortization	(17,085)	-	(302)	(17,387)
	<u>\$ 763</u>	<u>\$ -</u>	<u>\$ (302)</u>	<u>\$ 461</u>

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

### Accounting and Reporting for New Electric Storage Operations

The Company does not have electric storage assets and therefore does not have any operation and maintenance expense or purchased power expense to report in accordance with the interim guidance in FERC Docket No. AI14-1-000 issued on February 20, 2014, for reporting energy storage assets, operation and maintenance expense and purchased power expense in the Notes to Financial Statements.

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NOTES TO FINANCIAL STATEMENTS (Continued)			

## A. Summary of Significant Accounting Policies

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

*Basis of Presentation.* The Company maintains its accounts in accordance with the accounting requirements of the FERC as 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.

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

*Utility Plant.* Utility plant is reported at original cost, less regulatory disallowances and impairments. Costs include labor, materials, construction overheads and allowance for funds used during construction ("AFUDC"). Depreciation is provided on a straight-line basis at annual rates which will generally amortize the undepreciated cost of depreciable property over the estimated remaining lives of the assets (ranging in average from 5 to 48 years). The average composite depreciation rate utilized in 2014 and 2013 was 2.84%. When property subject to composite depreciation is retired or otherwise disposed of in the normal course of business, its cost – together with the cost of removal, less salvage – is charged to accumulated depreciation. For other property dispositions, the applicable cost and accumulated depreciation is removed from the balance sheet accounts and a gain or loss is recognized.

The cost of nuclear fuel is amortized to fuel expense on a units-of-production basis. The Company is also amortizing its share of costs associated with on-site spent fuel storage casks at Palo Verde over the burn period of the fuel that will necessitate the use of the storage casks. See Note E.

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

*AFUDC and Capitalized Interest.* AFUDC is determined by applying an accrual rate to the balance of certain Construction Work in Progress ("CWIP"). The FERC has promulgated procedures for the computation (a prescribed formula) of the accrual rate. The AFUDC rates used in 2014 and 2013 were 8.15% and 8.10%, respectively. The Company capitalizes interest on nuclear fuel in accordance with the FERC Uniform System of Accounts as provided for in FASB guidance for regulated operations.

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

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*Cash and Cash Equivalents.* All temporary cash investments with an original maturity of three months or less are considered cash equivalents.

*Investments.* The Company's marketable securities, included in decommissioning trust funds which are reflected in Other Special Funds in the regulatory-basis balance sheets, are reported at fair value and consist of cash, equity securities and municipal, federal and corporate bonds in trust funds established for decommissioning of its interest in Palo Verde. Such marketable securities are classified as "available-for-sale" securities and, as such, unrealized gains and losses are included in Accumulated Other Comprehensive Income. However, if declines in fair value of marketable securities below original cost basis are determined to be other than temporary, then the declines are reported as losses in the regulatory-basis statement of operations and a new cost basis is established for the affected securities at fair value. Gains and losses are determined using the cost of the security based on the specific identification basis. See Note N.

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

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

*Operating Revenues Net of Energy Expenses.* The Company accrues revenues for services rendered, including unbilled electric service revenues. Energy expenses are stated at actual cost incurred. The Company's Texas retail customers are billed under base rates and a fixed fuel factor approved by the PUCT. The Company's New Mexico retail customers are billed under base rates and a fuel adjustment clause which is adjusted monthly, as approved by the NMPRC. The Company's FERC sales for resale customers are billed under formula base rates and fuel factors and a fuel adjustment clause which is adjusted monthly. The Company's recovery of energy expenses is subject to periodic reconciliations of actual energy expenses incurred to actual fuel revenues collected. The difference between energy expenses incurred and fuel revenues charged to customers is reflected in the accompanying regulatory-basis balance sheets in Other Regulatory Assets and Other Regulatory Liabilities, as appropriate. See Note C and D.

*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.

*Allowance for Doubtful Accounts.* The allowance for doubtful accounts represents the Company's estimate of existing accounts receivable that will ultimately be uncollectible. The allowance is calculated by applying estimated write-off factors to various classes of outstanding receivables. The write-off factors used to estimate uncollectible accounts are based upon consideration of both historical collections experience and management's best estimate of future collections success given the existing collections environment. Additions, deductions and balances for allowance for doubtful accounts for 2014 and 2013 are as follows (in thousands):

	2014	2013
Balance at beginning of year	\$ 2,261	\$ 2,906
Additions:		
Charged to costs and expense	2,835	2,098
Recovery of previous write-offs	1,516	1,929
Uncollectible receivables written off	4,279	4,672
Balance at end of year	<u>\$ 2,333</u>	<u>\$ 2,261</u>

*Income Taxes.* The Company accounts for federal and state income taxes under the asset and liability method of accounting for

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income taxes. Deferred income taxes are recognized for the estimated future tax consequences of "temporary differences" by applying enacted statutory tax rates for each taxable jurisdiction applicable to future years to differences between the financial statement carrying amounts and the tax basis of existing assets and liabilities. Certain temporary differences are accorded flow-through treatment by the Company's regulators and impact the Company's effective tax rate. FASB guidance requires that rate-regulated companies' record deferred income taxes for temporary differences accorded flow-through treatment at the direction of the regulatory commission. The resulting deferred tax assets and liabilities are recorded at the expected cash flow to be reflected in future rates. Because the Company's regulators have consistently permitted the recovery of tax effects previously flowed-through earnings, the Company has recorded regulatory liabilities and assets offsetting such deferred tax assets and liabilities. The effect on deferred tax assets and liabilities of a change in tax rate is recognized in income in the period that includes the enactment date. The Company recognizes tax assets and liabilities for uncertain tax positions in accordance with the recognition and measurement criteria of FASB guidance for uncertainty in income taxes as modified by FERC Docket No. AI07-2-000. See Note I.

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

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

*Reclassification.* Certain amounts in the regulatory-basis financial statements for 2013 have been reclassified to conform with the 2014 presentation.

## B. 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 U.S. Generally Accepted Accounting Principles ("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.

## C. Regulation

### General

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

## Texas Regulatory Matters

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

*Energy Efficiency Cost Recovery Factor.* The Company made its annual filing to establish its energy efficiency cost recovery factor for 2015 on May 1, 2014. In addition to projected energy efficiency costs for 2015 and true-up to prior year actual costs, the Company requested approval of a \$2.0 million bonus for the 2013 energy efficiency program results in accordance with PUCT rules. 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. The PUCT decision was not appealed. The Company recorded the \$2.0 million bonus as operating revenue in the fourth quarter of 2014.

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

On April 15, 2014, the Company filed a request, which was assigned PUCT 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 reflected an expected increase 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. As of December 31, 2014, the Company had under-recovered fuel costs in the amount of \$10.2 million for the Texas jurisdiction. The Company has been reducing the amount of the under-recovery since August 2014 and expects to continue to reduce the amount of under-recovery as long as the price of natural gas remains below the cost of natural gas included in its current fixed fuel factor. If the price of natural gas increases above the cost of natural gas included in the current fixed fuel factor, the Company may request an increase to the fixed fuel factor and effectively mitigate an increase in the under-recovery balance. If the under-recovered balance is above the materiality threshold at the time the fixed fuel factor increase is requested, then the Company will consider requesting a fuel surcharge to collect the remaining under-recovered balance.

*Fuel Reconciliation Proceeding.* Pursuant to the 2012 Texas retail rate settlement discussed above, on September 27, 2013, the Company filed an application with the PUCT, designated as PUCT Docket No. 41852, to reconcile \$545.3 million of fuel and purchased power expenses incurred during the 45-month period from July 1, 2009 through March 31, 2013. A settlement was reached and a final order was issued by the PUCT on July 11, 2014. The twelve months ended December 31, 2014 financial results include 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 previously reserved. Palo Verde performance rewards are not recognized in the Company's financial results 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 also provides that 100% of margins on non-arbitrage off-system sales (as defined by the settlement) and 50% of margins on arbitrage off-system 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



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all off-system sales. The Company also agreed to file with the PUCT a proceeding to address the reasonableness of the Company's decision to not continue to participate in the Four Corners coal-fired generating Units 4 and 5 after July 2016. It is expected that issues related to the final coal mine closing and reclamation costs will be addressed in that proceeding as well as other issues related to post-participation events such as the asset retirement obligations of the Company related to those two units. 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 ("the MPS") in El Paso County, Texas. The Company also obtained air permits from the Texas Commission on Environmental Quality ("TCEQ") and the U.S. 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 the 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 the 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 requested 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 incentives and adjustment to the recovery factors.

*Fuel and Purchased Power Costs.* Fuel and purchased power costs are recovered through base rates and a Fuel and Purchased Power Cost Adjustment Clause (the "FPPCAC") that corrects for changes in the costs of fuel included in base rates. On January 8, 2014, the NMPRC approved the continuation of the FPPCAC without modification in NMPRC Case No. 13-00380-UT. Fuel and purchased power costs are reconciled to actual costs on a monthly basis and recovered or refunded to customers the second succeeding

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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 and associated transmission lines. The Company also obtained all necessary air permits from the TCEQ and EPA and has begun construction. A final order in NMPRC Case No. 13-00297-UT approving the CCN for MPS Units 3 and 4 was issued on June 11, 2014.

*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

*PNM Transmission Rate Case.* On December 31, 2012, PNM filed with FERC to change its method of transmission rate recovery for its transmission delivery services from stated rates to formula rates. The Company takes transmission service from PNM and is among the PNM transmission customers affected by PNM's shift to formula rates. On March 1, 2013, the FERC issued an order rejecting in part PNM's filing, and establishing settlement judge and hearing procedures. The parties to the case, including the Company, have been participating in settlement negotiations. The Company cannot predict the outcome of the case at this time.

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

*Department of Energy ("DOE").* The DOE regulates the Company's exports of power to the Comisión Federal de Electricidad in Mexico pursuant to a license granted by the DOE and two presidential permits.

The DOE is authorized to assess operators of nuclear generating facilities a share of the costs of decommissioning the DOE's uranium enrichment facilities and for the ultimate costs of disposal of spent nuclear fuel. See Note E for discussion of spent fuel storage and disposal costs.

### Sales for Resale

The Company provides firm capacity and associated energy to the Rio Grande Electric Cooperative ("RGEC") pursuant to an ongoing contract with a two-year notice to terminate provision. The Company also provides network integrated transmission service to the RGEC pursuant to the Company's Open Access Transmission Tariff ("OATT"). The contract includes a formula-based rate that is updated annually to recover non-fuel generation costs and a fuel adjustment clause designed to recover all eligible fuel and purchased power costs allocable to the RGEC.

### D. Regulatory Assets and Liabilities

The Company's operations are regulated by the PUCT, the NMPRC and the FERC. Regulatory assets represent probable future recovery of previously incurred costs, which will be collected from customers through the ratemaking process. Regulatory liabilities represent probable future reductions in revenues associated with amounts that are to be credited to customers through the ratemaking

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process. Regulatory assets and liabilities reflected in the Company's regulatory-basis balance sheets are presented below (in thousands):

	Amortization Period Ends	December 31, 2014	December 31, 2013
<b>Regulatory assets</b>			
Regulatory tax assets (a)	(b)	\$ 114,262	\$ 110,030
Final coal reclamation (c)	(d)	10,702	4,290
Nuclear fuel postload daily financing charge	(c)	4,451	4,488
Texas energy efficiency	(e)	1,817	—
Texas 2012 rate case costs	April 2014	—	581
Texas 2015 rate case costs	(f)	169	—
Texas military base discount and recovery factor	(g)	—	759
New Mexico procurement plan costs	(f)	139	139
New Mexico renewable energy credits	(f)	5,456	4,833
New Mexico 2010 FPPCAC audit	(f)	434	433
New Mexico Palo Verde deferred depreciation	(b)	4,720	4,871
New Mexico 2015 rate case costs	(f)	42	—
Undercollection of fuel revenues	(c)	10,253	7,248
<b>Total regulatory assets</b>		<u>\$ 152,445</u>	<u>\$ 137,672</u>
<b>Regulatory liabilities</b>			
Regulatory tax liabilities (a)	(b)	\$ 48,889	\$ 50,488
New Mexico energy efficiency	(e)	3,904	3,646
Texas energy efficiency	(e)	—	362
Texas military base discount and recovery factor	(g)	609	—
Overcollection of fuel revenues	(h)	932	1,048
<b>Total regulatory liabilities</b>		<u>\$ 54,334</u>	<u>\$ 55,544</u>

- (a) No specific return on investment is required since related assets and liabilities offset.
- (b) The amortization period for this asset is based upon the life of the associated assets or liabilities.
- (c) This item is recovered through fuel recovery mechanisms.
- (d) This item and the related final coal reclamation liability have been included or will be requested in rate base.
- (e) This item is recovered or credited through a recovery factor that is set annually.
- (f) Amortization period is anticipated to be established in next general rate case.
- (g) This item represents the net asset/net liability related to the military discount which is recovered from non-military customers through a recovery factor.
- (h) This item is refunded through fuel adjustment mechanisms in each jurisdiction.

#### E. Utility Plant, Palo Verde and Other Jointly-Owned Utility Plant

The table below presents the balance of each major class of depreciable assets at December 31, 2014 (in thousands):

	Gross	Accumulated	Net
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	Plant	Depreciation	Plant
Nuclear production	\$ 1,802,454	\$ (1,197,992)	\$ 604,462
Steam and other	686,345	(289,495)	396,850
Total production	2,488,799	(1,487,487)	1,001,312
Transmission	387,670	(204,527)	183,143
Distribution	998,506	(319,487)	679,019
General	145,672	(68,671)	77,001
Intangible	75,201	(45,039)	30,162
Total	<u>\$ 4,095,848</u>	<u>\$ (2,125,211)</u>	<u>\$ 1,970,637</u>

Amortization of intangible plant (software) is provided on a straight-line basis over the estimated useful life of the asset (ranging from 5 to 10 years). The table below presents the actual and estimated amortization expense for intangible plant for 2013 and 2014 and for the next five years (in thousands):

2013	7,683
2014	8,051
2015 (estimated)	7,505
2016 (estimated)	7,030
2017 (estimated)	6,388
2018 (estimated)	4,762
2019 (estimated)	3,101

The Company owns a 15.8% interest in each of the three nuclear generating units and common facilities at Palo Verde, in Wintersburg, Arizona. The Palo Verde Participants include the Company and six other utilities: Arizona Public Service Company ("APS"), Southern California Edison Company ("SCE"), Public Service Company of New Mexico ("PNM"), Southern California Public Power Authority, Salt River Project Agricultural Improvement and Power District ("SRP") and the Los Angeles Department of Water and Power.

Other jointly-owned utility plant includes a 7% interest in Units 4 and 5 at Four Corners Generating Station ("Four Corners") and certain other transmission facilities. A summary of the Company's investment in jointly-owned utility plant, excluding fuel inventories, at December 31, 2014 and 2013 is as follows (in thousands):

	December 31, 2014		December 31, 2013	
	Palo Verde	Other	Palo Verde	Other
Electric plant in service	\$ 1,802,454	\$ 176,925	\$ 1,751,383	\$ 174,744
Accumulated depreciation	(1,197,992)	(135,472)	(1,189,614)	(131,989)
Construction work in progress	55,632	6,900	75,040	2,347
Total	<u>\$ 660,094</u>	<u>\$ 48,353</u>	<u>\$ 636,809</u>	<u>\$ 45,102</u>

**Palo Verde**

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

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

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

*Decommissioning.* Pursuant to the ANPP Participation Agreement and federal law, the Company must fund its share of the estimated costs to decommission Palo Verde Units 1, 2 and 3, including the Common Facilities, through the term of their respective operating licenses and is required to maintain a minimum accumulation and funding level in its decommissioning account at the end of each annual reporting period during the life of the plant. The Company has established external trusts with an independent trustee, which enables the Company to record a current deduction for federal income tax purposes for most of the amounts funded. At December 31, 2014, the Company's decommissioning trust fund had a balance of \$234.3 million, which is above its minimum funding level. The Company monitors the status of its decommissioning funds and adjusts its deposits, if necessary.

Decommissioning costs are estimated every three years based upon engineering cost studies performed by outside engineers retained by APS. In December 2013, the Palo Verde Participants approved the 2013 Palo Verde decommissioning study (the "2013 Study"). The 2013 Study estimated that the Company must fund approximately \$380.7 million (stated in 2013 dollars) to cover its share of decommissioning costs which was an increase in decommissioning costs of \$23.3 million (stated in 2013 dollars) from the 2010 Palo Verde decommissioning study. However, because the cash flows from the 2013 Study were less than the inflated amounts from the 2010 Study, the effect of this change lowered the asset retirement obligation by \$1.9 million which lowered annual expenses starting in January 2014. Although the 2013 Study was based on the latest available information, there can be no assurance that decommissioning cost estimates will not increase in the future or that regulatory requirements will not change. In addition, until a new low-level radioactive waste repository opens and operates for a number of years, estimates of the cost to dispose of low-level radioactive waste are subject to significant uncertainty.

*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 December 19, 2012, APS, acting on behalf of itself and the participant owners of Palo Verde, filed a second breach of contract lawsuit against the DOE. This lawsuit sought to recover damages incurred due to the DOE's failure to accept Palo Verde's spent nuclear fuel for the period beginning January 1, 2007 through June 30, 2011. On August 18, 2014, APS and the DOE entered into a settlement agreement, stipulating to a dismissal of the lawsuit and payment of \$57.4 million by the DOE to the Palo Verde owners for certain specified costs incurred by Palo Verde during the period January 1, 2007 through June 30, 2011. On October 8, 2014, the Company received approximately \$9.1 million, representing its share of the award. The majority of the award was refunded to customers through the applicable fuel adjustment clauses. On October 31, 2014, APS acting on behalf of itself and 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

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portion is \$6.7 million. The 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.

*DOE's Construction Authorization Application for Yucca Mountain.* The DOE had planned to meet its disposal obligations by designing, licensing, constructing, and operating a permanent geologic repository at Yucca Mountain, Nevada. In March 2010, the DOE filed a motion to dismiss with prejudice its Yucca Mountain construction authorization application that was pending before the NRC. Several interested parties have intervened in the NRC proceeding, and the proceeding has not been conclusively decided by the NRC or the courts. Additionally, a number of interested parties have filed a variety of lawsuits in different jurisdictions around the country challenging the DOE's authority to withdraw the Yucca Mountain construction authorization application and NRC's cessation of its review of the Yucca Mountain construction authorization application. The cases have been consolidated into one matter at the U.S. Court of Appeals for the District of Columbia Circuit (the "D.C. Circuit"). In August 2013, the D.C. Circuit ordered the NRC to resume its review of the application with available appropriated funds.

On October 16, 2014, the NRC issued Volume 3 of the safety evaluation report developed as part of the Yucca Mountain construction authorization application. This volume addresses repository safety after permanent closure, and its issuance is a key milestone in the Yucca Mountain licensing process. Volume 3 contains the NRC staff's finding that the DOE's repository design meets the requirements that apply after the repository is permanently closed, including but not limited to the post-closure performance objectives in NRC's regulations.

On December 18, 2014, the NRC issued Volume 4 of the safety evaluation report developed as part of the Yucca Mountain construction authorization application. This volume covers administrative and programmatic requirements for the repository. It documents the NRC staff's evaluation of whether the DOE's research and development and performance confirmation programs, as well as other administrative controls and systems, meet applicable NRC requirements. Volume 4 contains the NRC staff's finding that most administrative and programmatic requirements in NRC regulations are met, except for certain requirements relating to ownership of land and water rights.

Publication of Volumes 3 and 4 does not signal whether or when the NRC might authorize construction of the repository. The Company cannot predict when spent fuel shipments to the DOE will commence.

*Waste Confidence.* On June 8, 2012, the D.C. Circuit issued its decision on a challenge by several states and environmental groups of the NRC's rulemaking regarding temporary storage and permanent disposal of high level nuclear waste and spent nuclear fuel. The petitioners had challenged the NRC's 2010 update to the agency's Waste Confidence Decision and temporary storage rule ("Waste Confidence Decision").

The D.C. Circuit found that the agency's 2010 Waste Confidence Decision update constituted a major federal action, which, consistent with the National Environmental Policy Act ("NEPA"), requires either an environmental impact statement or a finding of no significant impact from the agency's actions. The D.C. Circuit found that the NRC's evaluation of the environmental risks from spent nuclear fuel was deficient, and therefore remanded the 2010 Waste Confidence Decision update for further action consistent with NEPA.

On September 6, 2012, the NRC Commissioners issued a directive to the NRC staff to proceed directly with development of a generic environmental impact statement to support an updated Waste Confidence Decision. The NRC Commissioners also directed the NRC staff to establish a schedule to publish a final rule and environmental impact study within 24 months of September 6, 2012.

In September 2013, the NRC issued its draft Generic Environmental Impact Statement ("GEIS") to support an updated Waste Confidence Decision. On August 26, 2014, the NRC approved a final rule on the environmental effects of continued storage of spent nuclear fuel. The continued storage rule adopted the findings of the GEIS regarding the environmental impacts of storing spent fuel at

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any reactor site after the reactor's licensed period of operations. As a result, those generic impacts do not need to be re-analyzed in the environmental reviews for individual licenses. Although Palo Verde had not been involved in any licensing actions affected by the D.C. Circuit's June 8, 2012, decision, the NRC lifted its suspension on final licensing actions on all nuclear power plant licenses and renewals that went into effect when the D.C. Circuit issued its June 2012 decision. The August 24 final rule has been subject to continuing legal challenges before the NRC and the Court of Appeals.

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

*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 was recovered by the Company through applicable fuel adjustment clauses. In June 2012, 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 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.

*NRC Oversight of the Nuclear Energy Industry in the Wake of the Earthquake and Tsunami in Japan.* The NRC regulates the operation of all commercial nuclear power reactors in the United States, including Palo Verde. The NRC periodically conducts inspections of nuclear facilities and monitors performance indicators to enable the agency to arrive at objective conclusions about a licensee's safety performance. Following the March 11, 2011 earthquake and tsunami in Japan, the NRC established a task force to conduct a systematic and methodical review of NRC processes and regulations to determine whether the agency should make additional improvements to its regulatory system. On March 12, 2012, the NRC issued the first regulatory requirements based on the recommendations of the NRC's Near Term Task Force. With respect to Palo Verde, the NRC issued two orders requiring safety enhancements regarding: (1) mitigation strategies to respond to extreme natural events resulting in the loss of power at plants; and (2) enhancement of spent fuel pool instrumentation.

The NRC has issued a series of interim staff guidance documents regarding implementation of these requirements. Due to the developing nature of these requirements, the Company cannot predict the ultimate financial or operational impacts on Palo Verde or the Company; however, the NRC has directed nuclear power plants to implement the first tier recommendations of the NRC's Near Term Task Force. In response to these recommendations, Palo Verde expects to spend approximately \$40 million for capital enhancements to the plant over the next two years (the Company's share is \$6.3 million) in addition to the approximate \$80 million (the Company's share is \$12.6 million) that has already been spent on capital enhancements as of December 31, 2014.

*Liability and Insurance Matters.* The Palo Verde Participants have insurance for public liability resulting from nuclear energy hazards to the full limit of liability under federal law, which is currently at \$13.6 billion. This potential liability is covered by primary liability insurance provided by commercial insurance carriers in the amount of \$375 million, and the balance is covered by an

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industry-wide retrospective assessment program. If a loss at a nuclear power plant covered by the programs exceeds the accumulated funds in the primary level of protection, the Company could be assessed retrospective premium adjustments on a per incident basis. Under federal law, the maximum assessment per reactor under the program for each nuclear incident is approximately \$127.3 million, subject to an annual limit of \$19.0 million. Based upon the Company's 15.8% interest in the three Palo Verde units, the Company's maximum potential assessment per incident for all three units is approximately \$60.4 million, with an annual payment limitation of approximately \$9.0 million.

The Palo Verde Participants maintain \$2.8 billion of "all risk" nuclear property insurance. The insurance provides coverage for property damage and decontamination at Palo Verde. For covered incidents involving property damage not accompanied by a release of radioactive material, the policy's coverage limit is \$2.3 billion. The Company has also secured insurance against portions of any increased cost of generation or purchased power and business interruption resulting from a sudden and unforeseen outage of any of the three units. The insurance coverage discussed in this and the previous paragraph is subject to certain policy conditions and exclusions. A mutual insurance company whose members are utilities with nuclear facilities issues these policies. If losses at any nuclear facility covered by this mutual insurance company were to exceed the accumulated funds for these insurance programs, the Company could be assessed retrospective premium adjustments of up to \$10.9 million for the current policy period.

#### Four Corners

The Company owns a 7% interest in Units 4 and 5 at Four Corners and shares power entitlements and allocated costs with APS, the operating agent, and the other Four Corners participants. The Company notified the other participants in 2013 that it would not continue in Four Corners after the termination of the 50-year contractual term of the participation agreement but that it would offer to sell its interest to them in order to facilitate their decision to extend the life of the plant. On February 17, 2015, the Company and APS entered into an asset purchase agreement (the "Agreement"), providing for the purchase by APS of the Company's interests in Four Corners. The cash purchase price is equal to the net book value of the Company's interest in Four Corners at the date of closing, which is expected to occur not later than July 2016, subject to the receipt of regulatory approvals. The purchase price will be adjusted downward to reflect APS's assumption in the Agreement of the Company's obligation to pay for future plant decommissioning and mine reclamation expenses. At the closing, APS will also reimburse the Company for the undepreciated value of certain capital expenditures made prior thereto. APS will assume responsibility for all capital expenditures made after July 2016 and, with certain exceptions, any pre-2016 capital expenditures to be put into service following the closing. In addition, APS will indemnify the Company against liabilities and costs related to the future operation of Four Corners. Included in the Company's regulatory-basis balance sheet at December 31, 2014 are obligations of \$6.1 million and \$19.3 million for plant decommissioning and mine reclamation costs, respectively, which the Company expects to pay at closing in accordance with the Agreement.

#### F. Accounting for Asset Retirement Obligations

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

The ARO liability for Palo Verde is based upon the estimated cost of decommissioning the plant from the 2013 Palo Verde decommissioning study. See Note E. The ARO liability is calculated by adjusting the estimated decommissioning costs for spent fuel storage and a profit margin and market-risk premium factor. The resulting costs are escalated over the remaining life of the plant and



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finally discounted using a credit-risk adjusted discount rate. As Palo Verde approaches the end of its estimated useful life, the difference between the ARO liability and future current cost estimates will narrow over time due to the accretion of the ARO liability. Because the DOE is obligated to assume responsibility for the permanent disposal of spent fuel, spent fuel costs have not been included in the ARO calculation. The Company maintains six external trust funds with an independent trustee that are legally restricted to settling its ARO at Palo Verde. The fair value of the funds at December 31, 2014 is \$234.3 million.

FERC Order No. 631 requires the Company to revise its previously recorded ARO for any changes in estimated cash flows including changes in estimated probabilities related to timing of settlements. Any changes that result in an upward revision to estimated cash flows shall be treated as a new liability. Any downward revisions to the estimated cash flows result in a reduction to the previously recorded ARO. In December 2013, the Company implemented the 2013 Palo Verde decommissioning study, and as a result, revised its ARO related to Palo Verde to decrease its estimated cash flows from the 2010 Study to the 2013 Study (see Note E). The assumptions used to calculate the Palo Verde ARO liability are as follows:

	<u>Escalation Rate</u>	<u>Credit Risk Adjusted Discount Rate</u>
Original ARO liability	3.60%	9.50%
Incremental ARO liability	3.60%	6.20%

A roll forward of the Company's total ARO liability from January 1, 2013 through December 31, 2014, including the effects of each year's estimate revisions, is presented below. In 2014, the estimate revision includes an adjustment to Four Corners due to the early recognition of the obligation resulting from the purchase agreement with APS. In 2013, the estimate revision includes a change to the probability of extending Four Corners' operating term and decreases in the estimated cash flows related to Palo Verde's decommissioning due to implementing the 2013 Palo Verde decommissioning study.

	<u>2014</u>	<u>2013</u>
ARO liability at beginning of year	\$ 65,214	\$ 62,784
Liabilities incurred	—	—
Liabilities settled	—	(36)
Revisions to estimate	3,561	(3,401)
Accretion expense	5,802	5,867
ARO liability at end of year	<u>\$ 74,577</u>	<u>\$ 65,214</u>

The Company has transmission and distribution lines which are operated under various property easement agreements. If the easements were to be released, the Company may have a legal obligation to remove the lines; however, the Company has assessed the likelihood of this occurring as remote. The majority of these easements include renewal options which the Company routinely exercises.

## G. Common Stock

### Overview

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

### Long-Term Incentive Plan

On May 29, 2014, the Company's shareholders approved an amended and restated stock-based long-term incentive plan (the "Amended and Restated 2007 LTIP") and authorized the issuance of up to 1.7 million shares of common stock for the benefit of directors and employees. Under the Amended and Restated 2007 LTIP, common stock may be issued through the award or grant of non-statutory stock options, incentive stock options, stock appreciation rights, restricted stock, bonus stock, performance stock, cash-based awards and other stock-based awards. The Company may issue new shares, purchase shares on the open market, or issue shares from shares the Company has repurchased to meet the share requirements of the Amended and Restated 2007 LTIP. As discussed in Note A, the Company accounts for its stock-based long-term incentive plan under FASB guidance for stock-based compensation.

*Stock Options.* Stock options have been granted at exercise prices equal to or greater than the market value of the underlying shares at the date of grant. The fair value for these options was estimated at the grant date using the Black-Scholes option pricing model. The options expired ten years from the date of grant unless terminated earlier by the Board of Directors (the "Board"). Stock options have not been granted since 2003.

The 15,000 options outstanding at December 31, 2012 were exercised during 2013 with a weighted average exercise price of \$12.78. The Company received \$0.2 million in cash and realized a current tax benefit of \$0.1 million. The Company had no stock options outstanding as of December 31, 2013 and December 31, 2014.

The intrinsic value of stock options exercised in 2013 was \$0.3 million. No options were forfeited, vested or expired during 2014 and 2013. No compensation cost was recognized in 2014 or 2013 for stock options.

*Restricted Stock and Other Stock-Based Awards.* The Company has awarded restricted stock and other stock-based awards under its long-term incentive plan. Restrictions from resale on restricted stock awards generally lapse and awards vest over periods of one to three years. The market value of the unvested restricted stock at the date of grant is amortized to expense over the restriction period net of anticipated forfeitures.

Other stock-based awards are fully vested and are expensed at fair value on the date of grant. Previously directors could elect to receive retainers and meeting fees in cash, restricted stock, or a combination of cash and stock. On May 29, 2014, the Board of Directors voted to revise the terms of the restricted stock awards granted to directors in lieu of cash for retainers and meeting fees. Stock elections by directors in lieu of cash for retainer and meeting fees are now fully vested and are expensed at fair value on the date of grant. The modification to 13,863 outstanding restricted stock awards granted to directors resulted in forfeiture of those awards and the granting of new awards which were fully vested and expensed at \$37.81 per share, the fair value on the date of grant.

The expense, deferred tax benefit, and current tax expense recognized related to restricted stock awards and other stock-based awards in 2014 and 2013 is presented below (in thousands):

	<u>2014</u>	<u>2013</u>
Expense (a)	\$ 3,471	\$ 2,458
Deferred tax benefit	1,215	860
Current tax benefit recognized	39	109

(a) Any capitalized costs related to these expenses is less than \$0.1 million for all years.

The aggregate intrinsic value and fair value at grant date of restricted stock and other stock-based awards which vested in 2014 and 2013 is presented below (in thousands):

<u>2014</u>	<u>2013</u>
-------------	-------------

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Aggregated intrinsic value	\$	3,441	\$	2,077
Fair value at grant date		3,330		1,765

The unvested restricted stock and other stock-based award transactions for 2014 are presented below:

	Total Shares	Weighted Average Grant Date Fair Value	Unrecognized Compensation Expense (a) (In thousands)	Aggregate Intrinsic Value (In thousands)
Restricted shares outstanding at December 31, 2013	120,534	\$ 35.19		
Stock awards	113,776	36.95		
Vested	(90,851)	36.66		
Forfeitures	(19,162)	34.72		
Restricted shares outstanding at December 31, 2014	<u>124,297</u>	35.81	\$ 1,662	\$ 4,979

(a) The unrecognized compensation expense is expected to be recognized over the weighted average remaining contractual term of the outstanding restricted stock of approximately one year.

The weighted average fair value per share at grant date for restricted stock and other stock-base awards granted during 2014 and 2013 were:

	2014	2013
Weighted average fair value per share	\$ 36.95	\$ 35.48

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

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

Detail of performance shares vested follows:

Date Vested	Payout Ratio	Performance Shares Awarded	Compensation Costs Expensed (In thousands)	Period Compensation Costs Expensed	Aggregated Intrinsic Value (In thousands)
February 20, 2015	0%	0	\$ 1,502	2012-2014	\$ —
February 18, 2014	0%	0	954	2011-2013	—
January 29, 2013	150.0%	64,275	849	2010-2012	2,176

In 2015, 2016 and 2017, subject to meeting certain performance criteria, additional performance shares could be awarded. In accordance with FASB guidance related to stock-based compensation, the Company recognizes the related compensation expense by ratably amortizing the grant date fair value of awards over the requisite service period and the compensation expense is only adjusted for forfeitures. The actual number of shares to be issued can range from zero to 145,496 shares.

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

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accordance with the plan's term structure and includes the volatilities of all members of the defined peer group.

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

	Number Outstanding	Weighted Average Grant Date Fair Value	Unrecognized Compensation Expense (a)	Aggregate Intrinsic Value
			(In thousands)	(In thousands)
Performance shares outstanding at December 31, 2013	124,997	\$ 31.38		
Performance share awards	37,561	26.36		
Performance shares lapsed	(34,050)	28.03		
Performance shares forfeited	(7,027)	32.24		
Performance shares outstanding at December 31, 2014	121,481	30.71	\$ 975	\$ 4,867

- (a) The unrecognized compensation expense is expected to be recognized over the weighted average remaining contractual term of the awards of approximately one year.

A summary of information related to performance shares for 2014 and 2013 is presented below:

	2014	2013
Weighted average per share grant date fair value per share of performance shares awarded	\$ 26.36	\$ 34.69
Fair value of performance shares vested (in thousands)	—	849
Intrinsic value of performance shares vested (in thousands) (a)	—	1,450
Compensation expense (in thousands) (b)	1,181	1,188
Deferred tax benefit related to compensation expense (in thousands)	413	416

(a) Based on a 100% performance level.

(b) Includes adjustments for forfeiture of performance share awards by certain executives.

### Repurchase Program

No shares of common stock were repurchased during the twelve months ended December 31, 2014. Detail regarding the Company's stock repurchase program is presented below:

	Since 1999 (a)	Authorized Shares
Shares repurchased (b)	25,406,184	
Cost, including commission (in thousands)	\$ 423,647	
Total remaining shares available for repurchase at December 31, 2014		393,816

(a) Represents repurchased shares and cost since inception of the stock repurchase program in 1999.

(b) Shares repurchased does not include 86,735 treasury shares related to employee compensation arrangements outside of the Company's repurchase programs.

The Company may in the future make purchases of its common stock pursuant to its authorized program in open market transactions at prevailing prices and may engage in private transactions where appropriate. The repurchased shares will be available for issuance under employee benefit and stock incentive plans, or may be retired.

### Dividend Policy

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On December 30, 2014, the Company paid \$11.3 million in quarterly cash dividends to shareholders. The Company paid a total of \$44.6 million and \$42.0 million in cash dividends during the twelve months ended December 31, 2014 and 2013, respectively. On January 29, 2015, the Board of Directors declared a quarterly cash dividend of \$0.28 per share payable on March 31, 2015 to shareholders of record on March 16, 2015.

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

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

	December 31,	
	2014	2013
(In thousands)		
<b>Bonds (Account 221):</b>		
Pollution Control Bonds (1):		
7.25% 2009 Series A refunding bonds, due 2040 (7.46% effective interest rate)	\$ 63,500	\$ 63,500
4.50% 2012 Series A refunding bonds, due 2042 (4.63% effective interest rate)	59,235	59,235
7.25% 2009 Series B refunding bonds, due 2040 (7.49% effective interest rate)	37,100	37,100
1.875% 2012 Series A refunding bonds, due 2032 (2.35% effective interest rate)	33,300	33,300
Total Account 221	193,135	193,135
<b>Other Long-Term Debt (Accounts 224 and 226):</b>		
Senior Notes (2):		
6.00% Senior Notes, net of discount, due 2035 (7.12% effective interest rate)	400,000	400,000
7.50% Senior Notes, net of discount, due 2038 (7.67% effective interest rate)	150,000	150,000
3.30% Senior Notes, net of discount, due 2022 (3.43% effective interest rate)	150,000	150,000
5.00% Senior Notes, net of discount, due 2044 (5.10% effective interest rate)	150,000	—
Total Account 224	850,000	700,000
Unamortized discount on long-term debt Account 226	(3,956)	(3,515)
Total long-term debt	\$ 1,039,179	\$ 889,620
<b>Obligations Under Capital Lease – Noncurrent (Account 227):</b>		
RGRT Senior Notes (3):		
3.67% Senior Notes, Series A, due 2015 (3.87% effective interest rate)	\$ —	\$ 15,000
4.47% Senior Notes, Series B, due 2017 (4.62% effective interest rate)	50,000	50,000
5.04% Senior Notes, Series C, due 2020 (5.16% effective interest rate)	45,000	45,000
Total Capital Lease Obligations Noncurrent	\$ 95,000	\$ 110,000
<b>Obligations Under Capital Lease – Current (Account 243):</b>		
RGRT Senior Notes (3):		
3.67% Senior Notes, Series A, due 2015 (3.87% effective interest rate)	\$ 15,000	\$ —
Revolving Credit Facility	16,441	16,262
Total Capital Lease Obligations Current	\$ 31,441	\$ 16,262

(1) Pollution Control Bonds ("PCBs")

The Company has four series of tax exempt unsecured PCBs in aggregate principal amount of \$193.1 million. The 1.875% 2012 Series A (El Paso Electric Company Four Corners Project) Pollution Control Refunding Revenue Bonds with an aggregate principal amount of \$33.3 million are subject to mandatory tender for purchase in September 2017.

(2) Senior Notes

The Senior Notes are unsecured obligations of the Company. They were issued pursuant to bond covenants that provide limitations on the Company's ability to enter into certain transactions. The 6.00% Senior Notes have an aggregate principal amount of \$400.0 million and were issued in May 2005. The proceeds, net of a \$2.3 million discount, were used to fund the

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retirement of the Company's first mortgage bonds. The Company amortizes the loss associated with a cash flow hedge recorded in accumulated other comprehensive income to earnings as interest expense over the life of the 6.00% Senior Notes. See Note N, "Financial Instruments and Investments - Treasury Rate Locks". This amortization is included in the effective interest rate of the 6.00% Senior Notes.

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

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

The 5.00% Senior Notes have an aggregate principal amount of \$150.0 million and were issued in December 2014. The proceeds, net of a \$0.5 million discount, were used to fund construction expenditures and for working capital and general corporate purposes.

(3) RGRT Senior Notes

In 2010, the Company and RGRT, a Texas grantor trust through which the Company finances its portion of fuel for Palo Verde, entered into a note purchase agreement with various institutional purchasers. Under the terms of the agreement, RGRT sold to the purchasers \$110 million aggregate principal amount of Senior Notes (the "Notes") of which \$15.0 million will mature in August 2015. The Company will either repay or refinance this \$15.0 million of Notes upon maturity. The Company guarantees the payment of principal and interest on the Notes. In the Company's regulatory-basis financial statements, the obligations to the RGRT are reported as obligations under capital leases of nuclear fuel.

RGRT pays interest on the Notes on February 15, and August 15 of each year until maturity. RGRT may redeem the Notes, in whole or in part, at any time at a redemption price equal to 100% of the principal amount to be redeemed together with the interest on such principal amount accrued to the date of redemption, plus a make-whole amount based on the prevailing market interest rates. The agreement requires compliance with certain covenants, including a total debt to capitalization ratio. The Company was in compliance with these requirements throughout 2014.

The sale of the Notes was made by RGRT in reliance on a private placement exemption from registration under the Securities Act of 1933, as amended. The proceeds of \$109.4 million, net of issuance costs, from the sale of the Notes was used by RGRT to repay amounts borrowed under the revolving credit facility and will enable future nuclear fuel financing requirements of RGRT to be met with a combination of the Notes and amounts borrowed from the RCF.

(4) Revolving Credit Facility

On January 14, 2014, the Company and RGRT entered into a second amended and restated credit agreement related to the RCF with JP Morgan Chase Bank, N.A., as administrative agent and issuing bank, and Union Bank, N.A., as syndication agent, and various lending banks party thereto. 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.

The RCF provides that amounts borrowed by the Company may be used for, among other things, working capital and general corporate purposes. Any amounts borrowed by RGRT may be used, among other things, to finance the acquisition and processing of nuclear fuel. Amounts borrowed by RGRT are guaranteed by the Company and the balance borrowed under the RCF is recorded as a capital lease of nuclear fuel on the regulatory-basis balance sheet. Quarterly lease payments are made based upon units of heat production used by the plant. The RCF is unsecured. The RCF requires compliance with certain covenants,

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including a total debt to capitalization ratio. The Company was in compliance with these requirements throughout 2014. As of December 31, 2014, the total amount borrowed by RGRT was \$16.4 million for nuclear fuel under the RCF. As of December 31, 2014, no borrowings were outstanding under this facility for working capital and general corporate purposes. The weighted average interest rate on the RCF was 1.3% as of December 31, 2014.

As of December 31, 2014, the scheduled maturities for the next five years of long-term debt are as follows (in thousands):

2015	\$ 15,000
2016	—
2017	83,300
2018	—
2019	—

The \$16.4 million outstanding on the RCF for nuclear fuel financing purposes is anticipated to be paid in 2015.

## I. Income Taxes

The tax effects of temporary differences that give rise to significant portions of the deferred tax assets and liabilities at December 31, 2014 and 2013 are presented below (in thousands):

	December 31,	
	2014	2013
<b>Deferred tax assets:</b>		
Plant, principally due to capitalized costs	\$ 72,639	\$ 63,256
Benefits of federal tax loss carryforwards	357	17,901
Pensions and benefits	60,277	50,398
Alternative minimum tax credit carryforward	17,701	21,638
Regulatory liabilities related to income taxes	6,733	7,119
Asset retirement obligation	26,573	24,547
Deferred fuel	—	—
Debt related items	6,917	7,092
Other	12,097	12,316
Total gross deferred tax assets	203,294	204,267
<b>Deferred tax liabilities:</b>		
Plant, principally due to depreciation and basis differences	(508,939)	(481,753)
Regulatory assets related to income taxes	(112,174)	(108,362)
Decommissioning	(29,483)	(26,745)
Deferred fuel	(3,262)	(1,990)
Other	(7,386)	(8,093)
Total gross deferred tax liabilities	(661,244)	(626,943)
Net accumulated deferred income taxes	\$ (457,950)	\$ (422,676)

Based on the average annual book income before taxes for the prior three years, excluding the effects of unusual or infrequent items, the Company believes that the deferred tax assets will be fully realized at current levels of book and taxable income.

The Company recognized income tax expense for 2014 and 2013 as follows (in thousands):

	Years Ended December 31,	
	2014	2013
<b>Income tax expense:</b>		

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<b>Federal:</b>			
Current	\$	3,108	\$ 1,988
Deferred		35,878	40,813
Investment tax credit		(1,157)	(703)
Total federal income tax	\$	<u>37,829</u>	\$ <u>42,098</u>
<b>State:</b>			
Current	\$	116	\$ 54
Deferred		641	(414)
Total state income tax	\$	<u>757</u>	\$ <u>(360)</u>

As of December 31, 2014, the Company had \$17.7 million of AMT credit carryforwards that have an unlimited life. As of December 31, 2014, the Company has utilized all of the federal and state tax loss carryforwards.

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

	<u>2014</u>	<u>2013</u>
Federal income tax expense computed on income at statutory rate	\$ 46,842	\$ 47,081
Difference due to:		
State income taxes (federal effect)	(265)	126
Investment Tax Credit amortization (net of deferred taxes)	(753)	(705)
Allowance for equity funds used during construction	(3,704)	(2,076)
Amortization of excess deferred taxes	(717)	(717)
Amortization of regulatory assets and liabilities	(405)	(379)
Permanent tax differences	(2,886)	(1,048)
Other	(283)	(184)
Total federal income tax expense	<u>\$ 37,829</u>	<u>\$ 42,098</u>

The Company files income tax returns in the United States ("U.S.") federal jurisdiction and in the states of Texas, New Mexico and Arizona. The Company is no longer subject to tax examination by the taxing authorities in the federal and New Mexico jurisdictions for years prior to 2010. The Company is currently under audit in Texas for tax years 2007 through 2011 and in Arizona for tax years 2009 through 2012. The Company reached a settlement agreement 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 ADOR in September of 2014 in their audit of the income tax return for 2008 which did not have a material effect on income tax expense.

On December 19, 2014, the President signed the Tax Increase Prevention Act of 2014. This act included the extension of bonus depreciation which impacted the Company. The Company recorded the impact of the law change in December 2014, which resulted in an \$0.8 million increase in income tax expense due to a decrease in the domestic production activities deduction which is limited by taxable income.

FASB guidance prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. In January 2010, the Company filed for a change of accounting method with the IRS related to the way in which units of property are determined for purposes of determining capitalized tax assets. The change was included in the 2009 federal income tax return, with additional amounts included in the 2010 to 2013 federal income tax returns. In August of 2012, the Company filed a change of accounting method with the IRS, effectively adopting the safe harbor provisions of Rev. Proc 2011-43 related to units of property for capitalized tax assets. The change was included in the 2011 federal income tax return.



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The Company recognizes in interest and penalties expense accounts interest and penalties related to tax benefits that are uncertain. During the years ended December 31, 2014 and 2013, the Company recognized expense of approximately \$0.1 million and a benefit of \$0.2 million, respectively, in interest. The Company had approximately \$0.5 million and \$0.4 million for the payment of interest and penalties accrued at December 31, 2014 and December 31, 2013, respectively.

## J. Commitments, Contingencies and Uncertainties

### Power Purchase and Sale Contracts

To supplement its own generation and operating reserves and to meet required renewable portfolio standards, the Company engages in 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. The Company has entered into the following significant agreements with various counterparties for forward purchases and sales of electricity:

Type of Contract	Counterparty	Quantity	Term	Commercial Operation Date
Power Purchase and Sale Agreement	Freeport	25 MW	December 2008 through December 2015	N/A
Power Purchase and Sale Agreement	Freeport	100 MW	June 2006 through December 2021	N/A
Power Purchase Agreement	Hatch Solar Energy Center I, LLC	5 MW	July 2011 through June 2036	July 2011
Power Purchase Agreement	NRG	20 MW	August 2011 through August 2031	August 2011
Power Purchase Agreement	Sun Edison 1	10 MW	June 2012 through June 2037	June 2012
Power Purchase Agreement	Sun Edison 2	12 MW	May 2012 through May 2037	May 2012
Power Purchase Agreement	Macho Springs Solar, LLC	50 MW	May 2014 through April 2034	May 2014
Power Purchase Agreement	PSEG El Paso Solar Energy Center	10 MW	December 2014 through November 2044	December 2014

The Company has a firm Power Purchase and Sale Agreement with Freeport-McMoran Copper and Gold Energy Services LLC ("Freeport") which provides for Freeport to deliver energy to the Company from its ownership interest in the Luna Energy Facility (a natural gas-fired combined cycle generation facility located in Luna County, New Mexico) and for the Company to deliver a like amount of energy at Greenlee, Arizona. The Company may purchase the quantities noted in the table above at a specified price at times when energy is not exchanged under the Power Purchase and Sale Agreement. Upon mutual agreement, the contract allows the parties to increase the amount of energy that is purchased and sold under the Power Purchase and Sale Agreement. The parties have agreed to increase the amount up to 125 MW through December 2015. The contract was approved by the FERC and continues through December 31, 2021. On December 30, 2014, the FERC issued an order authorizing the disposition, i.e. sale, of Freeport's interest in the Luna facility to Samchully Power & Utilities 1, LLC. Freeport will retain the ability to purchase up to the full amount of its previous ownership share of the Luna facility of approximately 190 MW, thereby continuing to fulfill its obligations pursuant to the Power Purchase and Sale Agreement.

The Company has a 25-year purchase power agreement with Hatch Solar Energy Center I, LLC to purchase all of the output from a solar photovoltaic plant located in southern New Mexico which began commercial operation in July 2011. The Company entered into a 20-year contract with NRG Solar Roadrunner LLC ("NRG") to purchase all of the output of a solar photovoltaic plant built in southern New Mexico which began commercial operation in August 2011. The Company has 25-year purchase power agreements to purchase all of the output of two additional solar photovoltaic plants located in southern New Mexico, SunEdison 1 and SunEdison 2 which began commercial operation on June 25, 2012 and May 2, 2012, respectively. The Company entered into these contracts to help

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meet its renewable portfolio requirements. The Company has a 20-year purchase power agreement with Macho Springs Solar, LLC to purchase the entire generation output delivered from the 50 MW Macho Springs solar photovoltaic plant located in Luna County, New Mexico which began commercial operation on May 23, 2014. The Company has a 30-year purchase power agreement with PSEG El Paso Solar Energy Center ("PSEG") to purchase the total output of approximately 10 MW from a solar photovoltaic plant that PSEG owns and operates on land subleased from the Company in proximity to its Newman Power Station. This solar photovoltaic plant began commercial operation on December 30, 2014.

The Company entered into an agreement in 2009 to purchase capacity and unit contingent energy during 2010 from Shell Energy North America ("Shell"). Under the agreement, the Company provided natural gas to Pyramid Unit No. 4 where Shell had the right to convert natural gas to electric energy. The Company entered into a contract with Shell on May 17, 2010 to extend the term of the capacity and unit contingent energy purchase from January 1, 2011 through September 30, 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. Certain key environmental issues, laws and regulations facing the Company are described further below.

*Air Emissions.* The U.S. Clean Air Act ("CAA"), associated regulations and comparable state and local laws and regulations relating to air emissions impose, among other obligations, limitations on pollutants generated during the operations of the Company's facilities and assets, including sulfur dioxide ("SO<sub>2</sub>"), particulate matter ("PM"), nitrogen oxides ("NO<sub>x</sub>") and mercury.

*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 NO<sub>x</sub> and SO<sub>2</sub> 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. On October 23, 2014, the D.C. Circuit lifted its stay of CSAPR, and while we are unable to determine the full impact of the reinstatement of CSAPR until the D.C. Circuit and the EPA take further action, the Company believes it is currently positioned to comply with CSAPR.

*National Ambient Air Quality Standards.* Under the CAA, the EPA sets National Ambient Air Quality Standards ("NAAQS") for six criteria pollutants considered harmful to public health and the environment, including PM, NO<sub>x</sub>, carbon monoxide ("CO"), ozone and SO<sub>2</sub>. NAAQS must be reviewed by the EPA at five-year intervals. In 2010, the EPA tightened the NAAQS for both NO<sub>x</sub> and SO<sub>2</sub>. The EPA is considering a 1-hour secondary NAAQS for NO<sub>x</sub> and SO<sub>2</sub>. In January 2013, the EPA tightened the NAAQS for fine PM. On November 26, 2014, the EPA announced a proposal to tighten the 2008 primary and secondary ground-level ozone NAAQS. Ozone is the main component of smog. While not directly emitted into the air, it forms from precursors, including NO<sub>x</sub> and volatile organic compounds, in combination with sunlight. EPA proposes to tighten the current 8-hour primary (health-based) standard of 75 parts per billion ("ppb") to a level within its preferred range of 65 to 70 ppb, while also taking comment on a potential standard as low as 60 ppb and on retaining the current standard. The EPA intends to issue a final rule by October 2015. The Company continues to evaluate what impact these final and proposed NAAQS could have on its operations. If the Company is required to install additional equipment to control emissions at its facilities, the revised NAAQS could have a material impact on its operations and financial results.

*Utility MACT.* The operation of coal-fired power plants, such as Four Corners, results in emissions of mercury and other air toxics. In December 2011, the EPA finalized Mercury and Air Toxics Standards (known as the "Utility MACT") for oil-and coal-fired power plants, which requires significant reductions in emissions of mercury and other air toxics. Several judicial and other challenges

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have been made to this rule, with a U.S. Supreme Court decision expected this year. These challenges notwithstanding, companies impacted by the new standards will generally have up to three years to comply. Information from the Four Corners plant operator, APS, indicates that APS currently believes Units 4 and 5 will require no additional modifications to achieve compliance with the Utility MACT standards.

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

*Climate Change.* The U.S. federal government has either considered, proposed and/or finalized legislation or regulations limiting GHG emissions, including carbon dioxide. In particular, the U.S. Congress has considered legislation to restrict or regulate GHG emissions. In the past few years, the EPA began using the CAA to regulate carbon dioxide and other GHG emissions, such as the 2009 GHG Reporting Rule and the EPA's sulfur hexafluoride ("SF6") reporting rule, both of which apply to the Company, as well as the EPA's 2010 actions to impose permitting requirements on new and modified sources of GHG emissions. After announcing his plan to address climate change in 2013, the President directed the EPA to issue proposals for GHG rulemaking addressing power plants. In January 2014, the EPA published a proposal to establish new source performance standards limiting carbon dioxide emissions from new electric generating units, and in June 2014, a proposal to create carbon dioxide standards for existing and modified/reconstructed power plants. The Company participated in the associated proposed rulemaking comment periods. On January 7, 2015, EPA announced it plans to issue final rules for new, existing and modified/reconstructed power plants by this summer. Given the very significant remaining uncertainties regarding these EPA rules, the Company believes it is impossible to meaningfully quantify the costs of these potential requirements at present.

In addition, almost half the U.S. states, either individually and/or through multi-state regional initiatives, have begun to consider how to address GHG emissions and have developed, or are actively considering the development of emission inventories or regional GHG cap and trade programs. While a significant portion of the Company's generation assets are nuclear or gas-fired, and as a result, the Company believes that its greenhouse gas emissions are low relative to electric power companies who rely more on coal-fired generation, current and future legislation and regulation of GHGs or any future related litigation could impose significant costs and/or operating restrictions on the Company, reduced demand for the power the Company generates and/or require the Company to purchase rights to emit GHGs, any of which could be material to the Company's business, financial condition, reputation or results of operations.

Climate change also has potential physical effects that could be relevant to the Company's business. In particular, some studies suggest that climate change could affect the Company's service area by causing higher temperatures, less winter precipitation and less spring runoff, as well as by causing more extreme weather events. Such developments could change the demand for power in the region and could also impact the price or ready availability of water supplies or affect maintenance needs and the reliability of Company equipment. The Company believes that material effects on the Company's business or results of operations may result from the physical consequences of climate change, the regulatory approach to climate change ultimately selected and implemented by governmental authorities, or both. Given the very significant remaining uncertainties regarding whether and how these issues will be regulated, as well as the timing and severity of any physical effects of climate change, the Company believes it is impossible to meaningfully quantify the costs of these potential impacts at present.

*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 certain of the pending matters. The allegations being addressed through settlement negotiations are that APS failed to obtain the necessary permits and install the controls necessary under the CAA to reduce SO<sub>2</sub>, NO<sub>x</sub>, and PM, and that defendants failed to obtain an operating permit under Title V of the CAA that reflects applicable requirements imposed by law. In November 2014, 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 NO<sub>x</sub>, SO<sub>2</sub>, 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.

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Settlement discussions are on-going and the Company is unable to predict with certainty the final outcome of these settlement negotiations. The Company has accrued a total of \$0.6 million as its estimated share of the 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 ongoing. 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.

### **Lease Agreements**

The Company leases land in El Paso adjacent to the Newman Power Station under a lease which expires in June 2033 with a renewal option of 25 years. In addition, the Company leases certain warehouse facilities in El Paso under a lease which expires in December 2015. The Company also has several other leases for office, parking facilities and equipment which expire within the next three years. The Company has transmission and distribution lines which are operated under various property easement agreements. The majority of these easements include renewal options which the Company routinely exercises. These lease agreements do not impose any restrictions relating to issuance of additional debt, payment of dividends or entering into other lease arrangements.

*Nuclear Fuel Capital Lease Obligation.* The Company's capital lease obligation for the financing of nuclear fuel is accomplished through RGRT. RGRT has \$110 million aggregate principal amount borrowed in the form of senior notes, of which \$15 million will mature in August 2015. The Company will either repay or refinance the \$15 million of senior notes upon maturity. The Company guarantees the payment of principal and interest on the senior notes. The nuclear fuel financing requirements of RGRT are met with a combination of the senior notes and short-term borrowings under the RCF. In addition to the \$15 million mentioned above, the Company expects to pay \$16.4 million in 2015 for borrowings under the RCF.

The Company's total annual rental expense related to operating leases was \$1.8 million and \$1.2 million for 2014 and 2013, respectively. As of December 31, 2014, the Company's minimum future rental payments for the next five years are as follows (in thousands):

2015	\$	1,386
2016		838
2017		623
2018		512
2019		516

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**K. 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 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. The Company expenses legal costs, including expenses related to loss contingencies, as they are incurred.

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

**L. Employee Benefits**

**Retirement Plans**

The Company's Retirement Income Plan (the "Retirement Plan") is a qualified noncontributory defined benefit plan. Upon retirement or death of a vested plan participant, assets of the Retirement Plan are used to pay benefit obligations under the Retirement Plan. Contributions from the Company are at least the minimum funding amounts required by the IRS, as actuarially calculated. The assets of the Retirement Plan are primarily invested in common collective trusts which hold equity securities, debt securities and cash equivalents and are managed by a professional investment manager appointed by the Company.

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

During the quarter ended March 31, 2014, the Company implemented certain amendments to the Retirement 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 (discussed below). For employees that elected the new cash balance feature of the plans, the pension benefit earned under the existing final average pay feature of the plans was frozen as of March 31, 2014. Employees hired after January 1, 2014 are automatically enrolled in the cash balance pension plan. The amendments to the plans were effective April 1, 2014. As a result of these actions, the Company remeasured the assets and liabilities of the plans, based on actuarially determined estimates, using the close of the alternative choice election period of February 28, 2014, as the remeasurement date.

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

The Company complies with FASB guidance on disclosure for pension and other post-retirement plans that requires disclosure of investment policies and strategies, categories of investment and fair value measurements of plan assets, and significant concentrations of risk.

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

December 31,	
2014	2013
Non-	Non-

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	Retirement Income Plan	Qualified Retirement Plans	Retirement Income Plan	Qualified Retirement Plans
<b>Change in projected benefit obligation:</b>				
Benefit obligation at end of prior year	\$ 317,815	\$ 25,898	\$ 320,846	\$ 27,241
Service cost	8,284	303	9,137	190
Interest cost	14,001	1,041	12,742	872
Amendments (a)	(33,700)	(500)	—	—
Actuarial (gain) loss	50,741	3,508	(15,373)	(533)
Benefits paid	(16,008)	(1,853)	(9,537)	(1,872)
Benefit obligation at end of year	341,133	28,397	317,815	25,898
<b>Change in plan assets:</b>				
Fair value of plan assets at end of prior year	257,831	—	220,568	—
Actual return on plan assets	22,116	—	31,800	—
Employer contribution	9,000	1,853	15,000	1,872
Benefits paid	(16,008)	(1,853)	(9,537)	(1,872)
Fair value of plan assets at end of year	272,939	—	257,831	—
Funded status at end of year	\$ (68,194)	\$ (28,397)	\$ (59,984)	\$ (25,898)

(a) Amendments relate to the modification of the Company's Retirement Plan and Excess Benefit Plan discussed above.

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

	December 31,			
	2014		2013	
	Retirement Income Plan	Non- Qualified Retirement Plans	Retirement Income Plan	Non- Qualified Retirement Plans
Current liabilities	\$ —	\$ (2,319)	\$ —	\$ (1,870)
Noncurrent liabilities	(68,194)	(26,078)	(59,984)	(24,028)
Total	\$ (68,194)	\$ (28,397)	\$ (59,984)	\$ (25,898)

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

	December 31,			
	2014		2013	
	Retirement Income Plan	Non- Qualified Retirement Plans	Retirement Income Plan	Non- Qualified Retirement Plans
Projected benefit obligation	\$ (341,133)	\$ (28,397)	\$ (317,815)	\$ (25,898)
Accumulated benefit obligation	(312,762)	(27,603)	(275,555)	(25,077)
Fair value of plan assets	272,939	—	257,831	—

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Amounts recognized in accumulated other comprehensive income consist of the following (in thousands):

	Years Ended December 31,			
	2014		2013	
	Retirement Income Plan	Non- Qualified Retirement Plans	Retirement Income Plan	Non- Qualified Retirement Plans
Net loss	\$ 124,407	\$ 11,341	\$ 85,261	\$ 8,508
Prior service cost (benefit)	(30,811)	(264)	—	219
Total	\$ 93,596	\$ 11,077	\$ 85,261	\$ 8,727

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

	December 31,					
	2014			2013		
	Retirement Income Plan	Non-Qualified		Retirement Income Plan	Non-Qualified	
	Supplemental Retirement Plan	Excess Benefit Plan		Supplemental Retirement Plan	Excess Benefit Plan	
Discount rate	4.0%	3.4%	4.1%	4.9%	3.9%	4.9%
Rate of compensation increase	4.5%	N/A	4.5%	4.75%	N/A	4.75%

The Company reassesses various actuarial assumptions at least on an annual basis. The discount rate is reviewed at each measurement date. The discount rate used to measure obligations is based on a spot rate yield curve that matches projected future payments with the appropriate interest rate applicable to the timing of the projected future benefit payments. A 1% increase in the discount rate would decrease the December 31, 2014 retirement plans' projected benefit obligation by 11.7%. A 1% decrease in the discount rate would increase the December 31, 2014 retirement plans' projected benefit obligation by 14.6%.

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

	Years Ended December 31,			
	2014		2013	
	Retirement Income Plan	Non- Qualified Retirement Plans	Retirement Income Plan	Non- Qualified Retirement Plans
Service cost	\$ 8,284	\$ 303	\$ 9,137	\$ 190
Interest cost	14,001	1,041	12,742	872
Expected return on plan assets	(18,699)	—	(17,108)	—
Amortization of:				

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Net loss	8,178	675	10,437	661
Prior service cost (benefit)	(2,889)	(17)	3	94
Net periodic benefit cost	<u>\$ 8,875</u>	<u>\$ 2,002</u>	<u>\$ 15,211</u>	<u>\$ 1,817</u>

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

	Years Ended December 31,			
	2014		2013	
	Retirement Income Plan	Non- Qualified Retirement Plans	Retirement Income Plan	Non- Qualified Retirement Plans
Net (gain) loss	\$ 47,324	\$ 3,508	\$ (30,065)	\$ (533)
Prior service benefit	(33,700)	(500)	—	—
Amortization of:				
Net loss	(8,178)	(675)	(10,437)	(661)
Prior service cost (benefit)	2,889	17	(3)	(94)
Total recognized in other comprehensive income	<u>\$ 8,335</u>	<u>\$ 2,350</u>	<u>\$ (40,505)</u>	<u>\$ (1,288)</u>

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

	Years Ended December 31,			
	2014		2013	
	Retirement Income Plan	Non- Qualified Retirement Plans	Retirement Income Plan	Non- Qualified Retirement Plans
Total recognized in net periodic benefit cost and other comprehensive income	<u>\$ 17,210</u>	<u>\$ 4,352</u>	<u>\$ (25,294)</u>	<u>\$ 529</u>

The following are amounts in accumulated other comprehensive income that are expected to be recognized as components of net periodic benefit cost during 2015 (in thousands):

	Retirement Income Plan	Non- Qualified Retirement Plans
Net loss	\$ 10,220	\$ 850
Prior service benefit	(3,470)	(40)

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



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	2013			2012		
	Retirement Income Plan	Supplemental Retirement Plan	Excess Benefit Plan	Retirement Income Plan	Supplemental Retirement Plan	Excess Benefit Plan
Discount rate	4.9%	3.9%	4.9%	4.0%	3.1%	4.0%
Expected long-term return on plan assets	7.5%	N/A	N/A	7.5%	N/A	N/A
Rate of compensation increase	4.75%	N/A	4.75%	4.75%	N/A	4.75%

(a) The Retirement Plan and the Excess Benefit Plan were remeasured on February 28, 2014 due to the above mentioned plan amendment. The discount rate used to remeasure the benefit obligation was 4.6% for the Retirement Plan and 4.5% for the Excess Benefit Plan, compared to 4.9% for both plans as of January 1, 2014. All other assumptions remained consistent with assumptions used at January 1, 2014.

The Company's overall expected long-term rate of return on assets is 7.5% effective January 1, 2014, which is both a pre-tax and after-tax rate as pension funds are generally not subject to income tax. The expected long-term rate of return is based on the weighted average of the expected returns on investments based upon the target asset allocation of the pension fund. The Company's target allocations for the plan's assets are presented below:

<u>December 31, 2014</u>	
Equity securities	55%
Fixed income	40%
Alternative investments	5%
Total	<u>100%</u>

The Retirement Plan invests the majority of its plan assets in common collective trusts which includes a diversified portfolio of domestic and international equity securities and fixed income securities. The Retirement Plan fund also invests in a real estate limited partnership. The expected rate of returns for the funds are assessed annually and are based on long-term relationships among major asset classes and the level of incremental returns that can be earned by the successful implementation of different active investment management strategies. Equity returns are based on estimates of long-term inflation rate, real rate of return, 10-year Treasury bond premium over cash and equity risk premium. Fixed income returns are based on maturity, long-term inflation, real rate of return and credit spreads.

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

- Level 1 – Observable inputs that reflect quoted market prices for identical assets and liabilities in active markets. Prices or securities held in the mutual funds and underlying portfolios of the Retirement Plan are primarily obtained from independent pricing services. These prices are based on observable market data.
- Level 2 – Inputs other than quoted market prices included in Level 1 that are observable for the asset or liability either directly or indirectly. The fair value of the Guaranteed Investment Contract was based on market interest rates of investments with similar terms and risk characteristics. 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.

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- Level 3 – Unobservable inputs using data that is not corroborated by market data. The fair value of the real estate limited partnership is reported at the NAV of the investment.

The fair value of the Company's Retirement Plan assets at December 31, 2014 and 2013, and the level within the three levels of the fair value hierarchy defined by FASB guidance on fair value measurements are presented in the table below (in thousands):

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)
Cash and Cash Equivalents	\$ 1,237	\$ 1,237	\$ —	\$ —
Common Collective Trusts (a)				
Equity funds	149,839	—	149,839	—
Fixed income funds	113,115	—	113,115	—
Total Common Collective Trusts	262,954	—	262,954	—
Limited Partnership Interest in Real Estate (b)	8,748	—	—	8,748
Total Plan Investments	\$ 272,939	\$ 1,237	\$ 262,954	\$ 8,748

Description of Securities	Fair Value as of December 31, 2013	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Cash and Cash Equivalents	\$ 940	\$ 940	\$ —	\$ —
Guaranteed Investment Contract	1,126	—	1,126	—
Common Collective Trusts (a)				
Equity funds	142,960	—	142,960	—
Fixed income funds	103,948	—	103,948	—
Total Common Collective Trusts	246,908	—	246,908	—
Limited Partnership Interest in Real Estate (b)	8,857	—	—	8,857
Total Plan Investments	\$ 257,831	\$ 940	\$ 248,034	\$ 8,857

- (a) The Common Collective Trusts are invested in equity or fixed income securities, or a combination thereof. The investment objective of each trust is to produce returns in excess of, or commensurate with, its predefined index.
- (b) This investment is a commercial real estate partnership that purchases land, develops limited infrastructure, and sells it for commercial development. The Company is restricted from selling its partnership interest during the life of the partnership which is generally 5-7 years. Return on investment is realized as land is sold. The fair value of the limited partnership interest in real estate is based on the NAV of the partnership which reflects the appraised value of the land.

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

	Fair Value of Investments in Real Estate
Balances at December 31, 2012	\$ 8,559
Unrealized gain in fair value	298
Balances at December 31, 2013	8,857

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Sale of land	(357)
Unrealized gain in fair value	248
Balances at December 31, 2014	<u>\$ 8,748</u>

There were no transfers in or out of Level 1 and Level 2 fair value measurements categories due to changes in observable inputs during the twelve month periods ending December 31, 2014 and 2013. Except as noted in the above table, there were no purchases, issuances, and settlements related to the assets in the Level 3 fair value measurement category during the twelve month periods ending December 31, 2014 and 2013.

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

The Company contributes at least the minimum funding amounts required by the IRS for the Retirement Plan, as actuarially calculated. The Company expects to contribute \$11.3 million to its retirement plans in 2015.

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

	<b>Retirement Income Plan</b>	<b>Non- Qualified Retirement Plans</b>
2015	\$ 15,776	\$ 2,319
2016	17,153	2,248
2017	17,778	2,171
2018	20,019	2,196
2019	19,500	2,135
2020-2024	103,703	10,720

#### 401(k) Defined Contribution Plans

The Company sponsors 401(k) defined contribution plans covering substantially all employees. Annual matching contributions made to the savings plans for the years 2014 and 2013 were \$3.0 million and \$1.9 million, respectively. Historically, the Company had provided a 50 percent matching contribution up to 6 percent of the employee's compensation subject to certain other limits and exclusions. Effective April 1, 2014, for employees who enrolled in the cash balance pension plan (discussed above), the Company provided a 100 percent matching contribution up to 6 percent of the employee's compensation subject to certain other limits and exclusions.

#### Other Post-retirement Benefits

The Company provides certain health care benefits for retired employees and their eligible dependents and life insurance benefits for retired employees only. Substantially all of the Company's employees may become eligible for those benefits if they retire while

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working for the Company. Contributions from the Company are generally no more than the IRS tax deductible limit, as actuarially calculated. The assets of the plan are primarily invested in common collective trusts which hold equity securities, debt securities, and cash equivalents and are managed by a professional investment manager appointed by the Company.

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

	December 31,	
	2014	2013
<b>Change in benefit obligation:</b>		
Benefit obligation at end of prior year	\$ 92,847	\$ 135,680
Service cost	2,845	3,843
Interest cost	4,463	5,156
Actuarial loss (gain)	3,465	(48,778)
Amendment (a)	—	(97)
Benefits paid	(4,031)	(4,013)
Retiree contributions	1,111	1,056
Benefit obligation at end of year	100,700	92,847
<b>Change in plan assets:</b>		
Fair value of plan assets at end of prior year	42,192	36,510
Actual return on plan assets	2,086	5,539
Employer contribution	—	3,100
Benefits paid	(4,031)	(4,013)
Retiree contributions	1,111	1,056
Fair value of plan assets at end of year	41,358	42,192
Funded status at end of year	\$ (59,342)	\$ (50,655)

(c) Amendment relates to modification of the Company's Other Post-retirement Benefit Plan which limits the Company's premium contribution. The amendment became effective October 3, 2013 and resulted in a remeasurement of the plan.

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

	December 31,	
	2014	2013
Current liabilities	\$ —	\$ —
Noncurrent liabilities	(59,342)	(50,655)
Total	\$ (59,342)	\$ (50,655)

Amounts recognized in accumulated other comprehensive income consist of the following (in thousands):

	December 31,	
	2014	2013
Net gain	\$ (31,943)	\$ (38,110)

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Prior service benefit	(14,457)	(19,210)
<b>Total</b>	<b>\$ (46,400)</b>	<b>\$ (57,320)</b>

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

	<b>December 31,</b>	
	<b>2014</b>	<b>2013</b>
Discount rate at end of year	4.10%	4.90%
Health care cost trend rates:		
Initial	7.25%	7.50%
Ultimate	4.50%	4.50%
Year ultimate reached	2026	2026

The discount rate is reviewed at each measurement date. The discount rate used to measure obligations is based on a spot rate yield curve that matches projected future payments with the appropriate interest rate applicable to the timing of the projected future benefit payments. A 1% increase in the discount rate would decrease the December 31, 2014 accumulated post-retirement benefit obligation by 13.5%. A 1% decrease in the discount rate would increase the December 31, 2014 accumulated post-retirement benefit obligation by 17.2%.

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

	<b>Years Ended December 31,</b>	
	<b>2014</b>	<b>2013</b>
Service cost	\$ 2,845	\$ 3,843
Interest cost	4,463	5,156
Expected return on plan assets	(2,116)	(1,951)
Amortization of:		
Prior service benefit	(4,753)	(5,657)
Net (gain) loss	(2,671)	(626)
<b>Net periodic benefit cost</b>	<b>\$ (2,232)</b>	<b>\$ 765</b>

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

	<b>Years Ended December 31,</b>	
	<b>2014</b>	<b>2013</b>
Net (gain) loss	\$ 3,496	\$ (52,366)
Prior service benefit	—	(97)
Amortization of:		
Prior service benefit	4,753	5,657
Net gain (loss)	2,671	626
<b>Total recognized in other comprehensive income</b>	<b>\$ 10,920</b>	<b>\$ (46,180)</b>

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

**Years Ended December 31,**

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	2014	2013
Total recognized in net periodic benefit cost and other comprehensive income	\$ 8,688	\$ (45,415)

The amount in accumulated other comprehensive income that is expected to be recognized as a component of net periodic benefit cost during 2015 is a prior service benefit of \$3.1 million and a net gain of \$2.0 million.

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

	2014	2013 (a)
Discount rate at beginning of year	4.9%	4.1%
Expected long-term return on plan assets	5.2%	5.2%
Health care cost trend rates:		
Initial	7.5%	7.75%
Ultimate	4.5%	4.5%
Year ultimate reached	2026	2026

- (a) The Other Post-retirement Benefits Plan was remeasured at October 3, 2013 due to a plan amendment. The discount rate increased from 4.1% as of January 1, 2013 to 4.9% at the remeasurement date. All other assumptions remained consistent with assumptions used at January 1, 2013.

For measurement purposes, a 7.5% annual rate of increase in the per capita cost of covered health care benefits was assumed for 2014. The rate was assumed to decrease gradually to 4.5% for 2026 and remain at that level thereafter. Assumed health care cost trend rates have a significant effect on the amounts reported for the health care plan. The effect of a 1% change in these assumed health care cost trend rates would increase or decrease the December 31, 2014 benefit obligation by \$16.1 million or \$12.9 million, respectively. In addition, a 1% change in said rate would increase or decrease the aggregate 2014 service and interest cost components of the net periodic benefit cost by \$1.4 million or \$1.1 million, respectively.

The Company's overall expected long-term rate of return on assets, on an after-tax basis, is 5.2% effective January 1, 2014. The expected long-term rate of return is based on the after-tax weighted average of the expected returns on investments based upon the target asset allocation. The Company's target allocations for the plan's assets are presented below:

	<b>December 31, 2014</b>
Equity securities	65%
Fixed income	30%
Alternative investments	5%
Total	100%

The Other Post-retirement Benefit Plan invests the majority of its plan assets in common collective trusts which includes a diversified portfolio of domestic and international equity securities and fixed income securities. The asset portfolio also includes cash equivalents and a real estate limited partnership. The expected rates of return for the funds are assessed annually and are based on long-term relationships among major asset classes and the level of incremental returns that can be earned by the successful

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implementation of different active investment management strategies. Equity returns are based on estimates of long-term inflation rate, real rate of return, 10-year Treasury bond premium over cash and equity risk premium. Fixed income returns are based on maturity, long-term inflation, real rate of return and credit spreads.

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

- Level 1 – Observable inputs that reflect quoted market prices for identical assets and liabilities in active markets. Prices or securities held in the mutual funds and underlying portfolios of the Other Post-retirement Benefits Plan are primarily obtained from independent pricing services. These prices are based on observable market data.
- Level 2 – Inputs other than quoted market prices included in Level 1 that are observable for the asset or liability either directly or indirectly. The fair value of municipal securities-tax-exempt are reported at fair value 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 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. The fair value of the real estate limited partnership is reported at the NAV of the investment.

The fair value of the Company's Other Post-retirement Benefits Plan assets at December 31, 2014 and 2013, and the level within the three levels of the fair value hierarchy defined by FASB guidance on fair value measurements are presented in the table below (in thousands):

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)
Cash and Cash Equivalents	\$ 1,100	\$ 1,100	\$ —	\$ —
Common Collective Trusts (a)				
Equity funds	26,399	—	26,399	—
Fixed income funds	12,219	—	12,219	—
Total Common Collective Trusts	38,618	—	38,618	—
Limited Partnership Interest in Real Estate (b)	1,640	—	—	1,640
Total Plan Investments	\$ 41,358	\$ 1,100	\$ 38,618	\$ 1,640

Description of Securities	Fair Value as of December 31, 2013	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Cash and Cash Equivalents	\$ 33	\$ 33	\$ —	\$ —
Common Collective Trusts (a)				
Equity funds	28,077	—	28,077	—
Fixed income funds	12,421	—	12,421	—
Total Common Collective Trusts	40,498	—	40,498	—
Limited Partnership Interest in Real Estate (b)	1,661	—	—	1,661
Total Plan Investments	\$ 42,192	\$ 33	\$ 40,498	\$ 1,661

(a) The Common Collective Trusts are invested in equity or fixed income securities, or a combination thereof. The investment

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objective of each trust is to produce returns in excess of, or commensurate with, its predefined index.

- (b) This investment is a commercial real estate partnership that purchases land, develops limited infrastructure, and sells it for commercial development. The Company is restricted from selling its partnership interest during the life of the partnership which is generally 5-7 years. Return of investment is realized as land is sold. The fair value of the limited partnership interest in real estate is based on the NAV of the partnership which reflects the appraised value of the land.

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

	<b>Fair Value of Investments in Real Estate</b>
Balance at December 31, 2012	\$ 1,605
Unrealized gain in fair value	56
Balance at December 31, 2013	1,661
Sale of land	(67)
Unrealized gain in fair value	46
Balance at December 31, 2014	<u>\$ 1,640</u>

There were no transfers in or out of Level 1 and Level 2 fair value measurements categories due to changes in observable inputs during the twelve month periods ending December 31, 2014 and 2013. Except as noted in the above table, there were no purchases, issuances, and settlements related to the assets in the Level 3 fair value measurement category during the twelve month periods ending December 31, 2014 and 2013.

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

The Company does not expect to contribute to its other post-retirement benefits plan in 2015. The following benefit payments, which reflect expected future service, as appropriate, are expected to be paid (in thousands):

2015	\$ 3,163
2016	3,528
2017	3,906
2018	4,303
2019	4,570
2020-2024	27,362

#### Annual Short-Term Incentive Plan

The Annual Short-Term Incentive Plan (the "Incentive Plan") provides for the payment of cash awards to eligible Company employees, including each of its named executive officers. Payment of awards is based on the achievement of performance measures reviewed and approved by the Company's Board of Directors' Compensation Committee. Generally, these performance measures are



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based on meeting certain financial, operational and individual performance criteria. The financial performance goals are based on earnings per share and the operational performance goals are based on safety, compliance, customer satisfaction, and reliability. If a specified level of earnings per share is not attained, no amounts will be paid under the Incentive Plan. In 2014, the Company reached the required levels of earnings per share, safety, compliance, and customer satisfaction goals for an incentive payment of \$7.4 million. In 2013, the Company reached the required levels of earnings per share, safety, regulatory compliance, and customer satisfaction goals for an incentive payment of \$4.0 million. The Company has renewed the Incentive Plan in 2015 with similar goals.

## M. Franchises and Significant Customers

### El Paso and Las Cruces Franchises

The Company has a franchise agreement with El Paso, the largest city it serves. The franchise agreement allows the Company to utilize public rights-of-way necessary to serve its retail customers within El Paso. The Company is also providing electric distribution service to Las Cruces under an implied franchise by satisfying all obligations under the franchise agreement that expired on April 30, 2009.

The franchise arrangements held between the Company and the cities of El Paso and Las Cruces are detailed below:

City	Period	Franchise Fee (a)
El Paso	August 1, 2010 - Present	4.00% (b)
Las Cruces	February 1, 2000 - Present	2.00%

(a) Based on a percentage of revenue.

(b) 0.75% of the El Paso franchise fee is to be placed in a restricted fund to be used solely for economic development and renewable energy purposes.

## Military Installations

The Company serves Holloman Air Force Base ("Holloman"), White Sands Missile Range ("White Sands") and Fort Bliss. The military installations represent approximately 5% of the Company's annual retail revenues. In July 2014, the Company signed an agreement with Fort Bliss for an initial three-year term under which Fort Bliss takes retail electric service from the Company under the applicable Texas tariffs. The Company is serving White Sands under the applicable New Mexico tariffs. In March 2006, the Company signed a contract with Holloman that provides for the Company to provide retail electric service and limited wheeling services to Holloman for a ten-year term which expires in January 2016.

## N. 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 obligations, 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):

December 31,			
2014		2013	
Carrying	Estimated	Carrying	Estimated

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	Amount	Fair Value	Amount	Fair Value
Pollution Control Bonds	\$ 193,135	\$ 213,083	\$ 193,135	\$ 193,990
Senior Notes	846,044	968,728	696,485	734,515
RGRT Senior Notes (1)	110,000	117,215	110,000	115,850
RCF (1)	16,441	16,441	16,262	16,262
Total	<u>\$ 1,165,620</u>	<u>\$ 1,315,467</u>	<u>\$ 1,015,882</u>	<u>\$ 1,060,617</u>

(1) Nuclear fuel capital lease obligations as of December 31, 2014 and December 31, 2013 is funded through the \$110 million RGRT Senior Notes and \$16.4 million and \$16.3 million, respectively under the RCF. As of December 31, 2014 and 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 period reflecting current market rates. Consequently, the carrying value approximates fair value.

*Treasury Rate Locks.* The Company entered into treasury rate lock agreements in 2005 to hedge against potential movements in the treasury reference interest rate pending the issuance of the 6% Senior Notes. The treasury rate lock agreements met the criteria for hedge accounting and were designated as a cash flow hedge. In accordance with cash flow hedge accounting, the Company recorded the loss associated with the fair value of the cash flow hedge, net of tax, as a component of accumulated other comprehensive loss and amortizes the accumulated comprehensive loss to earnings as interest expense over the life of the 6% Senior Notes. In 2015, approximately \$0.5 million of this accumulated other comprehensive loss item will be reclassified to interest expense.

*Contracts and Derivative Accounting.* The Company uses commodity contracts to manage its exposure to price and availability risks for fuel purchases and power sales and purchases and these contracts generally have the characteristics of derivatives. The Company does not trade or use these instruments with the objective of earning financial gains on the commodity price fluctuations. The Company has determined that all such contracts outstanding at December 31, 2014, except for certain natural gas commodity contracts with optionality features, that had the characteristics of derivatives met the "normal purchases and normal sales" exception provided in FASB guidance for accounting for derivative instruments and hedging activities, and, as such, were not required to be accounted for as derivatives.

The Company determined that certain of its natural gas commodity contracts with optionality features are not eligible for the normal purchases exception and, therefore, are required to be accounted for as derivative instruments pursuant to FASB guidance for accounting for derivative instruments and hedging activities. However, as of December 31, 2014, the variable, market-based pricing provisions of existing gas contracts are such that these derivative instruments have no significant 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 \$234.3 million and \$214.1 million at December 31, 2014 and 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):

Description of Securities (1):	December 31, 2014					
	Less than 12 Months		12 Months or Longer		Total	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
Federal Agency Mortgage Backed Securities	\$ —	\$ —	\$ 2,383	\$ (57)	\$ 2,383	\$ (57)
U.S. Government Bonds	1,552	(2)	20,060	(573)	21,612	(575)
Municipal Obligations	6,433	(65)	8,570	(410)	15,003	(475)
Corporate Obligations	2,455	(24)	2,461	(111)	4,916	(135)
Total Debt Securities	10,440	(91)	33,474	(1,151)	43,914	(1,242)

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Common Stock	1,475	(229)	—	—	1,475	(229)
Common Collective Trust-Equity Funds	22,736	(821)	—	—	22,736	(821)
<b>Total Temporarily Impaired Securities</b>	<b>\$ 34,651</b>	<b>\$ (1,141)</b>	<b>\$ 33,474</b>	<b>\$ (1,151)</b>	<b>\$ 68,125</b>	<b>\$ (2,292)</b>

(1) Includes approximately 106 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
<b>Description of Securities (2):</b>						
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)
<b>Total Temporarily Impaired Securities</b>	<b>\$ 32,433</b>	<b>\$ (971)</b>	<b>\$ 20,970</b>	<b>\$ (1,492)</b>	<b>\$ 53,403</b>	<b>\$ (2,463)</b>

(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):

	December 31, 2014		December 31, 2013	
	Fair Value	Unrealized Gains	Fair Value	Unrealized Gains
<b>Description of Securities:</b>				
Federal Agency Mortgage Backed Securities	\$ 15,388	\$ 665	\$ 9,929	\$ 433
U.S. Government Bonds	20,016	567	6,258	126
Municipal Obligations	11,642	595	8,783	450
Corporate Obligations	13,762	850	9,188	506
Total Debt Securities	60,808	2,677	34,158	1,515
Common Stock	99,160	48,253	103,808	43,145
Equity Mutual Funds	—	—	16,802	3,081
Cash and Cash Equivalents	6,193	—	5,924	—
<b>Total</b>	<b>\$ 166,161</b>	<b>\$ 50,930</b>	<b>\$ 160,692</b>	<b>\$ 47,741</b>

The Company's marketable securities include investments in municipal, corporate and federal debt obligations. Substantially all

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of the Company's mortgage-backed securities, based on contractual maturity, are due in ten years or more. The mortgage-backed securities have an estimated weighted average maturity which generally range from two years to six years and reflects anticipated future prepayments. The contractual year for maturity for these available-for-sale securities as of December 31, 2014 is as follows (in thousands):

	Total	2015	2016 through 2019	2020 through 2024	2025 and Beyond
Municipal Debt Obligations	\$ 26,645	\$ 1,011	\$ 11,318	\$ 12,967	\$ 1,349
Corporate Debt Obligations	18,678	720	5,163	6,517	6,278
U.S. Government Bonds	41,628	3,050	17,520	12,062	8,996

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. For the twelve months ended December 31, 2014 and 2013, the Company did not recognize any other than temporary impairment losses on its available-for-sale securities.

The Company's marketable securities in its decommissioning trust funds are sold from time to time and the Company uses the specific identification basis to determine the amount to reclassify out of accumulated other comprehensive income and into net income. The proceeds from the sale of these securities during the twelve months ended December 31, 2014 and 2013, and the related effects on pre-tax income are as follows (in thousands):

	2014	2013
Proceeds from sales or maturities of available-for-sale securities	\$ 108,311	\$ 56,148
Gross realized gains included in pre-tax income	\$ 7,858	\$ 986
Gross realized losses included in pre-tax income	(508)	(433)
Gross unrealized losses included in pre-tax income	—	—
Net gains (losses) in pre-tax income	\$ 7,350	\$ 553
Net unrealized holding gains included in accumulated other comprehensive income	\$ 10,827	\$ 17,699
Net (gains) losses reclassified out of accumulated other comprehensive income	(7,350)	(553)
Net gains in other comprehensive income	\$ 3,477	\$ 17,146

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

- Level 1 - Observable inputs that reflect quoted market prices for identical assets and liabilities in active markets. Financial assets utilizing Level 1 inputs include the nuclear decommissioning trust investments in active exchange-traded equity securities, mutual funds and U.S. Treasury securities that are in a highly liquid and active market.
- Level 2 - Inputs other than quoted market prices included in Level 1 that are observable for the asset or liability either directly or indirectly. Financial assets utilizing Level 2 inputs include the nuclear decommissioning trust investments in fixed income securities. The fair value of these financial instruments is based on evaluated prices that reflect observable market information, such as actual trade information of similar securities, adjusted for observable differences. The 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 analysis. Financial assets utilizing Level 3 inputs include the Company's investments in debt securities.

The securities in the Company's decommissioning trust funds are valued using prices and other relevant information generated by

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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 investments in debt securities, at December 31, 2014 and 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 December 31, 2014	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<b>Trading Securities:</b>				
Investments in Debt Securities	\$ 1,653	\$ —	\$ —	\$ 1,653
<b>Available for sale:</b>				
U.S. Government Bonds	\$ 41,628	\$ 41,628	\$ —	—
Federal Agency Mortgage Backed Securities	17,771	—	17,771	—
Municipal Obligations	26,645	—	26,645	—
Corporate Obligations	18,678	—	18,678	—
Subtotal, Debt Securities	104,722	41,628	63,094	—
Common Stock	100,635	100,635	—	—
Common Collective Trust-Equity Funds	22,736	—	22,736	—
Cash and Cash Equivalents	6,193	6,193	—	—
Total available for sale	\$ 234,286	\$ 148,456	\$ 85,830	\$ —

Description of Securities	Fair Value as of December 31, 2013	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<b>Trading Securities:</b>				
Investments in Debt Securities	\$ 1,555	\$ —	\$ —	\$ 1,555
<b>Available for sale:</b>				
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	\$ —

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

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	<u>2014</u>	<u>2013</u>
Balance at January 1	\$ 1,555	\$ 1,295
Net unrealized gains in fair value recognized in income (a)	98	260
Balance at December 31	<u>\$ 1,653</u>	<u>\$ 1,555</u>

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

There were no transfers in or out of Level 1 and Level 2 fair value measurements categories due to changes in observable inputs during the twelve month periods ending December 31, 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 twelve month periods ending December 31, 2014 and 2013.

**O. Supplemental Statements of Cash Flows Disclosures**

	<u>Years Ended December 31,</u>	
	<u>2014</u>	<u>2013</u>
(In thousands)		
Cash paid for:		
Interest on long-term debt and borrowing under the revolving credit facility	\$ 54,792	\$ 53,752
Income taxes, net of refund	6,876	244
Non-cash financing activities:		
Grants of restricted shares of common stock	3,025	3,224
Issuance of performance shares	—	849

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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		223,709	( 6,681,166)		
8			( 3,931,962)		
9		223,709	( 10,613,128)	95,247,056	84,633,928
10		( 12,074,428)	( 8,001,395)		

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

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

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

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

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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)	3,920,326,425	3,920,326,425		
4	Property Under Capital Leases				
5	Plant Purchased or Sold				
6	Completed Construction not Classified	175,521,889	175,521,889		
7	Experimental Plant Unclassified				
8	Total (3 thru 7)	4,095,848,314	4,095,848,314		
9	Leased to Others				
10	Held for Future Use				
11	Construction Work in Progress	414,284,207	414,284,207		
12	Acquisition Adjustments				
13	Total Utility Plant (8 thru 12)	4,510,132,521	4,510,132,521		
14	Accum Prov for Depr, Amort, & Depl	2,125,210,546	2,125,210,546		
15	Net Utility Plant (13 less 14)	2,384,921,975	2,384,921,975		
16	Detail of Accum Prov for Depr, Amort & Depl				
17	In Service:				
18	Depreciation	2,080,171,921	2,080,171,921		
19	Amort & Depl of Producing Nat Gas Land/Land Right				
20	Amort of Underground Storage Land/Land Rights				
21	Amort of Other Utility Plant	45,038,625	45,038,625		
22	Total In Service (18 thru 21)	2,125,210,546	2,125,210,546		
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)	2,125,210,546	2,125,210,546		

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

Gas (d)	Other (Specify) (e)	Other (Specify) (f)	Other (Specify) (g)	Common (h)	Line No.
					1
					2
					3
					4
					5
					6
					7
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					10
					11
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					33

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NUCLEAR FUEL MATERIALS (Account 120.1 through 120.6 and 157)					
1. Report below the costs incurred for nuclear fuel materials in process of fabrication, on hand, in reactor, and in cooling; owned by the respondent.					
2. If the nuclear fuel stock is obtained under leasing arrangements, attach a statement showing the amount of nuclear fuel leased, the quantity used and quantity on hand, and the costs incurred under such leasing arrangements.					
Line No.	Description of item (a)	Balance Beginning of Year (b)	Changes during Year Additions (c)		
1	Nuclear Fuel in process of Refinement, Conv, Enrichment & Fab (120.1)				
2	Fabrication				
3	Nuclear Materials				
4	Allowance for Funds Used during Construction				
5	(Other Overhead Construction Costs, provide details in footnote)				
6	SUBTOTAL (Total 2 thru 5)				
7	Nuclear Fuel Materials and Assemblies				
8	In Stock (120.2)				
9	In Reactor (120.3)				
10	SUBTOTAL (Total 8 & 9)				
11	Spent Nuclear Fuel (120.4)				
12	Nuclear Fuel Under Capital Leases (120.6)		189,389,905		39,967,383
13	(Less) Accum Prov for Amortization of Nuclear Fuel Assem (120.5)		74,610,066		-3,834,965
14	TOTAL Nuclear Fuel Stock (Total 6, 10, 11, 12, less 13)		114,779,839		
15	Estimated net Salvage Value of Nuclear Materials in line 9				
16	Estimated net Salvage Value of Nuclear Materials in line 11				
17	Est Net Salvage Value of Nuclear Materials in Chemical Processing				
18	Nuclear Materials held for Sale (157)				
19	Uranium				
20	Plutonium				
21	Other (provide details in footnote):				
22	TOTAL Nuclear Materials held for Sale (Total 19, 20, and 21)				

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NUCLEAR FUEL MATERIALS (Account 120.1 through 120.6 and 157)					
Changes during Year				Balance	Line
Amortization (d)	Other Reductions (Explain in a footnote) (e)		End of Year (f)		No.
					1
					2
					3
					4
					5
					6
					7
					8
					9
					10
					11
		42,940,841	186,416,447		12
-45,028,860		42,940,841	72,863,120		13
			113,553,327		14
					15
					16
					17
					18
					19
					20
					21
					22

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

Retirement of fully amortized nuclear fuel in connection with the 2014 reloads in Units 1 and 2.

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

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

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

Retirement of fully amortized nuclear fuel in connection with the 2014 reloads in Units 1 and 2.

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

All of the Company's nuclear fuel financing is accomplished through a trust that has \$110 million aggregate principal amount borrowed through senior notes and borrowings under a revolving credit facility. The assets and liabilities of the trust are reported on the Company's regulatory basis balance sheets.

The total amount borrowed for nuclear fuel by the trust at December 31, 2014 was \$126.4 million of which \$16.4 million had been borrowed under the revolving credit facility, and \$110 million was borrowed through the senior notes, of which \$15 million will mature in August 2015. During 2014, the Company capitalized approximately \$5.3 million of costs, including interest on trust borrowings, issuance costs and accrued interest on the senior notes, trustee fees and miscellaneous legal expenses, in connection with the financing of nuclear fuel through the trust. Information on quantities of nuclear fuel materials is not available.



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

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

Line No.	Account (a)	Balance Beginning of Year (b)	Additions (c)
1	1. INTANGIBLE PLANT		
2	(301) Organization		
3	(302) Franchises and Consents		
4	(303) Miscellaneous Intangible Plant	117,108,540	6,470,599
5	TOTAL Intangible Plant (Enter Total of lines 2, 3, and 4)	117,108,540	6,470,599
6	2. PRODUCTION PLANT		
7	A. Steam Production Plant		
8	(310) Land and Land Rights	291,469	
9	(311) Structures and Improvements	54,125,502	674,129
10	(312) Boiler Plant Equipment	216,891,982	3,082,938
11	(313) Engines and Engine-Driven Generators	58,372,377	1,426,858
12	(314) Turbogenerator Units	132,495,949	6,144,708
13	(315) Accessory Electric Equipment	36,174,782	136,488
14	(316) Misc. Power Plant Equipment	58,580,988	1,560,685
15	(317) Asset Retirement Costs for Steam Production	211,702	2,612,507
16	TOTAL Steam Production Plant (Enter Total of lines 8 thru 15)	557,144,751	15,638,313
17	B. Nuclear Production Plant		
18	(320) Land and Land Rights	2,347,703	
19	(321) Structures and Improvements	483,327,506	8,527,203
20	(322) Reactor Plant Equipment	746,553,533	38,262,789
21	(323) Turbogenerator Units	231,513,400	5,267,720
22	(324) Accessory Electric Equipment	171,710,366	1,414,389
23	(325) Misc. Power Plant Equipment	88,753,280	4,465,308
24	(326) Asset Retirement Costs for Nuclear Production	-42,229,190	
25	TOTAL Nuclear Production Plant (Enter Total of lines 18 thru 24)	1,681,976,598	57,937,409
26	C. Hydraulic Production Plant		
27	(330) Land and Land Rights		
28	(331) Structures and Improvements		
29	(332) Reservoirs, Dams, and Waterways		
30	(333) Water Wheels, Turbines, and Generators		
31	(334) Accessory Electric Equipment		
32	(335) Misc. Power PLant Equipment		
33	(336) Roads, Railroads, and Bridges		
34	(337) Asset Retirement Costs for Hydraulic Production		
35	TOTAL Hydraulic Production Plant (Enter Total of lines 27 thru 34)		
36	D. Other Production Plant		
37	(340) Land and Land Rights	10,000	
38	(341) Structures and Improvements	833,782	78,437
39	(342) Fuel Holders, Products, and Accessories	4,616,105	124,133
40	(343) Prime Movers	80,327,287	
41	(344) Generators	12,352,763	
42	(345) Accessory Electric Equipment	10,369,755	160,830
43	(346) Misc. Power Plant Equipment	4,479,566	13,096
44	(347) Asset Retirement Costs for Other Production	15,479	
45	TOTAL Other Prod. Plant (Enter Total of lines 37 thru 44)	113,004,737	376,496
46	TOTAL Prod. Plant (Enter Total of lines 16, 25, 35, and 45)	2,352,126,086	73,952,218

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ELECTRIC PLANT IN SERVICE (Account 101, 102, 103 and 106) (Continued)				
Line No.	Account (a)	Balance Beginning of Year (b)	Additions (c)	
47	3. TRANSMISSION PLANT			
48	(350) Land and Land Rights	13,941,827	60,638	
49	(352) Structures and Improvements	8,242,998	401,390	
50	(353) Station Equipment	150,966,070	3,673,480	
51	(354) Towers and Fixtures	27,246,287	-152,176	
52	(355) Poles and Fixtures	113,076,704	-489,423	
53	(356) Overhead Conductors and Devices	78,194,936	5,585,050	
54	(357) Underground Conduit			
55	(358) Underground Conductors and Devices			
56	(359) Roads and Trails	1,095,500		
57	(359.1) Asset Retirement Costs for Transmission Plant			
58	TOTAL Transmission Plant (Enter Total of lines 48 thru 57)	392,764,322	9,078,959	
59	4. DISTRIBUTION PLANT			
60	(360) Land and Land Rights	3,878,924	2,816,586	
61	(361) Structures and Improvements	7,727,450	539,565	
62	(362) Station Equipment	167,631,452	21,569,176	
63	(363) Storage Battery Equipment			
64	(364) Poles, Towers, and Fixtures	138,809,159	6,999,774	
65	(365) Overhead Conductors and Devices	79,849,751	4,420,014	
66	(366) Underground Conduit	107,653,245	5,876,956	
67	(367) Underground Conductors and Devices	117,606,597	10,976,849	
68	(368) Line Transformers	206,875,448	12,632,306	
69	(369) Services	41,732,563	58,940	
70	(370) Meters	43,556,788	2,721,953	
71	(371) Installations on Customer Premises	11,838,700	605,099	
72	(372) Leased Property on Customer Premises			
73	(373) Street Lighting and Signal Systems	10,105,318	162,223	
74	(374) Asset Retirement Costs for Distribution Plant			
75	TOTAL Distribution Plant (Enter Total of lines 60 thru 74)	937,265,395	69,379,441	
76	5. REGIONAL TRANSMISSION AND MARKET OPERATION PLANT			
77	(380) Land and Land Rights			
78	(381) Structures and Improvements			
79	(382) Computer Hardware			
80	(383) Computer Software			
81	(384) Communication Equipment			
82	(385) Miscellaneous Regional Transmission and Market Operation Plant			
83	(386) Asset Retirement Costs for Regional Transmission and Market Oper			
84	TOTAL Transmission and Market Operation Plant (Total lines 77 thru 83)			
85	6. GENERAL PLANT			
86	(389) Land and Land Rights	899,211		
87	(390) Structures and Improvements	45,853,548	5,512,985	
88	(391) Office Furniture and Equipment	21,820,533	2,189,321	
89	(392) Transportation Equipment	30,563,423	15,160,640	
90	(393) Stores Equipment	181,385		
91	(394) Tools, Shop and Garage Equipment	2,793,248	526,116	
92	(395) Laboratory Equipment	2,170,657	515,930	
93	(396) Power Operated Equipment	5,969,553	46,980	
94	(397) Communication Equipment	25,627,642	2,082,377	
95	(398) Miscellaneous Equipment	2,703,354	535,199	
96	SUBTOTAL (Enter Total of lines 86 thru 95)	138,582,554	26,569,548	
97	(399) Other Tangible Property			
98	(399.1) Asset Retirement Costs for General Plant			
99	TOTAL General Plant (Enter Total of lines 96, 97 and 98)	138,582,554	26,569,548	
100	TOTAL (Accounts 101 and 106)	3,937,846,897	185,450,765	
101	(102) Electric Plant Purchased (See Instr. 8)			
102	(Less) (102) Electric Plant Sold (See Instr. 8)			
103	(103) Experimental Plant Unclassified			
104	TOTAL Electric Plant in Service (Enter Total of lines 100 thru 103)	3,937,846,897	185,450,765	

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

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

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

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

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

Retirements (d)	Adjustments (e)	Transfers (f)	Balance at End of Year (g)	Line No.
				1
				2
				3
42,470			123,536,669	4
42,470			123,536,669	5
				6
				7
			291,469	8
			54,799,631	9
59,398			219,915,522	10
			59,799,235	11
			138,640,657	12
2,179			36,309,091	13
			60,141,673	14
			2,824,209	15
61,577			572,721,487	16
				17
			2,347,703	18
777,498			491,077,211	19
3,311,619			781,504,703	20
2,440,734			234,340,386	21
2,389,207			170,735,548	22
77,505			93,141,083	23
			-42,229,190	24
8,996,563			1,730,917,444	25
				26
				27
				28
				29
				30
				31
				32
				33
				34
				35
				36
			10,000	37
		21,942,014	22,854,233	38
		-1,140,805	3,599,433	39
		-24,522,082	55,805,205	40
	242,832	8,443,279	21,038,874	41
		-4,609,843	5,920,742	42
		-112,563	4,380,099	43
			15,479	44
		242,832	113,624,065	45
9,058,140	242,832		2,417,262,996	46

Name of Respondent El Paso Electric Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of <u>2014/Q4</u>
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ELECTRIC PLANT IN SERVICE (Account 101, 102, 103 and 106) (Continued)

Retirements (d)	Adjustments (e)	Transfers (f)	Balance at End of Year (g)	Line No.
				47
8,775			13,993,690	48
			8,644,388	49
148,154			154,491,396	50
			27,094,111	51
1,080,041			111,507,240	52
			83,779,986	53
				54
				55
			1,095,500	56
				57
1,236,970			400,606,311	58
				59
	-456,942	-1,063	6,237,505	60
87,053			8,179,962	61
4,170,487			185,030,141	62
				63
752,982			145,055,951	64
548,140			83,721,625	65
29,970			113,500,231	66
524,789			128,058,657	67
1,411,184			218,096,570	68
59,995			41,731,508	69
			46,278,741	70
73,919			12,369,880	71
				72
22,783			10,244,758	73
				74
7,681,302	-456,942	-1,063	998,505,529	75
				76
				77
				78
				79
				80
				81
				82
				83
				84
				85
			899,211	86
493,516			50,873,017	87
3,713,359			20,296,495	88
2,791,646			42,932,417	89
			181,385	90
74,307			3,245,057	91
41,163			2,645,424	92
621			6,015,912	93
1,962,178			25,747,841	94
138,503			3,100,050	95
9,215,293			155,936,809	96
				97
				98
9,215,293			155,936,809	99
27,234,175	-214,110	-1,063	4,095,848,314	100
				101
				102
				103
27,234,175	-214,110	-1,063	4,095,848,314	104

Name of Respondent El Paso Electric Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of <u>2014/Q4</u>
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**CONSTRUCTION WORK IN PROGRESS - - ELECTRIC (Account 107)**

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

Line No.	Description of Project (a)	Construction work in progress - Electric (Account 107) (b)
1	MONTANA POWER STATION	220,575,526
2	PALO VERDE CAPITAL IMPROVEMENTS	55,631,208
3	EASTSIDE DISTRIBUTION OPERATIONS CENTER	35,832,719
4	MONTANA POWER TRANSMISSION SUBSTATION	14,346,875
5	ARROYO PHASE SHIFTER	11,867,034
6	DISTRIBUTION COMMERCIAL CONSTRUCTION - TX	4,036,717
7	DISTRIBUTION RESIDENTIAL CONSTRUCTION - TX	3,508,784
8	AMRAD EDDY LINE RESTORATION	3,272,150
9	INFORMATION TECHNOLOGY HARDWARE & SOFTWARE PROJECTS	2,874,211
10	DISTRIBUTION SUBSTATION TRANSFORMERS REPLACEMENTS - TX	2,850,746
11	MILAGRO TO LEO TRANSMISSION LINE REBUILD	2,742,211
12	NEWMAN STATION STEAM & WATER SAMPLE SYSTEMS	2,724,431
13	LANE TO COPPER TRANSMISSION LINE REBUILD	2,381,124
14	SUNSET TRANSFORMER REPLACEMENT	2,323,119
15	DISTRIBUTION BETTERMENT - TX	1,990,686
16	FOUR CORNERS CAPITAL IMPROVEMENT	1,885,262
17	AIP ACCESS & CLEARING	1,785,788
18	LEO SUBSTATION UPGRADE	1,722,198
19	TX OVERHEAD SERVICE	1,594,554
20	UTEP FEEDER IMPROVEMENTS	1,578,538
21	AFTON TO AIRPORT TRANSMISSION LINE	1,372,087
22	RIO GRANDE TO SUNSET TRANSMISSION LINE REBUILD	1,253,953
23	COPPER WAREHOUSE RENOVATION	1,253,762
24	ANTHONY SUB AND FEEDER UPGRADE	1,213,648
25	NEWMAN LOW PRESSURE SECTION	1,109,731
26	SUNSET UNDERGROUND BREAKER UPGRADES	1,101,524
27	TX DISTRIBUTION DAMAGE	1,087,241
28	MINOR PROJECTS	30,368,380
29		
30		
31		
32		
33		
34		
35		
36		
37		
38		
39		
40		
41		
42		
43	TOTAL	414,284,207

Name of Respondent El Paso Electric Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2014/Q4
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**ACCUMULATED PROVISION FOR DEPRECIATION OF ELECTRIC UTILITY PLANT (Account 108)**

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

**Section A. Balances and Changes During Year**

Line No.	Item (a)	Total (c+d+e) (b)	Electric Plant in Service (c)	Electric Plant Held for Future Use (d)	Electric Plant Leased to Others (e)
1	Balance Beginning of Year	2,032,293,724	2,032,293,724		
2	Depreciation Provisions for Year, Charged to				
3	(403) Depreciation Expense	74,462,928	74,462,928		
4	(403.1) Depreciation Expense for Asset Retirement Costs	-1,067,836	-1,067,836		
5	(413) Exp. of Elec. Plt. Leas. to Others				
6	Transportation Expenses-Clearing				
7	Other Clearing Accounts				
8	Other Accounts (Specify, details in footnote):				
9					
10	TOTAL Deprec. Prov for Year (Enter Total of lines 3 thru 9)	73,395,092	73,395,092		
11	Net Charges for Plant Retired:				
12	Book Cost of Plant Retired	27,100,571	27,100,571		
13	Cost of Removal	3,309,312	3,309,312		
14	Salvage (Credit)	4,892,988	4,892,988		
15	TOTAL Net Chrgs. for Plant Ret. (Enter Total of lines 12 thru 14)	25,516,895	25,516,895		
16	Other Debit or Cr. Items (Describe, details in footnote):				
17					
18	Book Cost or Asset Retirement Costs Retired				
19	Balance End of Year (Enter Totals of lines 1, 10, 15, 16, and 18)	2,080,171,921	2,080,171,921		

**Section B. Balances at End of Year According to Functional Classification**

20	Steam Production	276,735,619	276,735,619		
21	Nuclear Production	1,197,992,281	1,197,992,281		
22	Hydraulic Production-Conventional				
23	Hydraulic Production-Pumped Storage				
24	Other Production	15,744,527	15,744,527		
25	Transmission	208,129,266	208,129,266		
26	Distribution	319,487,894	319,487,894		
27	Regional Transmission and Market Operation				
28	General	62,082,334	62,082,334		
29	TOTAL (Enter Total of lines 20 thru 28)	2,080,171,921	2,080,171,921		

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<b>MATERIALS AND SUPPLIES</b>					
<p>1. For Account 154, report the amount of plant materials and operating supplies under the primary functional classifications as indicated in column (a); estimates of amounts by function are acceptable. In column (d), designate the department or departments which use the class of material.</p> <p>2. Give an explanation of important inventory adjustments during the year (in a footnote) showing general classes of material and supplies and the various accounts (operating expenses, clearing accounts, plant, etc.) affected debited or credited. Show separately debit or credits to stores expense clearing, if applicable.</p>					
Line No.	Account (a)	Balance Beginning of Year (b)	Balance End of Year (c)	Department or Departments which Use Material (d)	
1	Fuel Stock (Account 151)	1,297,394	1,397,719	Production	
2	Fuel Stock Expenses Undistributed (Account 152)				
3	Residuals and Extracted Products (Account 153)				
4	Plant Materials and Operating Supplies (Account 154)				
5	Assigned to - Construction (Estimated)				
6	Assigned to - Operations and Maintenance				
7	Production Plant (Estimated)	29,820,107	31,328,550	Production	
8	Transmission Plant (Estimated)	5,453,505	5,179,213	Transmission	
9	Distribution Plant (Estimated)	7,093,845	5,482,951	Distribution	
10	Regional Transmission and Market Operation Plant (Estimated)				
11	Assigned to - Other (provide details in footnote)	2,321,216	2,523,891	Various	
12	TOTAL Account 154 (Enter Total of lines 5 thru 11)	44,688,673	44,514,605		
13	Merchandise (Account 155)				
14	Other Materials and Supplies (Account 156)				
15	Nuclear Materials Held for Sale (Account 157) (Not applic to Gas Util)				
16	Stores Expense Undistributed (Account 163)	-8,972	-1,086		
17					
18					
19					
20	TOTAL Materials and Supplies (Per Balance Sheet)	45,977,095	45,911,238		



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FOOTNOTE DATA			

**Schedule Page: 227 Line No.: 11 Column: b**  
 Consists primarily of items used in the field and includes conduit, underground rubber goods, lighting and safety supplies and tools.

**Schedule Page: 227 Line No.: 11 Column: c**  
 Consists primarily of items used in the field and includes conduit, underground rubber goods, lighting and safety supplies and tools.

Name of Respondent El Paso Electric Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2014/Q4
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Allowances (Accounts 158.1 and 158.2)

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

Line No.	SO2 Allowances Inventory (Account 158.1) (a)	Current Year		2015	
		No. (b)	Amt. (c)	No. (d)	Amt. (e)
1	Balance-Beginning of Year	13,292.00		359.00	
2					
3	Acquired During Year:				
4	Issued (Less Withheld Allow)	359.00			
5	Returned by EPA				
6					
7					
8	Purchases/Transfers:				
9					
10					
11					
12					
13					
14					
15	Total				
16					
17	Relinquished During Year:				
18	Charges to Account 509				
19	Other:				
20	Emissions Deduction	26.00			
21	Cost of Sales/Transfers:				
22					
23					
24					
25					
26					
27					
28	Total				
29	Balance-End of Year	13,625.00		359.00	
30					
31	Sales:				
32	Net Sales Proceeds(Assoc. Co.)				
33	Net Sales Proceeds (Other)				
34	Gains				
35	Losses				
	Allowances Withheld (Acct 158.2)				
36	Balance-Beginning of Year				
37	Add: Withheld by EPA				
38	Deduct: Returned by EPA				
39	Cost of Sales				
40	Balance-End of Year				
41					
42	Sales:				
43	Net Sales Proceeds (Assoc. Co.)				
44	Net Sales Proceeds (Other)				
45	Gains				
46	Losses				

Name of Respondent El Paso Electric Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2014/Q4
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Allowances (Accounts 158.1 and 158.2) (Continued)

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

2016		2017		Future Years		Totals		Line No.
No. (f)	Amt. (g)	No. (h)	Amt. (i)	No. (j)	Amt. (k)	No. (l)	Amt. (m)	
359.00		359.00		9,693.00		24,062.00		1
								2
								3
						359.00		4
								5
								6
								7
								8
								9
								10
								11
								12
								13
								14
								15
								16
								17
								18
								19
						26.00		20
								21
								22
								23
								24
								25
								26
								27
								28
359.00		359.00		9,693.00		24,395.00		29
								30
								31
								32
								33
								34
								35
								36
								37
								38
								39
								40
								41
								42
								43
								44
								45
								46

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FOOTNOTE DATA			

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

Represents allowances allocated to the Company by the Environmental Protection Agency ("EPA") based on our current electric generation and the current regulatory framework.

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

Represents allowances allocated to the Company by the EPA based on our current electric generation and the current regulatory framework.

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

Represents allowances allocated to the Company by the EPA based on our current electric generation and the current regulatory framework.

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

Represents allowances allocated to the Company by the EPA based on our current electric generation and the current regulatory framework. Proposed allowances for future years include allowances for each year beginning in 2018 and beyond.

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

Represents allowances banked by the Company through December 31, 2013.

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

The Company has not purchased any allowances; however, at December 30, 2014 SO2 allowances were trading at \$0.50 per ton (allowance).

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Allowances (Accounts 158.1 and 158.2)

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

Line No.	NOx Allowances Inventory (Account 158.1) (a)	Current Year		2015	
		No. (b)	Amt. (c)	No. (d)	Amt. (e)
1	Balance-Beginning of Year	-744.00	-34,975		
2					
3	Acquired During Year:				
4	Issued (Less Withheld Allow)	988.00		1,839.00	
5	Returned by EPA				
6					
7					
8	Purchases/Transfers:				
9	Evolution Markets	510.00	22,440		
10					
11	Adjustments for prior				
12	years' grants	207.00			
13	Adjustments for prior				
14	years' emissions	108.00			
15	Total	825.00	22,440		
16					
17	Relinquished During Year:				
18	Charges to Account 509	1,748.00	7,905		
19	Other:				
20			1,840		
21	Cost of Sales/Transfers:				
22					
23					
24					
25					
26					
27					
28	Total				
29	Balance-End of Year	-679.00	-22,280	1,839.00	
30					
31	Sales:				
32	Net Sales Proceeds(Assoc. Co.)				
33	Net Sales Proceeds (Other)				
34	Gains				
35	Losses				
	Allowances Withheld (Acct 158.2)				
36	Balance-Beginning of Year				
37	Add: Withheld by EPA				
38	Deduct: Returned by EPA				
39	Cost of Sales				
40	Balance-End of Year				
41					
42	Sales:				
43	Net Sales Proceeds (Assoc. Co.)				
44	Net Sales Proceeds (Other)				
45	Gains				
46	Losses				

Name of Respondent El Paso Electric Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2014/Q4
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Allowances (Accounts 158.1 and 158.2) (Continued)

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

2016		2017		Future Years		Totals		Line No.
No. (f)	Amt. (g)	No. (h)	Amt. (i)	No. (j)	Amt. (k)	No. (l)	Amt. (m)	
						-744.00	-34,975	1
								2
								3
1,839.00						4,666.00		4
								5
								6
								7
								8
						510.00	22,440	9
								10
						207.00		11
								12
						108.00		13
						825.00	22,440	14
								15
								16
						1,748.00	7,905	17
								18
							1,840	19
								20
								21
								22
								23
								24
								25
								26
								27
								28
1,839.00						2,999.00	-22,280	29
								30
								31
								32
								33
								34
								35
								36
								37
								38
								39
								40
								41
								42
								43
								44
								45
								46

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FOOTNOTE DATA			

**Schedule Page: 229 Line No.: 4 Column: d**

Represents 1,221 NOx allowances eligible for annual emission use and 618 NOx allowances eligible for ozone-season emission.

**Schedule Page: 229 Line No.: 4 Column: f**

Represents 1,221 Nox allowances eligible for annual emission use and 618 Nox allowances eligible for ozone-season emission.

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

Includes the NOx allowances expected to be purchased for the 2014 compliance year.

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

Includes the accrual related to the NOx allowances expected to be purchased for the 2014 compliance year.

**Schedule Page: 229 Line No.: 20 Column: c**

Represents the NOx allowance cost adjustment to true-up to the 2013 actual shortage.



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**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	<b>Transmission Studies</b>				
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
18					
19					
20					
21	<b>Generation Studies</b>				
22	Otero 70MW Solar PV Project SIS	17,883	186-000	( 17,883)	186-000
23	Santa Teresa 90MW Solar PV SIS	11,504	186-000	( 11,504)	186-000
24					
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Name of Respondent El Paso Electric Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2014/Q4
FOOTNOTE DATA			

**Schedule Page: 231 Line No.: 22 Column: a**  
The study was one of the projects of the System Impact Study Final Report - 115 kV Cluster Study.

**Schedule Page: 231 Line No.: 23 Column: a**  
The study was one of the projects of the System Impact Study Final Report - 115 kV Cluster Study.

Name of Respondent El Paso Electric Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2014/Q4
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**OTHER REGULATORY ASSETS (Account 182.3)**

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

Line No.	Description and Purpose of Other Regulatory Assets  (a)	Balance at Beginning of Current Quarter/Year (b)	Debits (c)	CREDITS		Balance at end of Current Quarter/Year (f)
				Written off During the Quarter/Year Account Charged (d)	Written off During the Period Amount (e)	
1	Taxes - Regulatory Assets	110,030,301	28,437,489	various	24,206,200	114,261,590
2						
3	Rio Grande Resources Trust:					
4	Nuclear Fuel Postload Daily Finance Charge	4,488,311	3,270,344	518	3,307,660	4,450,995
5						
6	Coal Reclamation	4,289,693	7,593,851	501/431	1,181,262	10,702,282
7						
8	Net Undercollection of Fuel Revenues:					
9	Texas	7,204,850	3,043,371			10,248,221
10	FERC	42,764		440's	38,278	4,486
11						
12	Texas:					
13	2012 Rate Case Costs	580,904		928	580,904	
14	2015 Rate Case Costs		169,303			169,303
15						
16	Texas Military Base Discount and Recovery	758,668		253.4	758,668	
17						
18	Texas Energy Efficiency		6,200,230	142	4,382,916	1,817,314
19						
20	New Mexico Renewable Energy Cost:					
21	Renewable Procurement Plan	139,510		182.3	263	139,247
22	Renewable Energy Credits	4,832,993	623,241			5,456,234
23						
24	New Mexico:					
25	2010 FPPCAC Audit	432,522	1,737			434,259
26	2015 New Mexico Rate Case Costs		41,458			41,458
27						
28	Palo Verde Deferred Depreciation	4,871,953		407.3	152,184	4,719,769
29						
30						
31						
32						
33						
34						
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42						
43						
44	TOTAL	137,672,469	49,381,024		34,608,335	152,445,158

Name of Respondent El Paso Electric Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2014/Q4
FOOTNOTE DATA			

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

Amortization period ranges from 5 to 40 years.

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

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

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

Represents total Company final coal mine reclamation liability related to the Company's 7% interest in Units 4 and 5 at Four Corners. Final coal mine reclamation represents the cost to reclaim the land disturbed during the coal mining that was not previously reclaimed while the mine was in operation. Current ongoing reclamation of land is passed through as reconcilable fuel costs. 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. On February 17, 2015, the Company and APS entered into an asset purchase agreement, providing for the purchase by APS of the Company's interests in Four Corners. The purchase price will be adjusted downward to reflect APS's assumption of the Company's obligation to pay for future mine reclamation expenses. The Company recorded an adjustment of \$7.6 million at December 31, 2014 for mine reclamation costs, which the Company expects to pay at closing, based on a 2014 Golder Associate Study. See Note E of the Notes to the Regulatory-Basis Financial Statements.

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

At December 31, 2014, the Company had a net undercollection of fuel revenues.

**Schedule Page: 232 Line No.: 13 Column: a**

Balance of rate case costs related to PUCT Docket No. 40094 which were amortized over a two year period beginning May 2012.

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

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

**Schedule Page: 232 Line No.: 16 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 customers through a recovery factor. At December 31, 2014, the Company had over-collected Military Base Discount and Recovery program costs. The over-collection is presented as a regulatory liability in account 254.3.

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

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

**Schedule Page: 232 Line No.: 21 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.: 22 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.: 25 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.: 26 Column: f**

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2014/Q4
El Paso Electric Company			
FOOTNOTE DATA			

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

**Schedule Page: 232 Line No.: 28 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.

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Name of Respondent El Paso Electric Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2014/Q4
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MISCELLANEOUS DEFFERED DEBITS (Account 186)

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

Line No.	Description of Miscellaneous Deferred Debits (a)	Balance at Beginning of Year (b)	Debits (c)	CREDITS		Balance at End of Year (f)
				Account Charged (d)	Amount (e)	
1	Facility & Impact Study	68,230				68,230
2						
3	Miscellaneous	39,389	6,654	various	373	45,670
4						
5	Reimbursable Transmission &					
6	Distribution Projects	789,363	1,760,730	131	1,928,959	621,134
7						
8	El Paso Water Utilities Land					
9	Lease	1,656,118	350,567	507	445,741	1,560,944
10						
11	Palo Verde Water					
12	Agreement Deposit	4,294,458		519	119,321	4,175,137
13						
14						
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46						
47	Misc. Work in Progress	-13,413				2,156
48	Deferred Regulatory Comm. Expenses (See pages 350 - 351)					
49	TOTAL	6,834,145				6,473,271



Name of Respondent El Paso Electric Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2014/Q4
FOOTNOTE DATA			

**Schedule Page: 233 Line No.: 9 Column: c**  
Annual cash payment for land leased adjacent to our Newman Power Plant.

**Schedule Page: 233 Line No.: 12 Column: a**  
In May 2010, Palo Verde entered into a 40 year Municipal Effluent Purchase and Sale Agreement with the Sub-regional Operating Group (City of Phoenix, City of Mesa, City of Scottsdale and the City of Glendale).

**Schedule Page: 233 Line No.: 47 Column: a**  
Represents CWIP charges pending completion of project, at which time amounts will then be transferred to the proper account.

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**ACCUMULATED DEFERRED INCOME TAXES (Account 190)**

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

Line No.	Description and Location (a)	Balance of Beginning of Year (b)	Balance at End of Year (c)
1	Electric		
2		202,347,808	202,158,539
3			
4			
5			
6			
7	Other		
8	TOTAL Electric (Enter Total of lines 2 thru 7)	202,347,808	202,158,539
9	Gas		
10			
11			
12			
13			
14			
15	Other		
16	TOTAL Gas (Enter Total of lines 10 thru 15)		
17	Other (Specify)	1,918,883	1,135,687
18	TOTAL (Acct 190) (Total of lines 8, 16 and 17)	204,266,691	203,294,226

Notes

Name of Respondent El Paso Electric Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2014/Q4
FOOTNOTE DATA			

Schedule Page: 234 Line No.: 8 Column: c

**El Paso Electric Company**  
**Account 190 - FERC ONLY**  
**For the Year Ended December 31, 2014**

< Page 234 Line 2 Column (a) >

	(WP 2, pg2) Balance at Beginning of Year	(WP 1a) Balance at End of Year
<b>ELECTRIC</b>		
Deferred tax assets:		
Plant, principally due to capitalized costs	49,089,532	58,953,908
Benefit of tax loss carryforwards	17,906,619	356,992
Pensions and benefits	51,500,837	61,348,162
Alternative minimum tax credit carryforward	21,637,728	17,700,889
Regulatory liabilities related to income taxes	10,411,495	8,906,949
Asset retirement obligation	25,323,931	27,342,235
Deferred fuel	0	0
Debt	6,949,498	6,796,156
Other	19,528,168	20,753,248
Net deferred tax assets	<u>202,347,808</u>	<u>202,158,539</u>

< Page 234 Line 17 Column (a) >

	Balance at End of Year	Balance at End of Year
<b>OTHER (Specify)</b>		
Deferred tax assets:		
Other capitalized costs	0	0
Decommissioning costs	1,918,883	1,135,687
Net deferred tax assets	<u>1,918,883</u>	<u>1,135,687</u>
Total Account 190	<u>204,266,691</u>	<u>203,294,226</u>

Name of Respondent El Paso Electric Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of <u>2014/Q4</u>
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**CAPITAL STOCKS (Account 201 and 204)**

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

Line No.	Class and Series of Stock and Name of Stock Series  (a)	Number of shares Authorized by Charter  (b)	Par or Stated Value per share  (c)	Call Price at End of Year  (d)
1	201			
2	Common Stock (1)			
3	New York Stock Exchange (NYSE)	100,000,000	1.00	
4	Total Common Stock (2)	100,000,000		
5				
6	204			
7	Preferred Stock	2,000,000		
8	Total Preferred Stock	2,000,000		
9				
10				
11	(1) As of December 31, 2014, 1,549,014			
12	unissued shares of Common Stock of the			
13	Company were reserved for future			
14	allocations under the 2007 Amended			
15	and Restated Long-Term Incentive Plan.			
16				
17				
18				
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25				
26				
27				
28	Note: For additional information see the			
29	El Paso Electric Company 2014 Form 10-K			
30	filed with the SEC February 27, 2015.			
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Name of Respondent El Paso Electric Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2014/Q4
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CAPITAL STOCKS (Account 201 and 204) (Continued)

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

OUTSTANDING PER BALANCE SHEET (Total amount outstanding without reduction for amounts held by respondent)		HELD BY RESPONDENT				Line No.
		AS REACQUIRED STOCK (Account 217)		IN SINKING AND OTHER FUNDS		
Shares (e)	Amount (f)	Shares (g)	Cost (h)	Shares (i)	Amount (j)	
						1
						2
65,849,543	65,784,977	25,492,919	424,646,957			3
65,849,543	65,784,977	25,492,919	424,646,957			4
						5
						6
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Name of Respondent El Paso Electric Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2014/Q4
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OTHER PAID-IN CAPITAL (Accounts 208-211, inc.)

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

- (a) Donations Received from Stockholders (Account 208)-State amount and give brief explanation of the origin and purpose of each donation.
- (b) Reduction in Par or Stated value of Capital Stock (Account 209): State amount and give brief explanation of the capital change which gave rise to amounts reported under this caption including identification with the class and series of stock to which related.
- (c) Gain on Resale or Cancellation of Reacquired Capital Stock (Account 210): Report balance at beginning of year, credits, debits, and balance at end of year with a designation of the nature of each credit and debit identified by the class and series of stock to which related.
- (d) Miscellaneous Paid-in Capital (Account 211)-Classify amounts included in this account according to captions which, together with brief explanations, disclose the general nature of the transactions which gave rise to the reported amounts.

Line No.	Item (a)	Amount (b)
1	211. Other Paid-in Capital	
2	Deferred Compensation:	
3	Performance Awards	2,432,300
4		
5		
6		
7		
8		
9		
10		
11		
12		
13		
14		
15		
16		
17		
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40	TOTAL	2,432,300

Name of Respondent El Paso Electric Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2014/Q4
FOOTNOTE DATA			

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

Represents deferred compensation related to grants of performance share awards to certain officers in 2012, 2013, and 2014 under the Company's existing long-term incentive plans, which provide for the issuance of Company stock based on the achievement of certain performance criteria over a three-year period.

Name of Respondent El Paso Electric Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of <u>2014/Q4</u>
CAPITAL STOCK EXPENSE (Account 214)					
<p>1. Report the balance at end of the year of discount on capital stock for each class and series of capital stock.</p> <p>2. If any change occurred during the year in the balance in respect to any class or series of stock, attach a statement giving particulars (details) of the change. State the reason for any charge-off of capital stock expense and specify the account charged.</p>					
Line No.	Class and Series of Stock (a)	Balance at End of Year (b)			
1	214. Capital Stock Expense	340,939			
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
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21					
22	TOTAL	340,939			



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Name of Respondent El Paso Electric Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2014/Q4
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**LONG-TERM DEBT (Account 221, 222, 223 and 224)**

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

Line No.	Class and Series of Obligation, Coupon Rate (For new issue, give commission Authorization numbers and dates) (a)	Principal Amount Of Debt issued (b)	Total expense, Premium or Discount (c)
1	Account 221		
2			
3	2009 Series A Palo Verde Pollution Control Bonds	63,500,000	1,168,950
4	2009 Series B Palo Verde Pollution Control Bonds	37,100,000	811,106
5	2012 Series A Palo Verde Pollution Control Bonds	59,235,000	896,854
6	2012 Series A Four Corners Pollution Control Bonds	33,300,000	912,545
7			
8	Subtotal	193,135,000	3,789,455
9			
10	Account 222		
11			
12	Subtotal		
13			
14	Account 224		
15			
16	2005 Senior Notes	400,000,000	5,239,886
17			2,312,000 D
18	2008 Senior Notes	150,000,000	1,714,035
19			1,281,000 D
20	2012 Senior Notes	150,000,000	1,338,657
21			318,000 D
22	2014 Senior Notes	150,000,000	1,772,463
23			532,500 D
24	Treasury Rate Lock Agreements		
25	Subtotal	850,000,000	14,508,541
26			
27	Interest on obligations under capital lease (Rio Grande Resources Trust):		
28	\$110 million RGRT Senior Notes		
29	Revolving Credit Facility		
30			
31			
32			
33	TOTAL	1,043,135,000	18,297,996

Name of Respondent El Paso Electric Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2014/Q4
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LONG-TERM DEBT (Account 221, 222, 223 and 224) (Continued)

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

Nominal Date of Issue (d)	Date of Maturity (e)	AMORTIZATION PERIOD		Outstanding (Total amount outstanding without reduction for amounts held by respondent) (h)	Interest for Year Amount (i)	Line No.
		Date From (f)	Date To (g)			
						1
						2
03/26/09	02/01/40	03/26/09	02/01/40	63,500,000	4,603,750	3
03/26/09	04/01/40	03/26/09	04/01/40	37,100,000	2,689,750	4
08/28/12	08/01/42	08/28/12	08/01/42	59,235,000	2,665,575	5
08/28/12	06/01/32	08/28/12	06/01/32	33,300,000	624,375	6
						7
				193,135,000	10,583,450	8
						9
						10
						11
						12
						13
						14
						15
05/17/05	05/15/35	05/17/05	05/15/35	400,000,000	24,000,000	16
						17
06/03/08	03/15/38	06/03/08	03/15/38	150,000,000	11,250,000	18
						19
12/06/12	12/15/22	12/06/12	12/15/22	150,000,000	4,950,000	20
						21
12/01/14	12/01/44	12/01/14	12/01/44	150,000,000	625,000	22
						23
					438,119	24
				850,000,000	41,263,119	25
						26
						27
					5,053,500	28
					222,524	29
						30
						31
						32
				1,043,135,000	57,122,593	33

Name of Respondent El Paso Electric Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2014/Q4
FOOTNOTE DATA			

**Schedule Page: 256 Line No.: 22 Column: a**

The 2014 Senior Notes were authorized in FERC Docket No. ES13-59-000 dated November 15, 2013.

**Schedule Page: 256 Line No.: 27 Column: a**

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

**Schedule Page: 256 Line No.: 28 Column: b**

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

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

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

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Name of Respondent El Paso Electric Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2014/Q4
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**RECONCILIATION OF REPORTED NET INCOME WITH TAXABLE INCOME FOR FEDERAL INCOME TAXES**

1. Report the reconciliation of reported net income for the year with taxable income used in computing Federal income tax accruals and show computation of such tax accruals. Include in the reconciliation, as far as practicable, the same detail as furnished on Schedule M-1 of the tax return for the year. Submit a reconciliation even though there is no taxable income for the year. Indicate clearly the nature of each reconciling amount.

2. If the utility is a member of a group which files a consolidated Federal tax return, reconcile reported net income with taxable net income as if a separate return were to be filed, indicating, however, intercompany amounts to be eliminated in such a consolidated return. State names of group member, tax assigned to each group member, and basis of allocation, assignment, or sharing of the consolidated tax among the group members.

3. A substitute page, designed to meet a particular need of a company, may be used as long as the data is consistent and meets the requirements of the above instructions. For electronic reporting purposes complete Line 27 and provide the substitute Page in the context of a footnote.

Line No.	Particulars (Details) (a)	Amount (b)
1	Net Income for the Year (Page 117)	95,247,056
2		
3		
4	Taxable Income Not Reported on Books	
5	(see page 261 footnote)	30,917,274
6		
7		
8		
9	Deductions Recorded on Books Not Deducted for Return	
10	(see page 261 footnote)	16,446,409
11		
12		
13		
14	Income Recorded on Books Not Included in Return	
15	(see page 261 footnote)	-33,346,873
16		
17	Federal Income Taxes (detail below)	37,828,489
18		
19	Deductions on Return Not Charged Against Book Income	
20	(see page 261 footnote)	-75,068,365
21		
22		
23		
24		
25		
26		
27	Federal Tax Net Income	72,023,990
28	Show Computation of Tax:	
29		
30		
31	Tax computed at statutory rate	46,841,643
32	ITC Amortization Net of Deferred Taxes	-752,904
33	Amortization of Excess Deferred Taxes	-717,127
34	Permanent differences	-2,886,396
35	State Income Taxes (Federal effect)	-265,203
36	Amortization of Regulatory Assets	-405,410
37	Allowance for Equity Funds Used During Construction	-3,704,333
38	Other	-281,781
39		
40		
41		
42	Total federal income tax expense (benefit)	37,828,489
43		
44		

Name of Respondent El Paso Electric Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2014/Q4
FOOTNOTE DATA			

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

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

Contributions in aid of construction	7,603,518
Unbilled Revenue	771,195
Capitalized Construction Interest and Capitalized Costs	22,542,561
Taxable Income Not Reported on Books	<u>30,917,274</u>

**Schedule Page: 261 Line No.: 10 Column: b**

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

Meals and Entertainment	115,969
Lobbying	671,686
Debt Issuance Costs	988,516
Coal Reclamation	1,181,262
SFAS 143 Asset Retirement Obligation	5,802,474
Employee Benefits	5,026,459
Legal Expense Accrual	493,790
Taxes Other Than Federal	1,538,773
Other	627,480
Deductions Recorded on Books Not Deducted for Return	<u>16,446,409</u>

**Schedule Page: 261 Line No.: 15 Column: b**

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

Decommissioning Trust Interest Net of Fees	(7,195,980)
AFUDC	(23,030,003)
Deferred Fuel	(3,120,890)
Income Reported on Books Not Included in Return	<u>(33,346,873)</u>

**Schedule Page: 261 Line No.: 20 Column: b**

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

Depreciation and Amortization Differences	(48,986,466)
Domestic Production Activities Deduction	(1,700,000)
Section 174 R&D	(5,000,000)
Decommissioning Costs	(8,815,000)
Repair Allowance	(8,000,000)
Research and Development Credit	(1,000,000)
State Income Taxes	(1,566,899)
Deductions on Return not Charged Against Book Income	<u>(75,068,365)</u>

**Schedule Page: 261 Line No.: 31 Column: b**

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

Net Income	95,247,056
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Name of Respondent El Paso Electric Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2014/Q4
FOOTNOTE DATA			

Federal and State Income Tax Expense	38,586,210
Pre-Tax Income	133,833,266
Tax Rate	35%
Tax Computed at Statutory Rate	46,841,643



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Name of Respondent El Paso Electric Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2014/Q4
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**TAXES ACCRUED, PREPAID AND CHARGED DURING YEAR**

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

Line No.	Kind of Tax (See instruction 5) (a)	BALANCE AT BEGINNING OF YEAR		Taxes Charged During Year (d)	Taxes Paid During Year (e)	Adjustments (f)
		Taxes Accrued (Account 236) (b)	Prepaid Taxes (Include in Account 165) (c)			
1	FEDERAL					
2	Current FIT Payable	563,807		3,608,767	4,909,000	563,807
3	Prior Years	401,241		-282,337	-785,381	-563,807
4	FUTA			46,353	46,353	
5	Insurance Contributions			6,161,419	6,161,419	
6	Subtotal	965,048		9,534,202	10,331,391	
7						
8	State County & Local - TX					
9	Ad Valorem	7,651,181		8,825,619	7,604,501	
10	Gross Receipts	1,527,592		10,409,235	9,622,105	
11	Unemployment			69,075	69,075	
12	Franchise Tax/Margin Tax	584,837		-531,101	1,657,356	
13	Use Tax	505,239		5,544,713	5,432,156	
14	Regulatory Commission	456,940		997,290	978,842	
15	Franchise Fees (OSR)	3,765,793	11,787	20,328,089	19,983,881	
16	Subtotal	14,491,582	11,787	45,642,920	45,347,916	
17						
18	State County & Local - NM					
19	Ad Valorem	1,859,065	1,816	4,567,590	4,143,661	
20	Income	16,430	5,500	407,216	960,600	
21	Unemployment			35,301	35,301	
22	Compensating	-280,121		795,278	742,617	
23	Regulatory Commission	959,523		1,013,443	987,963	
24	Franchise Fees (OSR)	138,302	74,947	3,626,759	3,528,639	
25	L.C. Fran., Pumping Facility					
26	Payroll Taxes			194,143	194,143	
27	Worker's Comp Fee					
28						
29						
30	Other Taxes				-264,246	
31	Subtotal	2,693,199	82,263	10,639,730	10,328,678	
32						
33						
34	State County & Local - AZ					
35	Ad Valorem	3,564,512		9,614,173	8,980,194	
36	Income	-1,433,167	1,502,044	240,111	-48,917	
37	Palo Verde Payroll Taxes			2,809,869	2,809,869	
38	Sales & Use Taxes					
39	Subtotal	2,131,345	1,502,044	12,664,153	11,741,146	
40						
41	TOTAL	20,281,174	1,596,094	78,481,005	77,749,131	

Name of Respondent El Paso Electric Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2014/Q4
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**TAXES ACCRUED, PREPAID AND CHARGED DURING YEAR (Continued)**

5. If any tax (exclude Federal and State income taxes)- covers more then one year, show the required information separately for each tax year, identifying the year in column (a).
6. Enter all adjustments of the accrued and prepaid tax accounts in column (f) and explain each adjustment in a foot- note. Designate debit adjustments by parentheses.
7. Do not include on this page entries with respect to deferred income taxes or taxes collected through payroll deductions or otherwise pending transmittal of such taxes to the taxing authority.
8. Report in columns (i) through (l) how the taxes were distributed. Report in column (l) only the amounts charged to Accounts 408.1 and 409.1 pertaining to electric operations. Report in column (l) the amounts charged to Accounts 408.1 and 109.1 pertaining to other utility departments and amounts charged to Accounts 408.2 and 409.2. Also shown in column (l) the taxes charged to utility plant or other balance sheet accounts.
9. For any tax apportioned to more than one utility department or account, state in a footnote the basis (necessity) of apportioning such tax.

BALANCE AT END OF YEAR		DISTRIBUTION OF TAXES CHARGED				Line No.
(Taxes accrued Account 236) (g)	Prepaid Taxes (Incl. in Account 165) (h)	Electric (Account 408.1, 409.1) (i)	Extraordinary Items (Account 409.3) (j)	Adjustments to Ret. Earnings (Account 439) (k)	Other (l)	
						1
-114,115	3,884,494	930,828			2,677,939	2
2,817,280	-1,349,188	-3,621,094			3,338,757	3
		39,764			6,589	4
		5,285,552			875,867	5
2,703,165	2,535,306	2,635,050			6,899,152	6
						7
						8
8,872,300	-1	7,299,094			1,526,525	9
2,314,722		10,409,235				10
		59,256			9,819	11
-608,448	995,172	-531,101				12
617,795	1	5,202			5,539,511	13
475,387	1	997,290				14
4,109,612	11,396	20,328,089				15
15,781,368	1,006,569	38,567,065			7,075,855	16
						17
						18
2,282,994	1,816	4,567,590				19
-1,993	540,461	359,341			47,875	20
		30,283			5,018	21
-227,461	1	14,976			780,302	22
985,004	-1	1,013,443				23
220,594	59,117	91,276			3,535,483	24
						25
		194,143				26
						27
						28
						29
264,245	1	-9,372			9,372	30
3,523,383	601,395	6,261,680			4,378,050	31
						32
						33
						34
4,198,491		9,614,173				35
-1,555,757	1,090,426	133,783			106,328	36
		2,809,869				37
						38
2,642,734	1,090,426	12,557,825			106,328	39
						40
24,650,650	5,233,696	60,021,620			18,459,385	41

Name of Respondent El Paso Electric Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of <u>2014/Q4</u>
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**ACCUMULATED DEFERRED INVESTMENT TAX CREDITS (Account 255)**

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

Line No.	Account Subdivisions (a)	Balance at Beginning of Year (b)	Deferred for Year		Allocations to Current Year's Income		Adjustments (g)
			Account No. (c)	Amount (d)	Account No. (e)	Amount (f)	
1	Electric Utility						
2	3%						
3	4%						
4	7%						
5	10%	23,009,240			411.4/420.0	1,141,824	
6	30%	631,555	411.4		411.4	16,490	1,280
7							
8	TOTAL	23,640,795				1,158,314	1,280
9	Other (List separately and show 3%, 4%, 7%, 10% and TOTAL)						
10			411.4		411.4	1,192,314	1,280
11					420.0	-34,000	
12							
13							
14							
15							
16							
17							
18							
19							
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Name of Respondent El Paso Electric Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2014/Q4
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ACCUMULATED DEFERRED INVESTMENT TAX CREDITS (Account 255) (continued)

Balance at End of Year (h)	Average Period of Allocation to Income (i)	ADJUSTMENT EXPLANATION	Line No.
			1
			2
			3
			4
21,867,416	25 years		5
616,345	25 years		6
			7
22,483,761			8
			9
-1,191,034			10
34,000			11
			12
			13
			14
			15
			16
			17
			18
			19
			20
			21
			22
			23
			24
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			45
			46
			47
			48

Name of Respondent El Paso Electric Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of <u>2014/Q4</u>
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**OTHER DEFERRED CREDITS (Account 253)**

- Report below the particulars (details) called for concerning other deferred credits.
- For any deferred credit being amortized, show the period of amortization.
- Minor items (5% of the Balance End of Year for Account 253 or amounts less than \$100,000, whichever is greater) may be grouped by classes.

Line No.	Description and Other Deferred Credits (a)	Balance at Beginning of Year (b)	DEBITS		Credits (e)	Balance at End of Year (f)
			Contra Account (c)	Amount (d)		
1	Coal Reclamation	11,700,000			7,593,851	19,293,851
2						
3	Transmission Access					
4	Tucson Electric Power	133,480	131	137,095	3,615	
5						
6						
7	Environmental Accrual	550,000			365,000	915,000
8						
9	Texas Docket 23530 Settlement	1,433,675	131	483,485	1,952	952,142
10						
11	Contribution in Aid of Construct.	933,921	416	1,224,958	726,485	435,448
12						
13	Facility & Impact Study		131	68,352	410,000	341,648
14						
15	Other	413,026	131	273,388	332,100	471,738
16						
17						
18						
19						
20						
21						
22						
23						
24						
25						
26						
27						
28						
29						
30						
31						
32						
33						
34						
35						
36						
37						
38						
39						
40						
41						
42						
43						
44						
45						
46						
47	TOTAL	15,164,102		2,187,278	9,433,003	22,409,827

Name of Respondent El Paso Electric Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2014/Q4
FOOTNOTE DATA			

**Schedule Page: 269 Line No.: 1 Column: a**

On February 17, 2015, the Company and APS entered into an asset purchase agreement, providing for the purchase by APS of the Company's interests in Four Corners. The purchase price will be adjusted downward to reflect APS's assumption of the Company's obligation to pay for future mine reclamation expenses. The Company recorded an adjustment of \$7.6 million at December 31, 2014 for mine reclamation costs, which the Company expects to pay at closing, based on a 2014 Golder Associate Study.

Name of Respondent El Paso Electric Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2014/Q4
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**ACCUMULATED DEFFERED INCOME TAXES - OTHER PROPERTY (Account 282)**

1. Report the information called for below concerning the respondent's accounting for deferred income taxes rating to property not subject to accelerated amortization
2. For other (Specify), include deferrals relating to other income and deductions.

Line No.	Account  (a)	Balance at Beginning of Year  (b)	CHANGES DURING YEAR	
			Amounts Debited to Account 410.1  (c)	Amounts Credited to Account 411.1  (d)
1	Account 282			
2	Electric	548,208,981	61,456,339	30,260,222
3	Gas			
4				
5	TOTAL (Enter Total of lines 2 thru 4)	548,208,981	61,456,339	30,260,222
6				
7				
8				
9	TOTAL Account 282 (Enter Total of lines 5 thru 8)	548,208,981	61,456,339	30,260,222
10	Classification of TOTAL			
11	Federal Income Tax	548,208,981	61,456,339	30,260,222
12	State Income Tax			
13	Local Income Tax			

NOTES



Name of Respondent El Paso Electric Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2014/Q4
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ACCUMULATED DEFERRED INCOME TAXES - OTHER PROPERTY (Account 282) (Continued)

3. Use footnotes as required.

CHANGES DURING YEAR		ADJUSTMENTS				Balance at End of Year (k)	Line No.
Amounts Debited to Account 410.2 (e)	Amounts Credited to Account 411.2 (f)	Debits		Credits			
		Account Credited (g)	Amount (h)	Account Debited (i)	Amount (j)		
							1
				various	3,704,333	583,109,431	2
							3
							4
					3,704,333	583,109,431	5
							6
							7
							8
					3,704,333	583,109,431	9
							10
					3,704,333	583,109,431	11
							12
							13

NOTES (Continued)

Name of Respondent El Paso Electric Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2014/Q4
FOOTNOTE DATA			

**Schedule Page: 274 Line No.: 2 Column: k**

**El Paso Electric Company  
Account 282 - FERC ONLY  
For the Year Ended December 31, 2014**

	Balance at Beginning of Year	Balance at End of Year
Electric:		
Plant, principally due to depreciation and basis differences	\$ 481,753,151	\$ 508,938,703
Regulatory assets related to income taxes	37,720,727	41,425,060
Decommissioning	26,744,833	29,483,427
Deferred Fuel	1,990,270	3,262,241
Total - Electric Other	<u>\$ 548,208,981</u>	<u>\$ 583,109,431</u>

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Name of Respondent El Paso Electric Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2014/Q4
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**ACCUMULATED DEFERRED INCOME TAXES - OTHER (Account 283)**

1. Report the information called for below concerning the respondent's accounting for deferred income taxes relating to amounts recorded in Account 283.  
 2. For other (Specify), include deferrals relating to other income and deductions.

Line No.	Account (a)	Balance at Beginning of Year (b)	CHANGES DURING YEAR	
			Amounts Debited to Account 410.1 (c)	Amounts Credited to Account 411.1 (d)
1	Account 283			
2	Electric			
3	Deferred Tax	26,368,961	2,396,349	3,103,829
4				
5	Deferred State Tax	37,880,799		
6				
7	FIT on SIT	14,484,393		
8	Other - Debt	25		
9	TOTAL Electric (Total of lines 3 thru 8)	78,734,178	2,396,349	3,103,829
10	Gas			
11				
12				
13				
14				
15				
16				
17	TOTAL Gas (Total of lines 11 thru 16)			
18				
19	TOTAL (Acct 283) (Enter Total of lines 9, 17 and 18)	78,734,178	2,396,349	3,103,829
20	Classification of TOTAL			
21	Federal Income Tax	40,853,379	2,396,349	3,103,829
22	State Income Tax	37,880,799		
23	Local Income Tax			

NOTES

Name of Respondent El Paso Electric Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2014/Q4
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ACCUMULATED DEFERRED INCOME TAXES - OTHER (Account 283) (Continued)

3. Provide in the space below explanations for Page 276 and 277. Include amounts relating to insignificant items listed under Other.  
4. Use footnotes as required.

CHANGES DURING YEAR		ADJUSTMENTS				Balance at End of Year (k)	Line No.
Amounts Debited to Account 410.2 (e)	Amounts Credited to Account 411.2 (f)	Debits		Credits			
		Account Credited (g)	Amount (h)	Account Debited (i)	Amount (j)		
							1
							2
		254.3	4,149,169	182.3	4,849,628	26,361,940	3
							4
		254.3	11,016,856	182.3	9,627,130	36,491,073	5
							6
		254.3	2,152,634	182.3	2,949,971	15,281,730	7
		254.3	5	182.3		20	8
			17,318,664		17,426,729	78,134,763	9
							10
							11
							12
							13
							14
							15
							16
							17
							18
			17,318,664		17,426,729	78,134,763	19
							20
			6,301,808		7,799,599	41,643,690	21
			11,016,856		9,627,130	36,491,073	22
							23

NOTES (Continued)

Name of Respondent El Paso Electric Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2014/Q4
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**OTHER REGULATORY LIABILITIES (Account 254)**

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

Line No.	Description and Purpose of Other Regulatory Liabilities (a)	Balance at Beginning of Current Quarter/Year (b)	DEBITS		Credits (e)	Balance at End of Current Quarter/Year (f)
			Account Credited (c)	Amount (d)		
1	Regulatory Tax Liabilities	50,488,861	various	5,403,910	3,804,479	48,889,430
2						
3	Net Overcollection of Fuel Revenues:					
4	New Mexico	1,047,825	440s	115,797		932,028
5						
6	New Mexico Energy Efficiency Program	3,645,474	131	4,497,964	4,755,953	3,903,463
7						
8	Texas Energy Efficiency Program	362,103	182.3	362,103		
9						
10	Texas Military Base Discount and Recovery		142	4,505,540	5,114,582	609,042
11						
12						
13						
14						
15						
16						
17						
18						
19						
20						
21						
22						
23						
24						
25						
26						
27						
28						
29						
30						
31						
32						
33						
34						
35						
36						
37						
38						
39						
40						
41	TOTAL	55,544,263		14,885,314	13,675,014	54,333,963

Name of Respondent El Paso Electric Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2014/Q4
FOOTNOTE DATA			

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

Amortization period ranges from 5 to 40 years.

**Schedule Page: 278 Line No.: 3 Column: a**

At December 31, 2014, the Company had a net undercollection of fuel revenues.

**Schedule Page: 278 Line No.: 6 Column: a**

In accordance with the Final Order in Docket No. 06-0065-UT, the Company started collecting Energy Efficiency costs, effective May 2009, through a tariff rider approved by the NMPRC via New Mexico Rate 17. The rate is updated annually.

**Schedule Page: 278 Line No.: 10 Column: a**

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

Name of Respondent El Paso Electric Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2014/Q4
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**ELECTRIC OPERATING REVENUES (Account 400)**

- 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.
- Report below operating revenues for each prescribed account, and manufactured gas revenues in total.
- 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.
- 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.
- 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	317,143,525	313,138,900
3	(442) Commercial and Industrial Sales		
4	Small (or Comm.) (See Instr. 4)	258,462,491	250,838,821
5	Large (or Ind.) (See Instr. 4)	68,944,130	67,858,998
6	(444) Public Street and Highway Lighting	4,754,511	5,803,061
7	(445) Other Sales to Public Authorities	135,756,173	134,921,940
8	(446) Sales to Railroads and Railways		
9	(448) Interdepartmental Sales		
10	TOTAL Sales to Ultimate Consumers	785,060,830	772,561,720
11	(447) Sales for Resale	101,455,268	86,539,995
12	TOTAL Sales of Electricity	886,516,098	859,101,715
13	(Less) (449.1) Provision for Rate Refunds	-581,753	
14	TOTAL Revenues Net of Prov. for Refunds	887,097,851	859,101,715
15	Other Operating Revenues		
16	(450) Forfeited Discounts	1,358,313	1,401,678
17	(451) Miscellaneous Service Revenues	5,760,181	4,225,983
18	(453) Sales of Water and Water Power		
19	(454) Rent from Electric Property	3,600,624	2,824,325
20	(455) Interdepartmental Rents		
21	(456) Other Electric Revenues	410,394	258,402
22	(456.1) Revenues from Transmission of Electricity of Others	19,298,065	22,549,607
23	(457.1) Regional Control Service Revenues		
24	(457.2) Miscellaneous Revenues		
25			
26	TOTAL Other Operating Revenues	30,427,577	31,259,995
27	TOTAL Electric Operating Revenues	917,525,428	890,361,710



Name of Respondent El Paso Electric Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2014/Q4
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**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
2,640,535	2,679,262	352,277	347,891	2
				3
2,357,846	2,349,148	39,600	38,836	4
1,064,475	1,095,379	49	50	5
36,248	43,802	181	170	6
1,526,536	1,578,805	4,907	4,827	7
				8
				9
7,625,640	7,746,396	397,014	391,774	10
3,383,782	3,137,845	25	27	11
11,009,422	10,884,241	397,039	391,801	12
				13
11,009,422	10,884,241	397,039	391,801	14

Line 12, column (b) includes \$ 1,417,000 of unbilled revenues.  
Line 12, column (d) includes 16,682 MWH relating to unbilled revenues

Name of Respondent El Paso Electric Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2014/Q4
FOOTNOTE DATA			

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

Includes 712,284 MWs related to the Company's Power Purchase and Sales Agreement with Freeport-McMoRan dated December 16, 2005.

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

Includes 603,991 MWs related to the Company's Power Purchase and Sales Agreement with Freeport-McMoRan dated December 16, 2005.

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

Includes 712,284 MWs related to the Company's Power Purchase and Sales Agreement with Freeport-McMoRan dated December 16, 2005.

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

Includes 603,991 MWs related to the Company's Power Purchase and Sales Agreement with Freeport-McMoRan dated December 16, 2005.

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

Includes 712,284 MWs related to the Company's Power Purchase and Sales Agreement with Freeport-McMoRan dated December 16, 2005.

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

Includes 603,991 MWs related to the Company's Power Purchase and Sales Agreement with Freeport-McMoRan dated December 16, 2005.

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

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

	<u>December 2014</u>
Non Pay Reconnect Charges	1,851,802
Name Change/Cut in Charge	1,094,115
New Service Charges	299,952
Overhead/Underground Connection Charges	206,129
Texas Energy Efficiency Bonus	2,035,783
Misc Other	272,400
Total	5,760,181

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

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

	<u>December 2013</u>
Non Pay Reconnect Charges	1,843,837
Name Change/Cut in Charge	1,059,004
New Service Charges	319,582
Overhead/Underground Connection Charges	199,815
Texas Energy Efficiency Bonus	465,275
Misc Other	338,470
Total	4,225,983

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

Includes \$407,845 related to the Company's 15.8% share of Palo Verde other electric revenues from APS.

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

Includes \$257,209 related to the Company's 15.8% share of Palo Verde other electric revenues from APS.

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Name of Respondent El Paso Electric Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2014/Q4
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**SALES OF ELECTRICITY BY RATE SCHEDULES**

- Report below for each rate schedule in effect during the year the MWh of electricity sold, revenue, average number of customer, average Kwh per customer, and average revenue per Kwh, excluding date for Sales for Resale which is reported on Pages 310-311.
- Provide a subheading and total for each prescribed operating revenue account in the sequence followed in "Electric Operating Revenues," Page 300-301. If the sales under any rate schedule are classified in more than one revenue account, List the rate schedule and sales data under each applicable revenue account subheading.
- Where the same customers are served under more than one rate schedule in the same revenue account classification (such as a general residential schedule and an off peak water heating schedule), the entries in column (d) for the special schedule should denote the duplication in number of reported customers.
- The average number of customers should be the number of bills rendered during the year divided by the number of billing periods during the year (12 if all billings are made monthly).
- For any rate schedule having a fuel adjustment clause state in a footnote the estimated additional revenue billed pursuant thereto.
- Report amount of unbilled revenue as of end of year for each applicable revenue account subheading.

Line No.	Number and Title of Rate schedule (a)	MWh Sold (b)	Revenue (c)	Average Number of Customers (d)	KWh of Sales Per Customer (e)	Revenue Per KWh Sold (f)
1	(440)					
2	RESIDENTIAL SALES-TX					
3	01 Residential Service	1,980,743	230,876,823	268,913	7,366	0.1166
4	28 Private Area Lighting Service	1,867	298,598	232	8,047	0.1599
5	TXVRE-R Voluntary Renewable		29,293			
6	Deferred Fuel		594,279			
7	Unbilled Revenue	5,721	523,000			0.0914
8	Renewable Energy Credit		-29,294			
9	Power Factor Adjustment		743,014			
10						
11	RESIDENTIAL SALES-NM					
12	01 Residential Service	649,063	83,439,013	82,817	7,837	0.1286
13	12 Private Area Lighting Service	2,451	587,807	315	7,781	0.2398
14	Deferred Fuel		10,670			
15	Unbilled Revenue	690	77,000			0.1116
16	Renewable Energy Credit		-6,678			
17						
18	Total (440)	2,640,535	317,143,525	352,277	7,496	0.1201
19						
20						
21	(442)					
22	C & I SALES SMALL-TX					
23	02 Small Commercial Service	236,680	33,923,748	23,022	10,281	0.1433
24	07 Outdoor Recreational Lighting	355	39,548	15	23,667	0.1114
25	22 Irrigation Service	3,725	455,497	99	37,626	0.1223
26	24 General Service	1,350,645	137,101,587	6,234	216,658	0.1015
27	25 Large Power Service	223,552	19,486,256	58	3,854,345	0.0872
28	28 Private Area Lighting Service	14,950	1,881,846	432	34,606	0.1259
29	34 Cotton Gin Service	1,005	93,930	1	1,005,000	0.0935
30	TXVRE-C Voluntary Renewable		848			
31	Deferred Fuel		1,020,433			
32	Unbilled Revenue	7,905	444,000			0.0562
33	Renewable Energy Credit		-852			
34	Power Factor Adjustment		79,767			
35						
36	C & I SALES SMALL-NM					
37	03 Small Commercial Service	153,601	22,820,425	8,305	18,495	0.1486
38	04 General Service	280,272	31,273,118	558	502,280	0.1116
39	05 Irrigation Service	49,819	5,988,370	734	67,873	0.1202
40	08 Municipal Water Pumping	2,084	216,417	25	83,360	0.1038
41	TOTAL Billed	7,608,958	783,643,830	397,014	19,165	0.1030
42	Total Unbilled Rev.(See Instr. 6)	16,682	1,417,000	0	0	0.0849
43	TOTAL	7,625,640	785,060,830	397,014	19,207	0.1030

Name of Respondent El Paso Electric Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2014/Q4
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**SALES OF ELECTRICITY BY RATE SCHEDULES**

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

Line No.	Number and Title of Rate schedule (a)	MWh Sold (b)	Revenue (c)	Average Number of Customers (d)	KWh of Sales Per Customer (e)	Revenue Per KWh Sold (f)
1	09 Large Power Service	22,838	2,225,673	4	5,709,500	0.0975
2	12 Private Area Lighting Service	2,075	482,717	76	27,303	0.2326
3	19 Seasonal Agr. Processing Svc.	4,333	599,081	27	160,481	0.1383
4	25 Outdoor Recreational Lighting	107	15,705	9	11,889	0.1468
5	29 Interrupt. Svc. for Lg Power	2,096	129,354	1	2,096,000	0.0617
6	Deferred Fuel		67,243			
7	Unbilled Revenue	1,804	126,000			0.0698
8	Renewable Energy Credit		-8,220			
9						
10	C & I SALES LARGE-TX					
11	15 Electrolytic Refining	54,100	3,753,803	1	54,100,000	0.0694
12	25 Large Power Service	302,221	26,366,192	34	8,888,853	0.0872
13	26 Petroleum Refinery Service	318,713	20,411,477	1	318,713,000	0.0640
14	28 Private Area Lighting Service	261	31,267			0.1198
15	30 Electric Furnace	22,636	1,866,149	1	22,636,000	0.0824
16	38 Interrupt. Svc. for Lg Power	286,589	10,181,681	5	57,317,800	0.0355
17	Deferred Fuel		698,692			
18	Unbilled Revenue	393	83,000			0.2112
19	Power Factor Adjustment		-1,116,930			
20						
21	C & I SALES LARGE-NM					
22	09 Large Power Service	57,107	5,374,578	4	14,276,750	0.0941
23	29 Interrupt. Svc. for Lg Power	21,692	1,271,080	3	7,230,667	0.0586
24	Deferred Fuel		1,141			
25	Unbilled Revenue	763	22,000			0.0288
26						
27	Total (442)	3,422,321	327,406,621	39,649	86,315	0.0957
28						
29	(444)					
30	PUBLIC ST. & HIGHWAY LIGHT-TX					
31	08 Gov't Street Lights and Signal	32,993	4,161,385	162	203,660	0.1261
32	Deferred Fuel		7,645			
33	Unbilled Revenue	25	-4,000			-0.1600
34	Power Factor Adjustment		14,115			
35						
36	PUBLIC ST. & HIGHWAY LIGHT-NM					
37	11 Municipal St. Lighting and Sig	3,227	573,969	19	169,842	0.1779
38	Deferred Fuel		397			
39	Unbilled Revenue	3	1,000			0.3333
40						
41	TOTAL Billed	7,608,958	783,643,830	397,014	19,165	0.1030
42	Total Unbilled Rev.(See Instr. 6)	16,682	1,417,000	0	0	0.0849
43	TOTAL	7,625,640	785,060,830	397,014	19,207	0.1030

Name of Respondent El Paso Electric Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2014/Q4
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**SALES OF ELECTRICITY BY RATE SCHEDULES**

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

Line No.	Number and Title of Rate schedule (a)	MWh Sold (b)	Revenue (c)	Average Number of Customers (d)	KWh of Sales Per Customer (e)	Revenue Per KWh Sold (f)
1	Total (444)	36,248	4,754,511	181	200,265	0.1312
2						
3	(445)					
4	OTHER SALES PUB AUTH-TX					
5	01 Residential Service	303	40,408	118	2,568	0.1334
6	02 Small Commercial Service	9,095	1,313,888	1,133	8,027	0.1445
7	07 Outdoor Recreational Lighting	4,608	508,950	180	25,600	0.1104
8	11 Municipal Pumping Service	172,234	13,826,971	427	403,358	0.0803
9	22 Irrigation	1,693	194,811	17	99,588	0.1151
10	24 General Service	140,270	14,408,615	453	309,647	0.1027
11	25 Large Power Service	76,762	6,702,401	13	5,904,769	0.0873
12	28 Private Area Lighting	9,693	1,151,687	132	73,432	0.1188
13	31 Military Reservation Service	300,427	21,909,063	1	300,427,000	0.0729
14	38 Interruptible Service Large Po	43,763	1,589,332	1	43,763,000	0.0363
15	41 City and County Service	295,193	30,500,633	1,052	280,602	0.1033
16	43 University Service	58,052	3,953,141	2	29,026,000	0.0681
17	45 Supplemental Power	24,831	1,858,756	1	24,831,000	0.0749
18	Deferred Fuel		711,681			
19	Unbilled Revenue	947	136,000			0.1436
20	University Discount		-345,253			
21	Power Factor Adjustment		280,034			
22						
23	OTHER SALES PUB AUTH-NM					
24	01 Residential Service	124	17,694	36	3,444	0.1427
25	03 Small Commercial Service	7,407	1,153,957	306	24,206	0.1558
26	04 General Service	26,568	2,917,258	50	531,360	0.1098
27	05 Irrigation Service	162	20,213	5	32,400	0.1248
28	07 City and County Service	73,234	8,981,225	798	91,772	0.1226
29	08 Municipal Pumping Service	31,090	3,099,218	126	246,746	0.0997
30	09 Large Power Service	48,214	4,605,036	5	9,642,800	0.0955
31	10 Military Research & Dev. Power	159,260	12,502,074	2	79,630,000	0.0785
32	12 Private Area Lighting	369	82,798	29	12,724	0.2244
33	25 Outdoor Recreational Lighting	550	75,030	19	28,947	0.1364
34	26 State University Service	43,256	3,531,274	1	43,256,000	0.0816
35	Deferred Fuel		36,346			
36	Unbilled Revenue	-1,569	9,000			-0.0057
37	Renewable Energy Credit		-16,068			
38						
39	Total (445)	1,526,536	135,756,173	4,907	311,094	0.0889
40						
41	TOTAL Billed	7,608,958	783,643,830	397,014	19,165	0.1030
42	Total Unbilled Rev.(See Instr. 6)	16,682	1,417,000	0	0	0.0849
43	TOTAL	7,625,640	785,060,830	397,014	19,207	0.1030

Name of Respondent El Paso Electric Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2014/Q4
FOOTNOTE DATA			

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

Estimated Fuel Clause Revenues by Rate Schedule

(440) RESIDENTIAL SALES

TEXAS

01 Residential Service	\$ 52,613,472
28 Private Area Lighting Service	49,269
Power Factor Adjustment	743,014
Deferred Fuel	<u>594,279</u>
Total - Texas	<u>54,000,034</u>

NEW MEXICO

01 Residential Service	121,150
12 Private Area Lighting Service	(1,680)
Deferred Fuel	<u>10,670</u>
Total - New Mexico	<u>130,140</u>

Total (440) \$ 54,130,174

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

There were less than 1,167 duplicate customers for all rates schedules combined in 2014.

**Schedule Page: 304 Line No.: 21 Column: c**

Estimated Fuel Clause Revenues by Rate Schedule

(442) COMMERCIAL AND INDUSTRIAL SALES

SMALL - TEXAS

02 Small Commercial Service	\$ 6,278,581
07 Outdoor Recreational Lighting	9,367
22 Irrigation Service	98,893
24 General Service	35,803,855
25 Large Power Service	5,930,349
28 Private Area Lighting Service	395,042
34 Cotton Gin Service	26,720
Power Factor Adjustment	683,521
Deferred Fuel	<u>1,020,433</u>
Total - Texas	<u>50,246,761</u>

SMALL - NEW MEXICO

03 Small Commercial Service	(11,731)
04 General Service	(26,792)
05 Irrigation Service	118,858
08 Municipal Water Pumping	3,237
09 Large Power Service	173
12 Private Area Lighting Service	(1,396)
19 Seasonal Agr. Processing Svc.	(23,420)
25 Outdoor Recreational Lighting	89
29 Interrup. Svc for Lg Power	1,907
Deferred Fuel	<u>67,243</u>
Total - New Mexico	<u>128,168</u>

LARGE - TEXAS

15 Electrolytic refining	1,367,885
25 Large Power Service	7,960,659
26 Petroleum Refinery Service	8,079,044
28 Private Area Lighting Service	6,890

Name of Respondent	This Report is:	Date of Report	Year/Period of Report
El Paso Electric Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) / /	2014/Q4
FOOTNOTE DATA			

30 Electric Furnace	574,076
38 Interruptible Svc for Large Power	7,280,287
Power Factor Adjustment	355,100
Deferred Fuel	698,692
Total - Texas	<u>26,322,633</u>

LARGE - NEW MEXICO

09 Large Power Service	(27,770)
29 Interruptible Service Large Power	(13,790)
Deferred Fuel	1,141
Total - New Mexico	<u>(40,419)</u>

Total (442) \$ 76,657,143

**Schedule Page: 304.1 Line No.: 29 Column: c**

Estimated Fuel Clause Revenues by Rate Schedule

(444) PUBLIC STREET AND HIGHWAY LIGHTING

TEXAS

08 Municipal St. Lights & Signals	\$ 830,208
Power Factor Adjustment	14,115
Deferred Fuel	7,645
Total - Texas	<u>851,968</u>

NEW MEXICO

11 Municipal St. Lights & Signals	(476)
Deferred Fuel	397
Total - New Mexico	<u>(79)</u>

Total (444) \$ 851,889

**Schedule Page: 304.2 Line No.: 3 Column: c**

Estimated Fuel Clause Revenues by Rate Schedule

(445) OTHER SALES TO PUBLIC AUTHORITIES

TEXAS

01 Residential Service	\$ 8,020
02 Small Commercial Service	240,759
07 Outdoor Rec. Lighting Service	121,869
11 Municipal Pumping Service	4,538,426
22 Irrigation	45,009
24 General Service	3,719,003
25 Large Power Service	2,021,640
28 Private Area Lighting	256,065
31 Military Reservation Service	7,614,943
38 Interruptible Service for Large	1,141,579
41 City and County Service	7,804,504
43 University Service	1,513,398
45 Supplemental Power	645,533
Power Factor Adjustment	410,627
Deferred Fuel	711,681
Total - Texas	<u>30,793,056</u>

NEW MEXICO

01 Residential Service	31
03 Small Commercial Service	(174)
04 General Service	1,034



Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2014/Q4
El Paso Electric Company			
FOOTNOTE DATA			

05 Irrigation Service	444
07 City and County Service	(46,982)
08 Municipal Pumping	(35)
09 Large Power Service	(15,117)
10 Military Research & Dev. Power	(21,979)
12 Private Area Lighting	(253)
25 Outdoor Rec. Lighting Service	223
26 State University Service	(2,845)
Deferred Fuel	<u>36,346</u>
Total - New Mexico	<u>(49,307)</u>
Total (445)	<u>\$ 30,743,749</u>

Name of Respondent El Paso Electric Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2014/Q4
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**SALES FOR RESALE (Account 447)**

1. Report all sales for resale (i.e., sales to purchasers other than ultimate consumers) transacted on a settlement basis other than power exchanges during the year. Do not report exchanges of electricity ( i.e., transactions involving a balancing of debits and credits for energy, capacity, etc.) and any settlements for imbalanced exchanges on this schedule. Power exchanges must be reported on the Purchased Power schedule (Page 326-327).

2. Enter the name of the purchaser in column (a). Do not abbreviate or truncate the name or use acronyms. Explain in a footnote any ownership interest or affiliation the respondent has with the purchaser.

3. In column (b), enter a Statistical Classification Code based on the original contractual terms and conditions of the service as follows: RQ - for requirements service. Requirements service is service which the supplier plans to provide on an ongoing basis (i.e., the supplier includes projected load for this service in its system resource planning). In addition, the reliability of requirements service must be the same as, or second only to, the supplier's service to its own ultimate consumers.

LF - for long-term service. "Long-term" means five years or Longer and "firm" means that service cannot be interrupted for economic reasons and is intended to remain reliable even under adverse conditions (e.g., the supplier must attempt to buy emergency energy from third parties to maintain deliveries of LF service). This category should not be used for Long-term firm service which meets the definition of RQ service. For all transactions identified as LF, provide in a footnote the termination date of the contract defined as the earliest date that either buyer or setter can unilaterally get out of the contract.

IF - for intermediate-term firm service. The same as LF service except that "intermediate-term" means longer than one year but Less than five years.

SF - for short-term firm service. Use this category for all firm services where the duration of each period of commitment for service is one year or less.

LU - for Long-term service from a designated generating unit. "Long-term" means five years or Longer. The availability and reliability of service, aside from transmission constraints, must match the availability and reliability of designated unit.

IU - for intermediate-term service from a designated generating unit. The same as LU service except that "intermediate-term" means Longer than one year but Less than five years.

Line No.	Name of Company or Public Authority (Footnote Affiliations) (a)	Statistical Classification (b)	FERC Rate Schedule or Tariff Number (c)	Average Monthly Billing Demand (MW) (d)	Actual Demand (MW)	
					Average Monthly NCP Demand (e)	Average Monthly CP Demand (f)
1	Rio Grande Electric Cooperative, Inc.	RQ	18	8.8	10.8	8.8
2	Arizona Electric Power Cooperative	SF	1			
3	Arizona Public Service Company	SF	1			
4	Black Hills Power Inc	SF	1			
5	Cargill Power Markets, LLC	SF	1			
6	Citigroup Energy Inc.	SF	1			
7	City of Burbank California	SF	1			
8	EDF Trading North America, LLC	SF	1			
9	Exelon Generation Company	SF	1			
10	Freeport-McMoran Copper & Gold Energy	LU	2			
11	Gila River Power LLC	OS	1			
12	Gila River Power LLC	SF	1			
13	Iberdrola Renewables, LLC	SF	1			
14	Imperial Irrigation District	SF	1			
	Subtotal RQ			0	0	0
	Subtotal non-RQ			0	0	0
	<b>Total</b>			<b>0</b>	<b>0</b>	<b>0</b>

Name of Respondent El Paso Electric Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2014/Q4
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SALES FOR RESALE (Account 447) (Continued)

OS - for other service. use this category only for those services which cannot be placed in the above-defined categories, such as all non-firm service regardless of the Length of the contract and service from designated units of Less than one year. Describe the nature of the service in a footnote.

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

4. Group requirements RQ sales together and report them starting at line number one. After listing all RQ sales, enter "Subtotal - RQ" in column (a). The remaining sales may then be listed in any order. Enter "Subtotal-Non-RQ" in column (a) after this Listing. Enter "Total" in column (a) as the Last Line of the schedule. Report subtotals and total for columns (9) through (k)

5. In Column (c), identify the FERC Rate Schedule or Tariff Number. On separate Lines, List all FERC rate schedules or tariffs under which service, as identified in column (b), is provided.

6. For requirements RQ sales and any type of-service involving demand charges imposed on a monthly (or Longer) basis, enter the average monthly billing demand in column (d), the average monthly non-coincident peak (NCP) demand in column (e), and the average monthly coincident peak (CP) demand in column (f). For all other types of service, enter NA in columns (d), (e) and (f). Monthly NCP demand is the maximum metered hourly (60-minute integration) demand in a month. Monthly CP demand is the metered demand during the hour (60-minute integration) in which the supplier's system reaches its monthly peak. Demand reported in columns (e) and (f) must be in megawatts. Footnote any demand not stated on a megawatt basis and explain.

7. Report in column (g) the megawatt hours shown on bills rendered to the purchaser.

8. Report demand charges in column (h), energy charges in column (i), and the total of any other types of charges, including out-of-period adjustments, in column (j). Explain in a footnote all components of the amount shown in column (j). Report in column (k) the total charge shown on bills rendered to the purchaser.

9. The data in column (g) through (k) must be subtotaled based on the RQ/Non-RQ grouping (see instruction 4), and then totaled on the Last -line of the schedule. The "Subtotal - RQ" amount in column (g) must be reported as Requirements Sales For Resale on Page 401, line 23. The "Subtotal - Non-RQ" amount in column (g) must be reported as Non-Requirements Sales For Resale on Page 401, line 24.

10. Footnote entries as required and provide explanations following all required data.

MegaWatt Hours Sold (g)	REVENUE			Total (\$) (h+i+j) (k)	Line No.
	Demand Charges (\$) (h)	Energy Charges (\$) (i)	Other Charges (\$) (j)		
61,729	2,002,054	2,092,766	-38,278	4,056,542	1
20,401		598,889	1,966	600,855	2
7,029		230,017	678	230,695	3
4		105		105	4
5,199		179,072		179,072	5
24,600		869,250		869,250	6
2,896		105,788		105,788	7
95,033		3,626,563	440	3,627,003	8
6,616		283,627		283,627	9
712,284		1,435,000		1,435,000	10
			5,440	5,440	11
33,757		1,528,013		1,528,013	12
4,000		137,986		137,986	13
13,141		476,962		476,962	14
61,729	2,002,054	2,092,766	-38,278	4,056,542	
3,322,053	0	97,176,397	222,329	97,398,726	
<b>3,383,782</b>	<b>2,002,054</b>	<b>99,269,163</b>	<b>184,051</b>	<b>101,455,268</b>	



Name of Respondent El Paso Electric Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2014/Q4
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SALES FOR RESALE (Account 447) (Continued)

OS - for other service. use this category only for those services which cannot be placed in the above-defined categories, such as all non-firm service regardless of the Length of the contract and service from designated units of Less than one year. Describe the nature of the service in a footnote.

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

4. Group requirements RQ sales together and report them starting at line number one. After listing all RQ sales, enter "Subtotal - RQ" in column (a). The remaining sales may then be listed in any order. Enter "Subtotal-Non-RQ" in column (a) after this Listing. Enter "Total" in column (a) as the Last Line of the schedule. Report subtotals and total for columns (9) through (k)

5. In Column (c), identify the FERC Rate Schedule or Tariff Number. On separate Lines, List all FERC rate schedules or tariffs under which service, as identified in column (b), is provided.

6. For requirements RQ sales and any type of-service involving demand charges imposed on a monthly (or Longer) basis, enter the average monthly billing demand in column (d), the average monthly non-coincident peak (NCP) demand in column (e), and the average monthly coincident peak (CP)

demand in column (f). For all other types of service, enter NA in columns (d), (e) and (f). Monthly NCP demand is the maximum metered hourly (60-minute integration) demand in a month. Monthly CP demand is the metered demand during the hour (60-minute integration) in which the supplier's system reaches its monthly peak. Demand reported in columns (e) and (f) must be in megawatts. Footnote any demand not stated on a megawatt basis and explain.

7. Report in column (g) the megawatt hours shown on bills rendered to the purchaser.

8. Report demand charges in column (h), energy charges in column (i), and the total of any other types of charges, including out-of-period adjustments, in column (j). Explain in a footnote all components of the amount shown in column (j). Report in column (k) the total charge shown on bills rendered to the purchaser.

9. The data in column (g) through (k) must be subtotaled based on the RQ/Non-RQ grouping (see instruction 4), and then totaled on the Last -line of the schedule. The "Subtotal - RQ" amount in column (g) must be reported as Requirements Sales For Resale on Page 401, line 23. The "Subtotal - Non-RQ" amount in column (g) must be reported as Non-Requirements Sales For Resale on Page 401, line 24.

10. Footnote entries as required and provide explanations following all required data.

MegaWatt Hours Sold (g)	REVENUE			Total (\$) (h+i+j) (k)	Line No.
	Demand Charges (\$) (h)	Energy Charges (\$) (i)	Other Charges (\$) (j)		
			387,226	387,226	1
2,117		78,503		78,503	2
			1,440	1,440	3
15,800		586,350		586,350	4
50		18,250		18,250	5
800		35,746	2,454	38,200	6
212,625		7,945,098		7,945,098	7
479,905		15,844,215	14,634	15,858,849	8
6,610		250,955		250,955	9
9,714		302,005		302,005	10
7,236		264,124		264,124	11
			125	125	12
32,315		1,257,720		1,257,720	13
145,043		6,230,948	3,575	6,234,523	14
61,729	2,002,054	2,092,766	-38,278	4,056,542	
3,322,053	0	97,176,397	222,329	97,398,726	
<b>3,383,782</b>	<b>2,002,054</b>	<b>99,269,163</b>	<b>184,051</b>	<b>101,455,268</b>	



Name of Respondent El Paso Electric Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2014/Q4
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SALES FOR RESALE (Account 447) (Continued)

OS - for other service. use this category only for those services which cannot be placed in the above-defined categories, such as all non-firm service regardless of the Length of the contract and service from designated units of Less than one year. Describe the nature of the service in a footnote.

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

4. Group requirements RQ sales together and report them starting at line number one. After listing all RQ sales, enter "Subtotal - RQ" in column (a). The remaining sales may then be listed in any order. Enter "Subtotal-Non-RQ" in column (a) after this Listing. Enter "Total" in column (a) as the Last Line of the schedule. Report subtotals and total for columns (9) through (k)

5. In Column (c), identify the FERC Rate Schedule or Tariff Number. On separate Lines, List all FERC rate schedules or tariffs under which service, as identified in column (b), is provided.

6. For requirements RQ sales and any type of-service involving demand charges imposed on a monthly (or Longer) basis, enter the average monthly billing demand in column (d), the average monthly non-coincident peak (NCP) demand in column (e), and the average monthly coincident peak (CP) demand in column (f). For all other types of service, enter NA in columns (d), (e) and (f). Monthly NCP demand is the maximum metered hourly (60-minute integration) demand in a month. Monthly CP demand is the metered demand during the hour (60-minute integration) in which the supplier's system reaches its monthly peak. Demand reported in columns (e) and (f) must be in megawatts. Footnote any demand not stated on a megawatt basis and explain.

7. Report in column (g) the megawatt hours shown on bills rendered to the purchaser.

8. Report demand charges in column (h), energy charges in column (i), and the total of any other types of charges, including out-of-period adjustments, in column (j). Explain in a footnote all components of the amount shown in column (j). Report in column (k) the total charge shown on bills rendered to the purchaser.

9. The data in column (g) through (k) must be subtotaled based on the RQ/Non-RQ grouping (see instruction 4), and then totaled on the Last -line of the schedule. The "Subtotal - RQ" amount in column (g) must be reported as Requirements Sales For Resale on Page 401, line 23. The "Subtotal - Non-RQ" amount in column (g) must be reported as Non-Requirements Sales For Resale on Page 401, line 24.

10. Footnote entries as required and provide explanations following all required data.

MegaWatt Hours Sold (g)	REVENUE			Total (\$) (h+i+j) (k)	Line No.
	Demand Charges (\$) (h)	Energy Charges (\$) (i)	Other Charges (\$) (j)		
			510	510	1
92,294		3,057,947	928	3,058,875	2
725,958		28,374,861	1,898	28,376,759	3
3,200		92,054	746	92,800	4
519,822		18,807,736	1,137	18,808,873	5
26,214		810,171		810,171	6
			181,515	181,515	7
21,412		734,304		734,304	8
			1,382	1,382	9
82,900		2,498,232	374	2,498,606	10
9,218		364,118		364,118	11
25		1,320		1,320	12
650		18,025		18,025	13
241		10,152		10,152	14
61,729	2,002,054	2,092,766	-38,278	4,056,542	
3,322,053	0	97,176,397	222,329	97,398,726	
<b>3,383,782</b>	<b>2,002,054</b>	<b>99,269,163</b>	<b>184,051</b>	<b>101,455,268</b>	





Name of Respondent El Paso Electric Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2014/Q4
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SALES FOR RESALE (Account 447) (Continued)

OS - for other service. use this category only for those services which cannot be placed in the above-defined categories, such as all non-firm service regardless of the Length of the contract and service from designated units of Less than one year. Describe the nature of the service in a footnote.

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

4. Group requirements RQ sales together and report them starting at line number one. After listing all RQ sales, enter "Subtotal - RQ" in column (a). The remaining sales may then be listed in any order. Enter "Subtotal-Non-RQ" in column (a) after this Listing. Enter "Total" in column (a) as the Last Line of the schedule. Report subtotals and total for columns (9) through (k)

5. In Column (c), identify the FERC Rate Schedule or Tariff Number. On separate Lines, List all FERC rate schedules or tariffs under which service, as identified in column (b), is provided.

6. For requirements RQ sales and any type of-service involving demand charges imposed on a monthly (or Longer) basis, enter the average monthly billing demand in column (d), the average monthly non-coincident peak (NCP) demand in column (e), and the average monthly coincident peak (CP)

demand in column (f). For all other types of service, enter NA in columns (d), (e) and (f). Monthly NCP demand is the maximum metered hourly (60-minute integration) demand in a month. Monthly CP demand is the metered demand during the hour (60-minute integration) in which the supplier's system reaches its monthly peak. Demand reported in columns (e) and (f) must be in megawatts. Footnote any demand not stated on a megawatt basis and explain.

7. Report in column (g) the megawatt hours shown on bills rendered to the purchaser.

8. Report demand charges in column (h), energy charges in column (i), and the total of any other types of charges, including out-of-period adjustments, in column (j). Explain in a footnote all components of the amount shown in column (j). Report in column (k) the total charge shown on bills rendered to the purchaser.

9. The data in column (g) through (k) must be subtotaled based on the RQ/Non-RQ grouping (see instruction 4), and then totaled on the Last -line of the schedule. The "Subtotal - RQ" amount in column (g) must be reported as Requirements Sales For Resale on Page 401, line 23. The "Subtotal - Non-RQ" amount in column (g) must be reported as Non-Requirements Sales For Resale on Page 401, line 24.

10. Footnote entries as required and provide explanations following all required data.

MegaWatt Hours Sold (g)	REVENUE			Total (\$) (h+i+j) (k)	Line No.
	Demand Charges (\$) (h)	Energy Charges (\$) (i)	Other Charges (\$) (j)		
302		11,874		11,874	1
63		2,203		2,203	2
			755	755	3
466		19,742	850	20,592	4
787		32,807		32,807	5
458		19,019	1,375	20,394	6
221		9,591		9,591	7
85		3,233		3,233	8
396		17,025		17,025	9
166		6,797		6,797	10
			-387,119	-387,119	11
					12
					13
					14
61,729	2,002,054	2,092,766	-38,278	4,056,542	
3,322,053	0	97,176,397	222,329	97,398,726	
<b>3,383,782</b>	<b>2,002,054</b>	<b>99,269,163</b>	<b>184,051</b>	<b>101,455,268</b>	

Name of Respondent El Paso Electric Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2014/Q4
FOOTNOTE DATA			

**Schedule Page: 310 Line No.: 1 Column: c**  
Contract effective April 1, 2008.

**Schedule Page: 310 Line No.: 1 Column: j**  
Represents Rio Grande Electric Cooperative ("RGEC") fuel adjustment clause designed to recover all eligible fuel costs allocable to RGEC.

**Schedule Page: 310 Line No.: 2 Column: j**  
Transmission services.

**Schedule Page: 310 Line No.: 3 Column: c**  
1=WSPP Agreement- Rate Schedule FERC No. 6.

**Schedule Page: 310 Line No.: 3 Column: j**  
Transmission services.

**Schedule Page: 310 Line No.: 8 Column: j**  
Transmission services.

**Schedule Page: 310 Line No.: 11 Column: b**  
Spinning reserves.

**Schedule Page: 310 Line No.: 11 Column: j**  
Spinning reserves.

**Schedule Page: 310.1 Line No.: 1 Column: b**  
Spinning reserves.

**Schedule Page: 310.1 Line No.: 1 Column: j**  
Spinning reserves.

**Schedule Page: 310.1 Line No.: 3 Column: b**  
Prior year adjustment.

**Schedule Page: 310.1 Line No.: 3 Column: j**  
Prior year adjustment.

**Schedule Page: 310.1 Line No.: 6 Column: j**  
Transmission services.

**Schedule Page: 310.1 Line No.: 8 Column: j**  
Transmission services.

**Schedule Page: 310.1 Line No.: 12 Column: b**  
Spinning reserves.

**Schedule Page: 310.1 Line No.: 12 Column: j**  
Spinning reserves.

**Schedule Page: 310.1 Line No.: 14 Column: j**  
Transmission services.

**Schedule Page: 310.2 Line No.: 1 Column: b**  
Spinning reserves.

**Schedule Page: 310.2 Line No.: 1 Column: j**  
Spinning reserves.

**Schedule Page: 310.2 Line No.: 2 Column: j**  
Transmission services.

**Schedule Page: 310.2 Line No.: 3 Column: j**  
Transmission services.

**Schedule Page: 310.2 Line No.: 4 Column: j**  
Transmission services.

**Schedule Page: 310.2 Line No.: 5 Column: j**  
Transmission services.

**Schedule Page: 310.2 Line No.: 7 Column: b**  
Spinning reserves.

**Schedule Page: 310.2 Line No.: 7 Column: j**  
Spinning reserves.

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

**Schedule Page: 310.2 Line No.: 9 Column: j**

Name of Respondent El Paso Electric Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2014/Q4
FOOTNOTE DATA			

Spinning reserves.

**Schedule Page: 310.2 Line No.: 10 Column: j**

Transmission services.

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

Other Charges are for Southwest Reserve Sharing Group ("SRSG") charge received.

**Schedule Page: 310.3 Line No.: 4 Column: j**

Other Charges are for SRSG charge received.

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

Other Charges are for SRSG charge received.

**Schedule Page: 310.3 Line No.: 11 Column: j**

Prior year adjustment.

Name of Respondent El Paso Electric Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2014/Q4
<b>ELECTRIC OPERATION AND MAINTENANCE EXPENSES</b>				
If the amount for previous year is not derived from previously reported figures, explain in footnote.				
Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)	
1	1. POWER PRODUCTION EXPENSES			
2	A. Steam Power Generation			
3	Operation			
4	(500) Operation Supervision and Engineering	2,908,212	1,967,278	
5	(501) Fuel	197,844,410	171,009,451	
6	(502) Steam Expenses	3,979,942	3,691,798	
7	(503) Steam from Other Sources			
8	(Less) (504) Steam Transferred-Cr.			
9	(505) Electric Expenses	3,028,851	3,056,908	
10	(506) Miscellaneous Steam Power Expenses	4,794,701	5,489,451	
11	(507) Rents	1,436,129	1,299,858	
12	(509) Allowances	9,745	35,944	
13	TOTAL Operation (Enter Total of Lines 4 thru 12)	214,001,990	186,550,688	
14	Maintenance			
15	(510) Maintenance Supervision and Engineering	2,177,293	1,711,078	
16	(511) Maintenance of Structures	934,131	1,249,958	
17	(512) Maintenance of Boiler Plant	9,437,821	9,519,426	
18	(513) Maintenance of Electric Plant	8,597,720	8,812,888	
19	(514) Maintenance of Miscellaneous Steam Plant	3,551,268	2,453,827	
20	TOTAL Maintenance (Enter Total of Lines 15 thru 19)	24,698,233	23,747,177	
21	TOTAL Power Production Expenses-Steam Power (Entr Tot lines 13 & 20)	238,700,223	210,297,865	
22	B. Nuclear Power Generation			
23	Operation			
24	(517) Operation Supervision and Engineering	14,056,910	12,557,865	
25	(518) Fuel	41,554,981	49,180,710	
26	(519) Coolants and Water	6,692,613	6,314,476	
27	(520) Steam Expenses	5,280,881	5,135,530	
28	(521) Steam from Other Sources			
29	(Less) (522) Steam Transferred-Cr.			
30	(523) Electric Expenses	4,672,957	5,042,372	
31	(524) Miscellaneous Nuclear Power Expenses	18,218,820	17,674,123	
32	(525) Rents		-245	
33	TOTAL Operation (Enter Total of lines 24 thru 32)	90,477,162	95,904,831	
34	Maintenance			
35	(528) Maintenance Supervision and Engineering	4,393,670	3,932,753	
36	(529) Maintenance of Structures	1,290,880	1,000,290	
37	(530) Maintenance of Reactor Plant Equipment	6,789,653	7,653,682	
38	(531) Maintenance of Electric Plant	8,592,869	7,253,620	
39	(532) Maintenance of Miscellaneous Nuclear Plant	1,967,286	2,149,571	
40	TOTAL Maintenance (Enter Total of lines 35 thru 39)	23,034,358	21,989,916	
41	TOTAL Power Production Expenses-Nuc. Power (Entr tot lines 33 & 40)	113,511,520	117,894,747	
42	C. Hydraulic Power Generation			
43	Operation			
44	(535) Operation Supervision and Engineering			
45	(536) Water for Power			
46	(537) Hydraulic Expenses			
47	(538) Electric Expenses			
48	(539) Miscellaneous Hydraulic Power Generation Expenses			
49	(540) Rents			
50	TOTAL Operation (Enter Total of Lines 44 thru 49)			
51	C. Hydraulic Power Generation (Continued)			
52	Maintenance			
53	(541) Maintenance Supervision and Engineering			
54	(542) Maintenance of Structures			
55	(543) Maintenance of Reservoirs, Dams, and Waterways			
56	(544) Maintenance of Electric Plant			
57	(545) Maintenance of Miscellaneous Hydraulic Plant			
58	TOTAL Maintenance (Enter Total of lines 53 thru 57)			
59	TOTAL Power Production Expenses-Hydraulic Power (tot of lines 50 & 58)			

Name of Respondent El Paso Electric Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2014/Q4
ELECTRIC OPERATION AND MAINTENANCE EXPENSES (Continued)					
If the amount for previous year is not derived from previously reported figures, explain in footnote.					
Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)		
60	D. Other Power Generation				
61	Operation				
62	(546) Operation Supervision and Engineering	28,642	37,156		
63	(547) Fuel	11,870,668	6,810,024		
64	(548) Generation Expenses	4,752	932		
65	(549) Miscellaneous Other Power Generation Expenses	48,497	45,151		
66	(550) Rents		6,360		
67	TOTAL Operation (Enter Total of lines 62 thru 66)	11,952,559	6,899,623		
68	Maintenance				
69	(551) Maintenance Supervision and Engineering	21,148	4,985		
70	(552) Maintenance of Structures	28,284	59,733		
71	(553) Maintenance of Generating and Electric Plant	2,802,316	624,337		
72	(554) Maintenance of Miscellaneous Other Power Generation Plant	135,841	72,887		
73	TOTAL Maintenance (Enter Total of lines 69 thru 72)	2,987,589	761,942		
74	TOTAL Power Production Expenses-Other Power (Enter Tot of 67 & 73)	14,940,148	7,661,565		
75	E. Other Power Supply Expenses				
76	(555) Purchased Power	64,804,389	62,362,178		
77	(556) System Control and Load Dispatching	1,112,369	1,057,930		
78	(557) Other Expenses	481,290	755,704		
79	TOTAL Other Power Supply Exp (Enter Total of lines 76 thru 78)	66,398,048	64,175,812		
80	TOTAL Power Production Expenses (Total of lines 21, 41, 59, 74 & 79)	433,549,939	400,029,989		
81	2. TRANSMISSION EXPENSES				
82	Operation				
83	(560) Operation Supervision and Engineering	1,383,567	1,103,029		
84					
85	(561.1) Load Dispatch-Reliability	92,200	88,769		
86	(561.2) Load Dispatch-Monitor and Operate Transmission System	633,302	609,361		
87	(561.3) Load Dispatch-Transmission Service and Scheduling	494,891	492,188		
88	(561.4) Scheduling, System Control and Dispatch Services	963,757	945,419		
89	(561.5) Reliability, Planning and Standards Development	911,507	794,317		
90	(561.6) Transmission Service Studies				
91	(561.7) Generation Interconnection Studies				
92	(561.8) Reliability, Planning and Standards Development Services				
93	(562) Station Expenses	264,962	268,080		
94	(563) Overhead Lines Expenses	195,630	257,819		
95	(564) Underground Lines Expenses				
96	(565) Transmission of Electricity by Others	5,540,105	5,487,004		
97	(566) Miscellaneous Transmission Expenses	5,067,677	4,258,377		
98	(567) Rents	279,080	389,616		
99	TOTAL Operation (Enter Total of lines 83 thru 98)	15,826,678	14,693,979		
100	Maintenance				
101	(568) Maintenance Supervision and Engineering	61,405	10,372		
102	(569) Maintenance of Structures	11,860	10,407		
103	(569.1) Maintenance of Computer Hardware				
104	(569.2) Maintenance of Computer Software				
105	(569.3) Maintenance of Communication Equipment				
106	(569.4) Maintenance of Miscellaneous Regional Transmission Plant				
107	(570) Maintenance of Station Equipment	565,227	624,537		
108	(571) Maintenance of Overhead Lines	1,330,625	1,355,128		
109	(572) Maintenance of Underground Lines				
110	(573) Maintenance of Miscellaneous Transmission Plant	59,622	70,451		
111	TOTAL Maintenance (Total of lines 101 thru 110)	2,028,739	2,070,895		
112	TOTAL Transmission Expenses (Total of lines 99 and 111)	17,855,417	16,764,874		

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ELECTRIC OPERATION AND MAINTENANCE EXPENSES (Continued)					
If the amount for previous year is not derived from previously reported figures, explain in footnote.					
Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)		
113	3. REGIONAL MARKET EXPENSES				
114	Operation				
115	(575.1) Operation Supervision				
116	(575.2) Day-Ahead and Real-Time Market Facilitation				
117	(575.3) Transmission Rights Market Facilitation				
118	(575.4) Capacity Market Facilitation				
119	(575.5) Ancillary Services Market Facilitation				
120	(575.6) Market Monitoring and Compliance				
121	(575.7) Market Facilitation, Monitoring and Compliance Services				
122	(575.8) Rents				
123	Total Operation (Lines 115 thru 122)				
124	Maintenance				
125	(576.1) Maintenance of Structures and Improvements				
126	(576.2) Maintenance of Computer Hardware				
127	(576.3) Maintenance of Computer Software				
128	(576.4) Maintenance of Communication Equipment				
129	(576.5) Maintenance of Miscellaneous Market Operation Plant				
130	Total Maintenance (Lines 125 thru 129)				
131	TOTAL Regional Transmission and Market Op Expns (Total 123 and 130)				
132	4. DISTRIBUTION EXPENSES				
133	Operation				
134	(580) Operation Supervision and Engineering	706,067	639,479		
135	(581) Load Dispatching				
136	(582) Station Expenses	1,461,879	1,542,428		
137	(583) Overhead Line Expenses	543,207	514,803		
138	(584) Underground Line Expenses	217,288	286,444		
139	(585) Street Lighting and Signal System Expenses	391,063	232,767		
140	(586) Meter Expenses	1,938,535	1,833,242		
141	(587) Customer Installations Expenses	541,477	478,669		
142	(588) Miscellaneous Expenses	9,132,884	8,666,517		
143	(589) Rents	66,905	125,920		
144	TOTAL Operation (Enter Total of lines 134 thru 143)	14,999,305	14,320,269		
145	Maintenance				
146	(590) Maintenance Supervision and Engineering	12,515	53,042		
147	(591) Maintenance of Structures	1,400	1,973		
148	(592) Maintenance of Station Equipment	785,225	956,399		
149	(593) Maintenance of Overhead Lines	4,965,560	4,884,281		
150	(594) Maintenance of Underground Lines	648,607	625,186		
151	(595) Maintenance of Line Transformers	13,257	45,314		
152	(596) Maintenance of Street Lighting and Signal Systems	363,102	323,632		
153	(597) Maintenance of Meters	202,704	207,385		
154	(598) Maintenance of Miscellaneous Distribution Plant	329,649	322,296		
155	TOTAL Maintenance (Total of lines 146 thru 154)	7,322,019	7,419,508		
156	TOTAL Distribution Expenses (Total of lines 144 and 155)	22,321,324	21,739,777		
157	5. CUSTOMER ACCOUNTS EXPENSES				
158	Operation				
159	(901) Supervision	672			
160	(902) Meter Reading Expenses	2,631,481	2,595,714		
161	(903) Customer Records and Collection Expenses	13,860,794	12,602,838		
162	(904) Uncollectible Accounts	2,754,995	2,097,500		
163	(905) Miscellaneous Customer Accounts Expenses	489,160	306,428		
164	TOTAL Customer Accounts Expenses (Total of lines 159 thru 163)	19,737,102	17,602,480		

Name of Respondent El Paso Electric Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2014/Q4
ELECTRIC OPERATION AND MAINTENANCE EXPENSES (Continued)					
If the amount for previous year is not derived from previously reported figures, explain in footnote.					
Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)		
165	6. CUSTOMER SERVICE AND INFORMATIONAL EXPENSES				
166	Operation				
167	(907) Supervision				
168	(908) Customer Assistance Expenses		5,845		
169	(909) Informational and Instructional Expenses	207,968	193,825		
170	(910) Miscellaneous Customer Service and Informational Expenses				
171	TOTAL Customer Service and Information Expenses (Total 167 thru 170)	207,968	199,670		
172	7. SALES EXPENSES				
173	Operation				
174	(911) Supervision				
175	(912) Demonstrating and Selling Expenses				
176	(913) Advertising Expenses				
177	(916) Miscellaneous Sales Expenses				
178	TOTAL Sales Expenses (Enter Total of lines 174 thru 177)				
179	8. ADMINISTRATIVE AND GENERAL EXPENSES				
180	Operation				
181	(920) Administrative and General Salaries	28,488,126	26,122,477		
182	(921) Office Supplies and Expenses	4,876,606	6,033,993		
183	(Less) (922) Administrative Expenses Transferred-Credit				
184	(923) Outside Services Employed	17,250,533	18,874,689		
185	(924) Property Insurance	3,027,999	3,073,117		
186	(925) Injuries and Damages	5,359,530	3,577,666		
187	(926) Employee Pensions and Benefits	30,806,717	38,569,847		
188	(927) Franchise Requirements				
189	(928) Regulatory Commission Expenses	5,653,965	6,000,740		
190	(929) (Less) Duplicate Charges-Cr.				
191	(930.1) General Advertising Expenses	892,320	1,122,194		
192	(930.2) Miscellaneous General Expenses	18,443,767	16,246,014		
193	(931) Rents	703,588	648,862		
194	TOTAL Operation (Enter Total of lines 181 thru 193)	115,503,151	120,269,599		
195	Maintenance				
196	(935) Maintenance of General Plant	5,558,323	5,078,594		
197	TOTAL Administrative & General Expenses (Total of lines 194 and 196)	121,061,474	125,348,193		
198	TOTAL Elec Op and Maint Expns (Total 80,112,131,156,164,171,178,197)	614,733,224	581,684,983		

Name of Respondent	This Report is:	Date of Report	Year/Period of Report
El Paso Electric Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) / /	2014/Q4
FOOTNOTE DATA			

**Schedule Page: 320 Line No.: 25 Column: b**  
Includes a DOE refund of \$8,535,927.



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Name of Respondent El Paso Electric Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2014/Q4
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**PURCHASED POWER (Account 555)**  
(Including power exchanges)

1. Report all power purchases made during the year. Also report exchanges of electricity (i.e., transactions involving a balancing of debits and credits for energy, capacity, etc.) and any settlements for imbalanced exchanges.
2. Enter the name of the seller or other party in an exchange transaction in column (a). Do not abbreviate or truncate the name or use acronyms. Explain in a footnote any ownership interest or affiliation the respondent has with the seller.
3. In column (b), enter a Statistical Classification Code based on the original contractual terms and conditions of the service as follows:

RQ - for requirements service. Requirements service is service which the supplier plans to provide on an ongoing basis (i.e., the supplier includes projects load for this service in its system resource planning). In addition, the reliability of requirement service must be the same as, or second only to, the supplier's service to its own ultimate consumers.

LF - for long-term firm service. "Long-term" means five years or longer and "firm" means that service cannot be interrupted for economic reasons and is intended to remain reliable even under adverse conditions (e.g., the supplier must attempt to buy emergency energy from third parties to maintain deliveries of LF service). This category should not be used for long-term firm service firm service which meets the definition of RQ service. For all transaction identified as LF, provide in a footnote the termination date of the contract defined as the earliest date that either buyer or seller can unilaterally get out of the contract.

IF - for intermediate-term firm service. The same as LF service expect that "intermediate-term" means longer than one year but less than five years.

SF - for short-term service. Use this category for all firm services, where the duration of each period of commitment for service is one year or less.

LU - for long-term service from a designated generating unit. "Long-term" means five years or longer. The availability and reliability of service, aside from transmission constraints, must match the availability and reliability of the designated unit.

IU - for intermediate-term service from a designated generating unit. The same as LU service expect that "intermediate-term" means longer than one year but less than five years.

EX - For exchanges of electricity. Use this category for transactions involving a balancing of debits and credits for energy, capacity, etc. and any settlements for imbalanced exchanges.

OS - for other service. Use this category only for those services which cannot be placed in the above-defined categories, such as all non-firm service regardless of the Length of the contract and service from designated units of Less than one year. Describe the nature of the service in a footnote for each adjustment.

Line No.	Name of Company or Public Authority (Footnote Affiliations) (a)	Statistical Classification (b)	FERC Rate Schedule or Tariff Number (c)	Average Monthly Billing Demand (MW) (d)	Actual Demand (MW)	
					Average Monthly NCP Demand (e)	Average Monthly CP Demand (f)
1	Arizona Electric Power COOP	SF	1	0	0	0
2	Arizona Public Service Company	SF	1	0	0	0
3	Black Hills Power, Inc.	SF	1	0	0	0
4	Cargill Power Markets, LLC	SF	1	0	0	0
5	Citigroup Energy Inc.	SF	1	0	0	0
6	City of Burbank Water & Power	SF	1	0	0	0
7	Constellation Energy Commodities Group	SF	1	0	0	0
8	EDF Trading North America, LLC	SF	1	0	0	0
9	Enron Power Marketing, Inc.	AD	2	0	0	0
10	Four Peaks Energy Inc.	LU	1	0	0	0
11	Freeport-McMoran Copper & Gold Energy	LU	2	0	0	0
12	Gila River Power, L.P.	SF	1	0	0	0
13	Gila River Power, L.P.	OS	1	0	0	0
14	Hatch Solar Energy Center LLC	LU	1	0	0	0
	<b>Total</b>					

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

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

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

MegaWatt Hours Purchased (g)	POWER EXCHANGES		COST/SETTLEMENT OF POWER				Line No.
	MegaWatt Hours Received (h)	MegaWatt Hours Delivered (i)	Demand Charges (\$) (j)	Energy Charges (\$) (k)	Other Charges (\$) (l)	Total (j+k+l) of Settlement (\$) (m)	
15,575				671,574		671,574	1
24,087				1,111,715		1,111,715	2
432				15,300		15,300	3
57				2,745		2,745	4
578				17,807		17,807	5
1,400				50,520		50,520	6
4,344				132,578		132,578	7
12,600				628,379		628,379	8
					-1,040,045	-1,040,045	9
457				20,466	13,488	33,954	10
712,284							11
31,458				1,448,277		1,448,277	12
					150	150	13
7,997				951,621	-116,263	835,358	14
2,056,711	67,992	21,929	1,152,000	62,472,431	1,179,958	64,804,389	

Name of Respondent El Paso Electric Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2014/Q4
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**PURCHASED POWER (Account 555)**  
(Including power exchanges)

1. Report all power purchases made during the year. Also report exchanges of electricity (i.e., transactions involving a balancing of debits and credits for energy, capacity, etc.) and any settlements for imbalanced exchanges.
2. Enter the name of the seller or other party in an exchange transaction in column (a). Do not abbreviate or truncate the name or use acronyms. Explain in a footnote any ownership interest or affiliation the respondent has with the seller.
3. In column (b), enter a Statistical Classification Code based on the original contractual terms and conditions of the service as follows:

RQ - for requirements service. Requirements service is service which the supplier plans to provide on an ongoing basis (i.e., the supplier includes projects load for this service in its system resource planning). In addition, the reliability of requirement service must be the same as, or second only to, the supplier's service to its own ultimate consumers.

LF - for long-term firm service. "Long-term" means five years or longer and "firm" means that service cannot be interrupted for economic reasons and is intended to remain reliable even under adverse conditions (e.g., the supplier must attempt to buy emergency energy from third parties to maintain deliveries of LF service). This category should not be used for long-term firm service firm service which meets the definition of RQ service. For all transaction identified as LF, provide in a footnote the termination date of the contract defined as the earliest date that either buyer or seller can unilaterally get out of the contract.

IF - for intermediate-term firm service. The same as LF service expect that "intermediate-term" means longer than one year but less than five years.

SF - for short-term service. Use this category for all firm services, where the duration of each period of commitment for service is one year or less.

LU - for long-term service from a designated generating unit. "Long-term" means five years or longer. The availability and reliability of service, aside from transmission constraints, must match the availability and reliability of the designated unit.

IU - for intermediate-term service from a designated generating unit. The same as LU service expect that "intermediate-term" means longer than one year but less than five years.

EX - For exchanges of electricity. Use this category for transactions involving a balancing of debits and credits for energy, capacity, etc. and any settlements for imbalanced exchanges.

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Line No.	Name of Company or Public Authority (Footnote Affiliations) (a)	Statistical Classification (b)	FERC Rate Schedule or Tariff Number (c)	Average Monthly Billing Demand (MW) (d)	Actual Demand (MW)	
					Average Monthly NCP Demand (e)	Average Monthly CP Demand (f)
1	Hatch Solar Energy Center LLC	AD	1	0	0	0
2	Iberdrola Renewables, Inc	SF	1	0	0	0
3	Imperial Irrigation District	SF	1	0	0	0
4	Incorporated County Of Los Alamos	SF	1	0	0	0
5	J. Aron & Company	SF	1	0	0	0
6	Los Angeles Dept of Water and Power	SF	1	0	0	0
7	Los Angeles Dept of Water and Power	OS	1	0	0	0
8	Macho Springs Solar, LLC	LU	1	0	0	0
9	Macquarie Cook Power Inc.	SF	1	0	0	0
10	Morgan Stanley Capital Group, Inc.	SF	1	0	0	0
11	Newman Solar LLC	LU	1	0	0	0
12	NRG Solar Roadrunner, LLC	LU	1	0	0	0
13	PacifiCorp	SF	1	0	0	0
14	PowerEx Corp.	SF	1	0	0	0
	Total					

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

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

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

MegaWatt Hours Purchased (g)	POWER EXCHANGES		COST/SETTLEMENT OF POWER				Line No.
	MegaWatt Hours Received (h)	MegaWatt Hours Delivered (i)	Demand Charges (\$) (j)	Energy Charges (\$) (k)	Other Charges (\$) (l)	Total (j+k+l) of Settlement (\$) (m)	
-10					-1,190	-1,190	1
800				32,600		32,600	2
263				8,876		8,876	3
3				148		148	4
27,778				1,068,638		1,068,638	5
220				13,300		13,300	6
					7,780	7,780	7
108,700				5,887,095		5,887,095	8
3,466				86,301		86,301	9
73,319				2,493,109		2,493,109	10
719				26,897		26,897	11
51,246				6,461,637		6,461,637	12
42,627				1,596,989		1,596,989	13
3,769				221,145		221,145	14
2,056,711	67,992	21,929	1,152,000	62,472,431	1,179,958	64,804,389	

Name of Respondent El Paso Electric Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2014/Q4
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**PURCHASED POWER (Account 555)**  
(Including power exchanges)

1. Report all power purchases made during the year. Also report exchanges of electricity (i.e., transactions involving a balancing of debits and credits for energy, capacity, etc.) and any settlements for imbalanced exchanges.
2. Enter the name of the seller or other party in an exchange transaction in column (a). Do not abbreviate or truncate the name or use acronyms. Explain in a footnote any ownership interest or affiliation the respondent has with the seller.
3. In column (b), enter a Statistical Classification Code based on the original contractual terms and conditions of the service as follows:

RQ - for requirements service. Requirements service is service which the supplier plans to provide on an ongoing basis (i.e., the supplier includes projects load for this service in its system resource planning). In addition, the reliability of requirement service must be the same as, or second only to, the supplier's service to its own ultimate consumers.

LF - for long-term firm service. "Long-term" means five years or longer and "firm" means that service cannot be interrupted for economic reasons and is intended to remain reliable even under adverse conditions (e.g., the supplier must attempt to buy emergency energy from third parties to maintain deliveries of LF service). This category should not be used for long-term firm service firm service which meets the definition of RQ service. For all transaction identified as LF, provide in a footnote the termination date of the contract defined as the earliest date that either buyer or seller can unilaterally get out of the contract.

IF - for intermediate-term firm service. The same as LF service expect that "intermediate-term" means longer than one year but less than five years.

SF - for short-term service. Use this category for all firm services, where the duration of each period of commitment for service is one year or less.

LU - for long-term service from a designated generating unit. "Long-term" means five years or longer. The availability and reliability of service, aside from transmission constraints, must match the availability and reliability of the designated unit.

IU - for intermediate-term service from a designated generating unit. The same as LU service expect that "intermediate-term" means longer than one year but less than five years.

EX - For exchanges of electricity. Use this category for transactions involving a balancing of debits and credits for energy, capacity, etc. and any settlements for imbalanced exchanges.

OS - for other service. Use this category only for those services which cannot be placed in the above-defined categories, such as all non-firm service regardless of the Length of the contract and service from designated units of Less than one year. Describe the nature of the service in a footnote for each adjustment.

Line No.	Name of Company or Public Authority (Footnote Affiliations) (a)	Statistical Classification (b)	FERC Rate Schedule or Tariff Number (c)	Average Monthly Billing Demand (MW) (d)	Actual Demand (MW)	
					Average Monthly NCP Demand (e)	Average Monthly CP Demand (f)
1	Public Service Company of Colorado	SF	1	0	0	0
2	Public Service Company of New Mexico	SF	1	0	0	0
3	Salt River Project Agricultural Improv	SF	1	0	0	0
4	Salt River Project Agricultural Improv	OS	1	0	0	0
5	Sempra Generation	SF	1	0	0	0
6	Shell Energy North America (U.S.), L.P	SF	2	40	40	40
7	Shell Energy North America (U.S.), L.P	LU	2	0	0	0
8	Shell Energy North America (U.S.), L.P	AD	2	0	0	0
9	Southern California Edison	SF	1	0	0	0
10	Southwest Environmental Center	LU	1	0	0	0
11	SunE EPE 1 LLC	LU	1	0	0	0
12	SunE EPE 1 LLC	AD	1	0	0	0
13	SunE EPE 2 LLC	LU	1	0	0	0
14	SunE EPE 2 LLC	AD	1	0	0	0
	<b>Total</b>					

Name of Respondent El Paso Electric Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2014/Q4
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PURCHASED POWER(Account 555) (Continued)  
(Including power exchanges)

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

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

MegaWatt Hours Purchased (g)	POWER EXCHANGES		COST/SETTLEMENT OF POWER				Line No.
	MegaWatt Hours Received (h)	MegaWatt Hours Delivered (i)	Demand Charges (\$) (j)	Energy Charges (\$) (k)	Other Charges (\$) (l)	Total (j+k+l) of Settlement (\$) (m)	
1,504				5,440		5,440	1
12,260				524,562		524,562	2
140,712				6,448,126		6,448,126	3
					1,750	1,750	4
8,596				271,088		271,088	5
624,604			1,152,000	23,404,122		24,556,122	6
10,730					638,699	638,699	7
107					-18,570	-18,570	8
959				45,433		45,433	9
9				1,175		1,175	10
27,131				2,819,699		2,819,699	11
-16					1,653	1,653	12
32,942				3,451,063		3,451,063	13
-20					2,107	2,107	14
2,056,711	67,992	21,929	1,152,000	62,472,431	1,179,958	64,804,389	

Name of Respondent El Paso Electric Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2014/Q4
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**PURCHASED POWER (Account 555)**  
(Including power exchanges)

1. Report all power purchases made during the year. Also report exchanges of electricity (i.e., transactions involving a balancing of debits and credits for energy, capacity, etc.) and any settlements for imbalanced exchanges.
2. Enter the name of the seller or other party in an exchange transaction in column (a). Do not abbreviate or truncate the name or use acronyms. Explain in a footnote any ownership interest or affiliation the respondent has with the seller.
3. In column (b), enter a Statistical Classification Code based on the original contractual terms and conditions of the service as follows:

RQ - for requirements service. Requirements service is service which the supplier plans to provide on an ongoing basis (i.e., the supplier includes projects load for this service in its system resource planning). In addition, the reliability of requirement service must be the same as, or second only to, the supplier's service to its own ultimate consumers.

LF - for long-term firm service. "Long-term" means five years or longer and "firm" means that service cannot be interrupted for economic reasons and is intended to remain reliable even under adverse conditions (e.g., the supplier must attempt to buy emergency energy from third parties to maintain deliveries of LF service). This category should not be used for long-term firm service firm service which meets the definition of RQ service. For all transaction identified as LF, provide in a footnote the termination date of the contract defined as the earliest date that either buyer or seller can unilaterally get out of the contract.

IF - for intermediate-term firm service. The same as LF service expect that "intermediate-term" means longer than one year but less than five years.

SF - for short-term service. Use this category for all firm services, where the duration of each period of commitment for service is one year or less.

LU - for long-term service from a designated generating unit. "Long-term" means five years or longer. The availability and reliability of service, aside from transmission constraints, must match the availability and reliability of the designated unit.

IU - for intermediate-term service from a designated generating unit. The same as LU service expect that "intermediate-term" means longer than one year but less than five years.

EX - For exchanges of electricity. Use this category for transactions involving a balancing of debits and credits for energy, capacity, etc. and any settlements for imbalanced exchanges.

OS - for other service. Use this category only for those services which cannot be placed in the above-defined categories, such as all non-firm service regardless of the Length of the contract and service from designated units of Less than one year. Describe the nature of the service in a footnote for each adjustment.

Line No.	Name of Company or Public Authority (Footnote Affiliations) (a)	Statistical Classification (b)	FERC Rate Schedule or Tariff Number (c)	Average Monthly Billing Demand (MW) (d)	Actual Demand (MW)	
					Average Monthly NCP Demand (e)	Average Monthly CP Demand (f)
1	Tenaska Power Service CO	SF	1	0	0	0
2	Transalta Energy Marketing (U.S.) Inc.	SF	1	0	0	0
3	Tri-State G & T Power Association Inc.	SF	1	0	0	0
4	Tucson Electric Power Marketing	SF	1	0	0	0
5	Tucson Electric Power Marketing	OS	1	0	0	0
6	UNS Electric, INC.	SF	1	0	0	0
7	Arizona Electric Power Cooperative	SF	104	N/A	N/A	N/A
8	Arizona Public Service Company	SF	104	N/A	N/A	N/A
9	Farmington	SF	104	N/A	N/A	N/A
10	HGMA	SF	104	N/A	N/A	N/A
11	Los Alamos	SF	104	N/A	N/A	N/A
12	Panda Gila River	SF	104	N/A	N/A	N/A
13	Public Service Company of New Mexico	SF	104	N/A	N/A	N/A
14	SEMPRA	SF	104	N/A	N/A	N/A
	<b>Total</b>					



Name of Respondent El Paso Electric Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2014/Q4
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PURCHASED POWER(Account 555) (Continued)  
(Including power exchanges)

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

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

MegaWatt Hours Purchased (g)	POWER EXCHANGES		COST/SETTLEMENT OF POWER				Line No.
	MegaWatt Hours Received (h)	MegaWatt Hours Delivered (i)	Demand Charges (\$) (j)	Energy Charges (\$) (k)	Other Charges (\$) (l)	Total (j+k+l) of Settlement (\$) (m)	
24,845				798,728		798,728	1
13,928				597,852		597,852	2
12,847				491,610		491,610	3
14,838				503,597		503,597	4
					375	375	5
2,590				98,640		98,640	6
94				4,020		4,020	7
216				7,496		7,496	8
52				3,172		3,172	9
5				299		299	10
11				569		569	11
5				1,959		1,959	12
327				16,125		16,125	13
17				760		760	14
2,056,711	67,992	21,929	1,152,000	62,472,431	1,179,958	64,804,389	

Name of Respondent El Paso Electric Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2014/Q4
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**PURCHASED POWER (Account 555)**  
(Including power exchanges)

1. Report all power purchases made during the year. Also report exchanges of electricity (i.e., transactions involving a balancing of debits and credits for energy, capacity, etc.) and any settlements for imbalanced exchanges.
2. Enter the name of the seller or other party in an exchange transaction in column (a). Do not abbreviate or truncate the name or use acronyms. Explain in a footnote any ownership interest or affiliation the respondent has with the seller.
3. In column (b), enter a Statistical Classification Code based on the original contractual terms and conditions of the service as follows:

RQ - for requirements service. Requirements service is service which the supplier plans to provide on an ongoing basis (i.e., the supplier includes projects load for this service in its system resource planning). In addition, the reliability of requirement service must be the same as, or second only to, the supplier's service to its own ultimate consumers.

LF - for long-term firm service. "Long-term" means five years or longer and "firm" means that service cannot be interrupted for economic reasons and is intended to remain reliable even under adverse conditions (e.g., the supplier must attempt to buy emergency energy from third parties to maintain deliveries of LF service). This category should not be used for long-term firm service firm service which meets the definition of RQ service. For all transaction identified as LF, provide in a footnote the termination date of the contract defined as the earliest date that either buyer or seller can unilaterally get out of the contract.

IF - for intermediate-term firm service. The same as LF service expect that "intermediate-term" means longer than one year but less than five years.

SF - for short-term service. Use this category for all firm services, where the duration of each period of commitment for service is one year or less.

LU - for long-term service from a designated generating unit. "Long-term" means five years or longer. The availability and reliability of service, aside from transmission constraints, must match the availability and reliability of the designated unit.

IU - for intermediate-term service from a designated generating unit. The same as LU service expect that "intermediate-term" means longer than one year but less than five years.

EX - For exchanges of electricity. Use this category for transactions involving a balancing of debits and credits for energy, capacity, etc. and any settlements for imbalanced exchanges.

OS - for other service. Use this category only for those services which cannot be placed in the above-defined categories, such as all non-firm service regardless of the Length of the contract and service from designated units of Less than one year. Describe the nature of the service in a footnote for each adjustment.

Line No.	Name of Company or Public Authority (Footnote Affiliations) (a)	Statistical Classification (b)	FERC Rate Schedule or Tariff Number (c)	Average Monthly Billing Demand (MW) (d)	Actual Demand (MW)	
					Average Monthly NCP Demand (e)	Average Monthly CP Demand (f)
1	Salt River Project	SF	104	N/A	N/A	N/A
2	Tucson Electric Power Company	SF	104	N/A	N/A	N/A
3	TRI-STATE	SF	104	N/A	N/A	N/A
4	Arizona Electric Power Cooperative	EX	1			
5	Coral Power	EX	1			
6	Public Service Company of New Mexico	EX	1			
7	Salt River Project	EX	1			
8	Tri-State G&T Association, Inc.	EX	1			
9	Tucson Electric Power Company	EX	1			
10	Western Area Power Administration	EX	1			
11	Inadvertent					
12	NM Net Mtr PP	OS	16			
13	NM Net Mtr RECs	OS	33			
14	TX Non-Firm PP	OS	48			
	<b>Total</b>					

Name of Respondent El Paso Electric Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2014/Q4
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PURCHASED POWER(Account 555) (Continued)  
(Including power exchanges)

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

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

MegaWatt Hours Purchased (g)	POWER EXCHANGES		COST/SETTLEMENT OF POWER				Line No.
	MegaWatt Hours Received (h)	MegaWatt Hours Delivered (i)	Demand Charges (\$) (j)	Energy Charges (\$) (k)	Other Charges (\$) (l)	Total (j+k+l) of Settlement (\$) (m)	
227				10,572		10,572	1
190				7,917		7,917	2
156				10,690		10,690	3
	701						4
	690						5
	26,361						6
		15,848					7
	16,730						8
	22,883						9
	275						10
	352	6,081					11
2,179					90,281	90,281	12
					1,586,086	1,586,086	13
497					13,657	13,657	14
2,056,711	67,992	21,929	1,152,000	62,472,431	1,179,958	64,804,389	

Name of Respondent El Paso Electric Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2014/Q4
FOOTNOTE DATA			

**Schedule Page: 326 Line No.: 1 Column: c**  
1=WSPP Agreement- Rate Schedule FERC No. 6.

**Schedule Page: 326 Line No.: 9 Column: b**  
Prior Year Adjustment.

**Schedule Page: 326 Line No.: 9 Column: l**  
Prior Year Adjustment.

**Schedule Page: 326 Line No.: 10 Column: b**  
Interconnection Agreement and Contract for Power Service between El Paso Electric Company and Four Peaks Energy, Inc. Contract is an evergreen contract.

**Schedule Page: 326 Line No.: 10 Column: l**  
Payment of charges related to New Mexico Public Regulatory Commission (NMPRC) Final Order No. 09-00259-UT.

**Schedule Page: 326 Line No.: 11 Column: g**  
The 712,284 MWhs relate to purchases from Freeport-McMoran Copper & Gold Energy Services LLC ("Freeport") related to El Paso Electric's Power Purchase and Sales Agreement with Freeport dated December 16, 2005.

**Schedule Page: 326 Line No.: 13 Column: b**  
Spinning reserve purchases.

**Schedule Page: 326 Line No.: 13 Column: l**  
Spinning reserve purchases.

**Schedule Page: 326 Line No.: 14 Column: b**  
Renewable Purchase Power Agreement between Hatch Solar Energy Center 1, LLC and El Paso Electric Company effective August 31, 2010, and continues for twenty-five years following the date of commercial operation in 2011.

**Schedule Page: 326 Line No.: 14 Column: l**  
Liquidated damages payment made by Hatch Solar Energy Center 1, LLC per Renewable Purchase Power Agreement between Hatch Solar Energy Center 1, LLC and El Paso Electric Company.

**Schedule Page: 326.1 Line No.: 1 Column: b**  
Prior Year Adjustment.

**Schedule Page: 326.1 Line No.: 1 Column: l**  
Prior Year Adjustment.

**Schedule Page: 326.1 Line No.: 7 Column: b**  
Spinning reserve purchases.

**Schedule Page: 326.1 Line No.: 7 Column: l**  
Spinning reserve purchases.

**Schedule Page: 326.1 Line No.: 8 Column: b**  
Renewable Purchase Power Agreement between Macho Springs Solar, LLC and El Paso Electric Company effective October 25, 2012, and continues for twenty years following the date of commercial operation in 2014.

**Schedule Page: 326.1 Line No.: 11 Column: b**  
Renewable Purchase Power Agreement between PSEG El Paso Solar Energy Center and El Paso Electric Company effective September 5, 2013, and continues for thirty years following the date of commercial operation in 2014.

**Schedule Page: 326.1 Line No.: 12 Column: b**  
Renewable Purchase Power Agreement between NRG Solar Roadrunner LLC and El Paso Electric Company dated June 4, 2010, and continues for twenty years following the date of commercial operation in 2011.

**Schedule Page: 326.2 Line No.: 4 Column: b**  
Spinning reserve purchases.

**Schedule Page: 326.2 Line No.: 4 Column: l**  
Spinning reserve purchases.

**Schedule Page: 326.2 Line No.: 7 Column: b**  
Energy conversion services agreement between Shell Energy North America (U.S.), L.P and El Paso Electric Company dated May 17, 2010. Contract effective January 1, 2011 through September 30, 2014.

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FOOTNOTE DATA			

**Schedule Page: 326.2 Line No.: 7 Column: I**

Includes startup and energy conversion fees related to the energy conversion services agreement between Shell Energy North America (U.S.), L.P. and El Paso Electric Company. Also includes gas purchased from various vendors by El Paso Electric and delivered to Pyramid Unit 4 for energy conversion.

**Schedule Page: 326.2 Line No.: 8 Column: b**

Prior Year Adjustment.

**Schedule Page: 326.2 Line No.: 8 Column: I**

Prior Year Adjustment.

**Schedule Page: 326.2 Line No.: 10 Column: b**

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

**Schedule Page: 326.2 Line No.: 11 Column: b**

Renewable Purchase Power Agreement between SunEdison 1 and El Paso Electric Company dated November 8, 2010, and continues for twenty-five years following the date of commercial operation in 2012.

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

Prior Year Adjustment.

**Schedule Page: 326.2 Line No.: 12 Column: I**

Prior Year Adjustment.

**Schedule Page: 326.2 Line No.: 13 Column: b**

Renewable Purchase Power Agreement between SunEdison 2 and El Paso Electric Company dated November 8, 2010, and continues for twenty-five years following the date of commercial operation in 2012.

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

Prior Year Adjustment.

**Schedule Page: 326.2 Line No.: 14 Column: I**

Prior Year Adjustment.

**Schedule Page: 326.3 Line No.: 5 Column: b**

Spinning reserve purchases.

**Schedule Page: 326.3 Line No.: 5 Column: I**

Spinning reserve purchases.

**Schedule Page: 326.4 Line No.: 12 Column: c**

New Mexico Rate No. 16.

**Schedule Page: 326.4 Line No.: 12 Column: I**

Represents amount paid to various New Mexico customers for excess renewable energy generated by customers and bought by the Company.

**Schedule Page: 326.4 Line No.: 13 Column: c**

New Mexico Rate No. 33.

**Schedule Page: 326.4 Line No.: 13 Column: I**

Represents amount paid for renewable energy certificates related to renewable energy generated by various New Mexico customers.

**Schedule Page: 326.4 Line No.: 14 Column: c**

Texas Rate No. 48.

**Schedule Page: 326.4 Line No.: 14 Column: I**

Represents amount paid to various retail Texas customers for excess distributed renewable energy generated by customers and bought by the Company.

Name of Respondent El Paso Electric Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2014/Q4
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TRANSMISSION OF ELECTRICITY FOR OTHERS (Account 456.1)  
(Including transactions referred to as 'wheeling')

- 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.
- Use a separate line of data for each distinct type of transmission service involving the entities listed in column (a), (b) and (c).
- 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)
- In column (d) enter a Statistical Classification code based on the original contractual terms and conditions of the service as follows: FNO - Firm Network Service for Others, FNS - Firm Network Transmission Service for Self, LFP - Long-Term Firm Point to Point Transmission Service, OLF - Other Long-Term Firm Transmission Service, SFP - Short-Term Firm Point to Point Transmission Reservation, NF - non-firm transmission service, OS - Other Transmission Service and AD - Out-of-Period Adjustments. Use this code for any accounting adjustments or "true-ups" for service provided in prior reporting periods. Provide an explanation in a footnote for each adjustment. See General Instruction for definitions of codes.

Line No.	Payment By (Company of Public Authority) (Footnote Affiliation) (a)	Energy Received From (Company of Public Authority) (Footnote Affiliation) (b)	Energy Delivered To (Company of Public Authority) (Footnote Affiliation) (c)	Statistical Classification (d)
1	El Paso Electric Marketing	El Paso Electric Marketing	Tucson Electric Power Company	NF
2	El Paso Electric Marketing	El Paso Electric Marketing	Public Service Company of New Mex	NF
3	El Paso Electric Marketing	El Paso Electric Marketing	Tucson Electric Power Company	NF
4	El Paso Electric Marketing	El Paso Electric Marketing	Arizona Public Service Company	NF
5	El Paso Electric Marketing	Arizona Public Service Company	Salt River Project	NF
6	El Paso Electric Marketing	Arizona Public Service Company	Salt River Project	SFP
7	Rio Grande Electric Co-Op	El Paso Electric Marketing	El Paso Electric Marketing	FNO
8	Arizona Electric Power Cooperative	Salt River Project	Arizona Public Service Company	LFP
9	Arizona Electric Power Cooperative	Salt River Project	Arizona Public Service Company	NF
10	Arizona Electric Power Cooperative	Salt River Project	Arizona Public Service Company	SFP
11	Arizona Electric Power Cooperative	Salt River Project	Arizona Public Service Company	SFP
12	Arizona Electric Power Cooperative	Tucson Electric Power Company	Tucson Electric Power Company	NF
13	Arizona Electric Power Cooperative	Arizona Public Service Company	Salt River Project	NF
14	Arizona Electric Power Cooperative	Arizona Public Service Company	Salt River Project	SFP
15	Arizona Public Service Company	Salt River Project	Arizona Public Service Company	SFP
16	Coral Power	Salt River Project	Arizona Public Service Company	LFP
17	Coral Power	Salt River Project	Arizona Public Service Company	NF
18	Coral Power	Salt River Project	Arizona Public Service Company	SFP
19	Coral Power	Salt River Project	Arizona Public Service Company	SFP
20	Eagle Energy Partners	Salt River Project	Salt River Project	NF
21	Eagle Energy Partners	Salt River Project	Salt River Project	SFP
22	Eagle Energy Partners	Salt River Project	Salt River Project	SFP
23	Eagle Energy Partners	Salt River Project	Salt River Project	SFP
24	Eagle Energy Partners	Salt River Project	Salt River Project	SFP
25	Eagle Energy Partners	Salt River Project	Salt River Project	SFP
26	Eagle Energy Partners	Salt River Project	Arizona Public Service Company	NF
27	Eagle Energy Partners	Salt River Project	Arizona Public Service Company	SFP
28	Exelon Generation LLC	Salt River Project	Arizona Public Service Company	NF
29	Exelon Generation LLC	Salt River Project	Arizona Public Service Company	SFP
30	Imperial Irrigation District	Salt River Project	Arizona Public Service Company	NF
31	Imperial Irrigation District	Salt River Project	Arizona Public Service Company	SFP
32	Imperial Irrigation District	Salt River Project	Arizona Public Service Company	SFP
33	JP Morgan Ventures	Salt River Project	Arizona Public Service Company	NF
34	Macquarie Cook Power	Salt River Project	Arizona Public Service Company	NF
	<b>TOTAL</b>			

Name of Respondent El Paso Electric Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2014/Q4
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TRANSMISSION OF ELECTRICITY FOR OTHERS (Account 456)(Continued)  
(Including transactions referred to as 'wheeling')

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

FERC Rate Schedule of Tariff Number (e)	Point of Receipt (Substation or Other Designation) (f)	Point of Delivery (Substation or Other Designation) (g)	Billing Demand (MW) (h)	TRANSFER OF ENERGY		Line No.
				MegaWatt Hours Received (i)	MegaWatt Hours Delivered (j)	
01	EPE System	Greenlee		26	26	1
01	EPE System	Luna		1	1	2
01	EPE System	Springerville		50	50	3
01	Palo Verde	Westwing		70	70	4
01	Westwing	Palo Verde		720	720	5
01	Westwing	Palo Verde		4,680	4,680	6
01	EPE System	Coyote/Farmer	9	63,111	63,111	7
01	Palo Verde	Westwing	125	148,286	148,286	8
01	Palo Verde	Westwing		182	182	9
01	Palo Verde	Westwing		227	227	10
01	Palo Verde	Westwing		297	297	11
01	Springerville	Greenlee		5	5	12
01	Westwing	Palo Verde		385	385	13
01	Westwing	Palo Verde		7,085	7,085	14
01	Palo Verde	Westwing	71	240	240	15
01	Palo Verde	Westwing	125	172,190	172,190	16
01	Palo Verde	Westwing				17
01	Palo Verde	Westwing		404	404	18
01	Palo Verde	Westwing		444	444	19
01	Jojoba	Palo Verde		7,283	7,283	20
01	Jojoba	Palo Verde		93,335	93,335	21
01	Jojoba	Palo Verde	150	202,779	202,779	22
01	Jojoba	Palo Verde	450	216,064	216,064	23
01	Jojoba	Palo Verde	400	320,698	320,698	24
01	Palo Verde	Jojoba		100	100	25
01	Palo Verde	Westwing		3,242	3,242	26
01	Palo Verde	Westwing		75	75	27
01	Palo Verde	Westwing		20,809	20,809	28
01	Palo Verde	Westwing		1,722	1,722	29
01	Palo Verde	Westwing		13,282	13,282	30
01	Palo Verde	Westwing		9,856	9,856	31
01	Palo Verde	Westwing	50	62,180	62,180	32
01	Palo Verde	Westwing		50	50	33
01	Palo Verde	Westwing		3,372	3,372	34
			1,884	5,545,907	5,545,907	

Name of Respondent El Paso Electric Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2014/Q4
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TRANSMISSION OF ELECTRICITY FOR OTHERS (Account 456) (Continued)  
(Including transactions referred to as 'wheeling')

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

REVENUE FROM TRANSMISSION OF ELECTRICITY FOR OTHERS

Demand Charges (\$) (k)	Energy Charges (\$) (l)	(Other Charges) (\$) (m)	Total Revenues (\$) (k+l+m) (n)	Line No.
				1
				2
				3
				4
				5
				6
198,790	68,222	-932,102	-665,090	7
608,537			608,537	8
	166		166	9
	115		115	10
				11
	34		34	12
	349		349	13
	6,183		6,183	14
58,220	42		58,262	15
612,876			612,876	16
	199		199	17
				18
	317		317	19
	16,796		16,796	20
	220,113		220,113	21
522,000			522,000	22
543,000			543,000	23
752,000			752,000	24
	329		329	25
	2,675		2,675	26
	151		151	27
	17,547		17,547	28
	1,220		1,220	29
	13,403		13,403	30
	20,750		20,750	31
61,500			61,500	32
	52		52	33
	3,813		3,813	34
<b>14,274,596</b>	<b>5,955,571</b>	<b>-932,102</b>	<b>19,298,065</b>	



Name of Respondent El Paso Electric Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2014/Q4
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TRANSMISSION OF ELECTRICITY FOR OTHERS (Account 456.1)  
(Including transactions referred to as 'wheeling')

- 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.
- Use a separate line of data for each distinct type of transmission service involving the entities listed in column (a), (b) and (c).
- 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)
- 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	Macquarie Cook Power	Salt River Project	Arizona Public Service Company	SFP
2	Macquarie Cook Power	Arizona Public Service Company	Salt River Project	NF
3	Macquarie Cook Power	Arizona Public Service Company	Salt River Project	SFP
4	Morgan Stanley	Salt River Project	Arizona Public Service Company	NF
5	Morgan Stanley	Salt River Project	Arizona Public Service Company	SFP
6	Morgan Stanley	Arizona Public Service Company	Salt River Project	NF
7	Morgan Stanley	Arizona Public Service Company	Salt River Project	SFP
8	Open Access Technology International, Inc.	Salt River Project	Salt River Project	NF
9	Open Access Technology International, Inc.	Salt River Project	Arizona Public Service Company	NF
10	Open Access Technology International, Inc.	Public Service Company of New Mex	Tucson Electric Power Company	NF
11	Open Access Technology International, Inc.	Salt River Project	Arizona Public Service Company	NF
12	Open Access Technology International, Inc.	Tucson Electric Power Company	Tucson Electric Power Company	NF
13	PacificCorp Power Marketing	Salt River Project	Arizona Public Service Company	NF
14	PacificCorp Power Marketing	Salt River Project	Arizona Public Service Company	SFP
15	PacificCorp Power Marketing	Arizona Public Service Company	Salt River Project	NF
16	PacificCorp Power Marketing	Arizona Public Service Company	Salt River Project	SFP
17	Panda Gila River	Salt River Project	Salt River Project	NF
18	Panda Gila River	Salt River Project	Salt River Project	SFP
19	Panda Gila River	Salt River Project	Arizona Public Service Company	NF
20	Panda Gila River	Salt River Project	Arizona Public Service Company	SFP
21	Panda Gila River	Salt River Project	Salt River Project	NF
22	Panda Gila River	Salt River Project	Salt River Project	SFP
23	Panda Gila River	Salt River Project	Arizona Public Service Company	NF
24	Panda Gila River	Salt River Project	Arizona Public Service Company	SFP
25	Panda Gila River	Salt River Project	Arizona Public Service Company	SFP
26	Panda Gila River	Arizona Public Service Company	Salt River Project	NF
27	Powerex	Salt River Project	Arizona Public Service Company	NF
28	Powerex	Salt River Project	Arizona Public Service Company	SFP
29	Powerex	Arizona Public Service Company	Salt River Project	NF
30	Powerex	Arizona Public Service Company	Salt River Project	SFP
31	PPM Energy, Inc	Salt River Project	Arizona Public Service Company	NF
32	Public Service Company of New Mexico	Public Service Company of New Mex	Public Service Company of New Mex	NF
33	Public Service Company of New Mexico	Public Service Company of New Mex	Public Service Company of New Mex	NF
34	Public Service Company of New Mexico	Public Service Company of New Mex	Public Service Company of New Mex	SFP
	<b>TOTAL</b>			

Name of Respondent El Paso Electric Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2014/Q4
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TRANSMISSION OF ELECTRICITY FOR OTHERS (Account 456)(Continued)  
(Including transactions referred to as 'wheeling')

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

FERC Rate Schedule of Tariff Number (e)	Point of Receipt (Substation or Other Designation) (f)	Point of Delivery (Substation or Other Designation) (g)	Billing Demand (MW) (h)	TRANSFER OF ENERGY		Line No.
				MegaWatt Hours Received (i)	MegaWatt Hours Delivered (j)	
01	Palo Verde	Westwing		175	175	1
01	Westwing	Palo Verde		1,994	1,994	2
01	Westwing	Palo Verde		33,108	33,108	3
01	Palo Verde	Westwing		855,091	855,091	4
01	Palo Verde	Westwing		100,857	100,857	5
01	Westwing	Palo Verde		31	31	6
01	Westwing	Palo Verde		1,168	1,168	7
01	Jojoba	Palo Verde		155	155	8
01	Jojoba	Westwing		945	945	9
01	Luna	Springerville		1	1	10
01	Palo Verde	Westwing				11
01	Springerville	Greenlee		564	564	12
01	Palo Verde	Westwing		24,356	24,356	13
01	Palo Verde	Westwing		4,988	4,988	14
01	Westwing	Palo Verde		4,783	4,783	15
01	Westwing	Palo Verde		89,905	89,905	16
01	Jojoba	Palo Verde		52,344	52,344	17
01	Jojoba	Palo Verde		427,233	427,233	18
01	Jojoba	Westwing		5,945	5,945	19
01	Jojoba	Westwing		1,619	1,619	20
01	Palo Verde	Jojoba				21
01	Palo Verde	Jojoba		1,170	1,170	22
01	Palo Verde	Westwing		10,823	10,823	23
01	Palo Verde	Westwing		5,993	5,993	24
01	Palo Verde	Westwing	10	14,527	14,527	25
01	Westwing	Palo Verde		50	50	26
01	Palo Verde	Westwing		10,042	10,042	27
01	Palo Verde	Westwing		4,522	4,522	28
01	Westwing	Palo Verde		35	35	29
01	Westwing	Palo Verde		11,129	11,129	30
01	Palo Verde	Westwing		134	134	31
01	Afton	Amrad		3,457	3,457	32
01	Afton	Luna		19	19	33
01	Afton	Luna		27,412	27,412	34
			1,884	5,545,907	5,545,907	

Name of Respondent El Paso Electric Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2014/Q4
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**TRANSMISSION OF ELECTRICITY FOR OTHERS (Account 456) (Continued)**  
(Including transactions referred to as 'wheeling')

9. In column (k) through (n), report the revenue amounts as shown on bills or vouchers. In column (k), provide revenues from demand charges related to the billing demand reported in column (h). In column (l), provide revenues from energy charges related to the amount of energy transferred. In column (m), provide the total revenues from all other charges on bills or vouchers rendered, including out of period adjustments. Explain in a footnote all components of the amount shown in column (m). Report in column (n) the total charge shown on bills rendered to the entity Listed in column (a). If no monetary settlement was made, enter zero (11011) in column (n). Provide a footnote explaining the nature of the non-monetary settlement, including the amount and type of energy or service rendered.

10. The total amounts in columns (i) and (j) must be reported as Transmission Received and Transmission Delivered for annual report purposes only on Page 401, Lines 16 and 17, respectively.

11. Footnote entries and provide explanations following all required data.

**REVENUE FROM TRANSMISSION OF ELECTRICITY FOR OTHERS**

Demand Charges (\$) (k)	Energy Charges (\$) (l)	(Other Charges) (\$) (m)	Total Revenues (\$) (k+l+m) (n)	Line No.
	907		907	1
	1,983		1,983	2
	25,770		25,770	3
	684,542		684,542	4
	77,009		77,009	5
	36		36	6
	1,045		1,045	7
	229		229	8
	2,684		2,684	9
	3		3	10
	46		46	11
	2,815		2,815	12
	33,840		33,840	13
	5,531		5,531	14
	6,975		6,975	15
	95,613		95,613	16
	139,497		139,497	17
	1,283,386		1,283,386	18
	17,967		17,967	19
	4,060		4,060	20
	230		230	21
	2,598		2,598	22
	11,553		11,553	23
	8,415		8,415	24
12,300			12,300	25
	31		31	26
	9,079		9,079	27
	4,144		4,144	28
	260		260	29
	9,608		9,608	30
	210		210	31
	24,731		24,731	32
	101		101	33
	155,617		155,617	34
<b>14,274,596</b>	<b>5,955,571</b>	<b>-932,102</b>	<b>19,298,065</b>	

Name of Respondent El Paso Electric Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2014/Q4
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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 Classification (d)
1	Public Service Company of New Mexico	Public Service Company of New Mex	Tucson Electric Power Company	LFP
2	Public Service Company of New Mexico	Public Service Company of New Mex	Tucson Electric Power Company	SFP
3	Public Service Company of New Mexico	Public Service Company of New Mex	Public Service Company of New Mex	LFP
4	Public Service Company of New Mexico	Public Service Company of New Mex	Public Service Company of New Mex	NF
5	Public Service Company of New Mexico	Public Service Company of New Mex	Public Service Company of New Mex	SFP
6	Public Service Company of New Mexico	Public Service Company of New Mex	Public Service Company of New Mex	SFP
7	Public Service Company of New Mexico	Public Service Company of New Mex	Public Service Company of New Mex	NF
8	Public Service Company of New Mexico	Tucson Electric Power Company	Public Service Company of New Mex	SFP
9	Public Service Company of New Mexico	Public Service Company of New Mex	Public Service Company of New Mex	SFP
10	Public Service Company of New Mexico	Public Service Company of New Mex	Public Service Company of New Mex	NF
11	Public Service Company of New Mexico	Public Service Company of New Mex	Tucson Electric Power Company	LFP
12	Public Service Company of New Mexico	Public Service Company of New Mex	Tucson Electric Power Company	NF
13	Public Service Company of New Mexico	Public Service Company of New Mex	Tucson Electric Power Company	SFP
14	Public Service Company of New Mexico	Public Service Company of New Mex	Tucson Electric Power Company	SFP
15	Public Service Company of New Mexico	Salt River Project	Arizona Public Service Company	NF
16	Public Service Company of New Mexico	Public Service Company of New Mex	Public Service Company of New Mex	LFP
17	Public Service Company of New Mexico	Public Service Company of New Mex	Public Service Company of New Mex	NF
18	Public Service Company of New Mexico	Public Service Company of New Mex	Public Service Company of New Mex	SFP
19	Public Service Company of New Mexico	Public Service Company of New Mex	Public Service Company of New Mex	SFP
20	Public Service Company of New Mexico	Public Service Company of New Mex	Public Service Company of New Mex	NF
21	Public Service Company of New Mexico	Arizona Public Service Company	Salt River Project	SFP
22	Salt River Project	Salt River Project	Arizona Public Service Company	NF
23	Salt River Project	Tucson Electric Power Company	Tucson Electric Power Company	NF
24	Tenaska Power Services Company	Salt River Project	Arizona Public Service Company	NF
25	Tenaska Power Services Company	Salt River Project	Arizona Public Service Company	SFP
26	Tenaska Power Services Company	Tucson Electric Power Company	Tucson Electric Power Company	NF
27	Tenaska Power Services Company	Arizona Public Service Company	Salt River Project	SFP
28	Transalta	Arizona Public Service Company	Salt River Project	NF
29	Tristate Generating and Transmission Coop	Tucson Electric Power Company	Public Service Company of New Mex	LFP
30	Tristate Generating and Transmission Coop	Tucson Electric Power Company	Public Service Company of New Mex	SFP
31	Tucson Electric Power	Salt River Project	Salt River Project	NF
32	Tucson Electric Power	Salt River Project	Arizona Public Service Company	NF
33	Tucson Electric Power	Public Service Company of New Mex	Tucson Electric Power Company	LFP
34	Tucson Electric Power	Public Service Company of New Mex	Tucson Electric Power Company	NF
	<b>TOTAL</b>			

Name of Respondent El Paso Electric Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2014/Q4
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TRANSMISSION OF ELECTRICITY FOR OTHERS (Account 456)(Continued)  
(Including transactions referred to as 'wheeling')

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

FERC Rate Schedule of Tariff Number (e)	Point of Receipt (Substation or Other Designation) (f)	Point of Delivery (Substation or Other Designation) (g)	Billing Demand (MW) (h)	TRANSFER OF ENERGY		Line No.
				MegaWatt Hours Received (i)	MegaWatt Hours Delivered (j)	
01	Afton	Springerville	94	176,076	176,076	1
01	Afton	Springerville		15,490	15,490	2
01	Afton	Westmesa	141	241,445	241,445	3
01	Afton	Westmesa		18,469	18,469	4
01	Afton	Westmesa	12	2,705	2,705	5
01	Afton	Westmesa		89,077	89,077	6
01	Amrad	Amrad		1	1	7
01	Greenlee	Luna		1,113	1,113	8
01	Las Cruces	Amrad		9,944	9,944	9
01	Luna	Afton		5	5	10
01	Luna	Springerville	60	110,330	110,330	11
01	Luna	Springerville		104	104	12
01	Luna	Springerville		11,719	11,719	13
01	Luna	Springerville	60	83,303	83,303	14
01	Palo Verde	Westwing		286	286	15
01	Westmesa	Amrad	25	168,085	168,085	16
01	Westmesa	Amrad		28,428	28,428	17
01	Westmesa	Amrad		3,779	3,779	18
01	Westmesa	Amrad		5,232	5,232	19
01	Westmesa	Las Cruces		423	423	20
01	Westwing	Palo Verde		201	201	21
01	Palo Verde	Westwing		1,603	1,603	22
01	Springerville	Greenlee		1,687	1,687	23
01	Palo Verde	Westwing		10,263	10,263	24
01	Palo Verde	Westwing		14,513	14,513	25
01	Springerville	Greenlee		26	26	26
01	Westwing	Palo Verde		82	82	27
01	Westwing	Palo Verde		130	130	28
80	Springerville	Las Cruces/Orogrande	50	391,921	391,921	29
01	Springerville	Las Cruces/Orogrande		16,879	16,879	30
01	Jojoba	Palo Verde		448	448	31
01	Jojoba	Westwing		181	181	32
01	Luna	Greenlee	30	75,474	75,474	33
01	Luna	Greenlee		3,782	3,782	34
			1,884	5,545,907	5,545,907	

Name of Respondent El Paso Electric Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2014/Q4
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TRANSMISSION OF ELECTRICITY FOR OTHERS (Account 456) (Continued)  
(Including transactions referred to as 'wheeling')

9. In column (k) through (n), report the revenue amounts as shown on bills or vouchers. In column (k), provide revenues from demand charges related to the billing demand reported in column (h). In column (l), provide revenues from energy charges related to the amount of energy transferred. In column (m), provide the total revenues from all other charges on bills or vouchers rendered, including out of period adjustments. Explain in a footnote all components of the amount shown in column (m). Report in column (n) the total charge shown on bills rendered to the entity Listed in column (a). If no monetary settlement was made, enter zero (11011) in column (n). Provide a footnote explaining the nature of the non-monetary settlement, including the amount and type of energy or service rendered.

10. The total amounts in columns (i) and (j) must be reported as Transmission Received and Transmission Delivered for annual report purposes only on Page 401, Lines 16 and 17, respectively.

11. Footnote entries and provide explanations following all required data.

REVENUE FROM TRANSMISSION OF ELECTRICITY FOR OTHERS

Demand Charges (\$) (k)	Energy Charges (\$) (l)	(Other Charges) (\$) (m)	Total Revenues (\$) (k+l+m) (n)	Line No.
2,499,114			2,499,114	1
	67,315		67,315	2
2,382,029			2,382,029	3
	117,272		117,272	4
29,088			29,088	5
	444,273		444,273	6
	3		3	7
	43,231		43,231	8
	68,208		68,208	9
	1,155		1,155	10
1,681,814			1,681,814	11
	711		711	12
	212,916		212,916	13
1,034,685	427,924		1,462,609	14
	258		258	15
701,889			701,889	16
	194,795		194,795	17
	40,902		40,902	18
				19
	4,100		4,100	20
	111		111	21
	1,607		1,607	22
	15,800		15,800	23
	10,004		10,004	24
	12,257		12,257	25
	143		143	26
	83		83	27
	132		132	28
1,386,000			1,386,000	29
				30
	1,306		1,306	31
	3,173		3,173	32
872,732			872,732	33
	27,184		27,184	34
<b>14,274,596</b>	<b>5,955,571</b>	<b>-932,102</b>	<b>19,298,065</b>	

Name of Respondent El Paso Electric Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2014/Q4
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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 Classification (d)
1	Tucson Electric Power	Public Service Company of New Mex	Tucson Electric Power Company	SFP
2	Tucson Electric Power	Public Service Company of New Mex	Tucson Electric Power Company	LFP
3	Tucson Electric Power	Public Service Company of New Mex	Tucson Electric Power Company	NF
4	Tucson Electric Power	Public Service Company of New Mex	Tucson Electric Power Company	SFP
5	Tucson Electric Power	Tucson Electric Power Company	Tucson Electric Power Company	NF
6	Tucson Electric Power	Tucson Electric Power Company	Tucson Electric Power Company	NF
7	Tucson Electric Power	Tucson Electric Power Company	Tucson Electric Power Company	SFP
8	Tucson Electric Power	Tucson Electric Power Company	Tucson Electric Power Company	SFP
9	Tucson Electric Power	Salt River Project	Arizona Public Service Company	NF
10	Tucson Electric Power	Salt River Project	Arizona Public Service Company	SFP
11	Tucson Electric Power	Tucson Electric Power Company	Tucson Electric Power Company	NF
12	Tucson Electric Power	Tucson Electric Power Company	Tucson Electric Power Company	SFP
13	Tucson Electric Power	Arizona Public Service Company	Salt River Project	NF
14	UniSource Energy Services	Salt River Project	Salt River Project	SFP
15	UniSource Energy Services	Salt River Project	Arizona Public Service Company	NF
16	UniSource Energy Services	Salt River Project	Arizona Public Service Company	SFP
17	UniSource Energy Services	Tucson Electric Power Company	Tucson Electric Power Company	NF
18	Western Area Power Admin	Public Service Company of New Mex	Public Service Company of New Mex	LFP
19	Western Area Power Admin	Public Service Company of New Mex	Public Service Company of New Mex	SFP
20	Western Area Power Admin - DSW	Salt River Project	Arizona Public Service Company	NF
21	Western Area Power Admin - DSW	Salt River Project	Arizona Public Service Company	NF
22	Western Area Power Admin - DSW	Salt River Project	Arizona Public Service Company	SFP
23				
24				
25				
26				
27				
28				
29				
30				
31				
32				
33				
34				
	<b>TOTAL</b>			

Name of Respondent El Paso Electric Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2014/Q4
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TRANSMISSION OF ELECTRICITY FOR OTHERS (Account 456)(Continued)  
(Including transactions referred to as 'wheeling')

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

FERC Rate Schedule of Tariff Number (e)	Point of Receipt (Substation or Other Designation) (f)	Point of Delivery (Substation or Other Designation) (g)	Billing Demand (MW) (h)	TRANSFER OF ENERGY		Line No.
				MegaWatt Hours Received (i)	MegaWatt Hours Delivered (j)	
01	Luna	Greenlee		3,193	3,193	1
01	Luna	Springerville	10			2
01	Luna	Springerville		1,665	1,665	3
01	Luna	Springerville		1,032	1,032	4
01	Macho Springs	Greenlee		6,924	6,924	5
01	Macho Springs	Springerville		2,508	2,508	6
01	Macho Springs	Springerville		32,266	32,266	7
01	Macho Springs	Springerville	10	72,415	72,415	8
01	Palo Verde	Westwing		154,817	154,817	9
01	Palo Verde	Westwing		5,537	5,537	10
01	Springerville	Greenlee		12,738	12,738	11
01	Springerville	Greenlee		2	2	12
01	Westwing	Palo Verde		117	117	13
01	Jojoba	Palo Verde		411	411	14
01	Palo Verde	Westwing		642,867	642,867	15
01	Palo Verde	Westwing		66,638	66,638	16
01	Springerville	Greenlee		338	338	17
01	Westmesa	Holloman	2	7,574	7,574	18
01	Westmesa	Holloman		321	321	19
01	Jojoba	Westwing		6	6	20
01	Palo Verde	Westwing		2,208	2,208	21
01	Palo Verde	Westwing		1,301	1,301	22
						23
						24
						25
						26
						27
						28
						29
						30
						31
						32
						33
						34
			1,884	5,545,907	5,545,907	



Name of Respondent El Paso Electric Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2014/Q4
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TRANSMISSION OF ELECTRICITY FOR OTHERS (Account 456) (Continued)  
(Including transactions referred to as 'wheeling')

9. In column (k) through (n), report the revenue amounts as shown on bills or vouchers. In column (k), provide revenues from demand charges related to the billing demand reported in column (h). In column (l), provide revenues from energy charges related to the amount of energy transferred. In column (m), provide the total revenues from all other charges on bills or vouchers rendered, including out of period adjustments. Explain in a footnote all components of the amount shown in column (m). Report in column (n) the total charge shown on bills rendered to the entity Listed in column (a). If no monetary settlement was made, enter zero (11011) in column (n). Provide a footnote explaining the nature of the non-monetary settlement, including the amount and type of energy or service rendered.

10. The total amounts in columns (i) and (j) must be reported as Transmission Received and Transmission Delivered for annual report purposes only on Page 401, Lines 16 and 17, respectively.

11. Footnote entries and provide explanations following all required data.

REVENUE FROM TRANSMISSION OF ELECTRICITY FOR OTHERS

Demand Charges (\$) (k)	Energy Charges (\$) (l)	(Other Charges) (\$) (m)	Total Revenues (\$) (k+l+m) (n)	Line No.
				1
48,485			48,485	2
	5,907		5,907	3
	4,887		4,887	4
	62,721		62,721	5
	22,766		22,766	6
	191,215		191,215	7
211,353	72,728		284,081	8
	141,833		141,833	9
	4,838		4,838	10
	89,839		89,839	11
				12
	107		107	13
	990		990	14
	616,482		616,482	15
	57,925		57,925	16
	2,441		2,441	17
58,184			58,184	18
				19
	18		18	20
	1,915		1,915	21
	1,105		1,105	22
				23
				24
				25
				26
				27
				28
				29
				30
				31
				32
				33
				34
<b>14,274,596</b>	<b>5,955,571</b>	<b>-932,102</b>	<b>19,298,065</b>	

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2014/Q4
El Paso Electric Company			
FOOTNOTE DATA			

**Schedule Page: 328 Line No.: 1 Column: a**

El Paso Electric Marketing is the marketing affiliate of El Paso Electric Company.

**Schedule Page: 328 Line No.: 2 Column: a**

El Paso Electric Marketing is the marketing affiliate of El Paso Electric Company.

**Schedule Page: 328 Line No.: 3 Column: a**

El Paso Electric Marketing is the marketing affiliate of El Paso Electric Company.

**Schedule Page: 328 Line No.: 4 Column: a**

El Paso Electric Marketing is the marketing affiliate of El Paso Electric Company.

**Schedule Page: 328 Line No.: 5 Column: a**

El Paso Electric Marketing is the marketing affiliate of El Paso Electric Company.

**Schedule Page: 328 Line No.: 6 Column: a**

El Paso Electric Marketing is the marketing affiliate of El Paso Electric Company.

**Schedule Page: 328 Line No.: 7 Column: d**

Network Integration Transmission Service, Evergreen contract, expiration March 31 with two year notice.

**Schedule Page: 328 Line No.: 7 Column: m**

Prior year adjustment.

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

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

**Schedule Page: 328 Line No.: 11 Column: i**

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

**Schedule Page: 328 Line No.: 16 Column: d**

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

**Schedule Page: 328 Line No.: 18 Column: i**

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

**Schedule Page: 328.2 Line No.: 1 Column: d**

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

**Schedule Page: 328.2 Line No.: 3 Column: d**

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

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

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

**Schedule Page: 328.2 Line No.: 16 Column: d**

Firm transmission contract, expiration July 1, 2018. Service was partially redirected to daily and hourly services.

**Schedule Page: 328.2 Line No.: 19 Column: i**

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

**Schedule Page: 328.2 Line No.: 29 Column: d**

Firm transmission contract, expiration January 1, 2026.

**Schedule Page: 328.2 Line No.: 30 Column: i**

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

**Schedule Page: 328.2 Line No.: 33 Column: d**

Firm transmission contract, expiration November 1, 2029.

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

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

**Schedule Page: 328.3 Line No.: 2 Column: d**

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

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FOOTNOTE DATA			

to monthly services.

**Schedule Page: 328.3 Line No.: 12 Column: i**

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

**Schedule Page: 328.3 Line No.: 18 Column: d**

Firm transmission contract, expiration October 1, 2024.

**Schedule Page: 328.3 Line No.: 19 Column: i**

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

Name of Respondent El Paso Electric Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2014/Q4
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**TRANSMISSION OF ELECTRICITY BY OTHERS (Account 565)**  
(Including transactions referred to as "wheeling")

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

Line No.	Name of Company or Public Authority (Footnote Affiliations) (a)	Statistical Classification (b)	TRANSFER OF ENERGY		EXPENSES FOR TRANSMISSION OF ELECTRICITY BY OTHERS			
			Magawatt-hours Received (c)	Magawatt-hours Delivered (d)	Demand Charges (\$) (e)	Energy Charges (\$) (f)	Other Charges (\$) (g)	Total Cost of Transmission (\$) (h)
1	Arizona Public Service	SFP	568	568		2,537		2,537
2	Arizona Public Service	NF	1,634	1,634		5,336		5,336
3	Public Serv. Co. of NM	LFP	519,833	519,833	2,982,427			2,982,427
4	Public Serv. Co. of NM	LFP	43,477	43,477	340,112			340,112
5	Public Serv. Co. of NM	OLF	37,668	37,668	223,916			223,916
6	Public Serv. Co. of NM	SFP	46,193	46,193		4,999		4,999
7	Public Serv. Co. of NM	NF	35,964	35,964		254,712		254,712
8	Salt River Project	OLF	159,277	159,277	1,697,750			1,697,750
9	Salt River Project	NF	33	33		91		91
10	Tucson Electric Power	OLF	267,484	267,484				
11	Tucson Electric Power	SFP	1,889	1,889		11,818		11,818
12	Tucson Electric Power	NF	2,657	2,657		16,369		16,369
13	Open Access Technology	NF	4	4		38		38
14								
15								
16								
	<b>TOTAL</b>		1,116,681	1,116,681	5,244,205	295,900		5,540,105

Name of Respondent El Paso Electric Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2014/Q4
FOOTNOTE DATA			

<b>Schedule Page: 332 Line No.: 1 Column: c</b> Amounts shown based on transmission reservations.
<b>Schedule Page: 332 Line No.: 1 Column: d</b> Amounts shown based on transmission reservations.
<b>Schedule Page: 332 Line No.: 1 Column: f</b> Amounts shown include short term transmission reservations, related ancillary and losses.
<b>Schedule Page: 332 Line No.: 2 Column: c</b> Amounts shown based on transmission reservations.
<b>Schedule Page: 332 Line No.: 2 Column: d</b> Amounts shown based on transmission reservations.
<b>Schedule Page: 332 Line No.: 2 Column: f</b> Amounts shown include short term transmission reservations, related ancillary and losses.
<b>Schedule Page: 332 Line No.: 3 Column: b</b> Contract terminates June 30, 2017.
<b>Schedule Page: 332 Line No.: 3 Column: c</b> Amounts shown based on actual energy flows.
<b>Schedule Page: 332 Line No.: 3 Column: d</b> Amounts shown based on actual energy flows.
<b>Schedule Page: 332 Line No.: 4 Column: b</b> Contract terminates June 1, 2019.
<b>Schedule Page: 332 Line No.: 4 Column: c</b> Amounts shown based on actual energy flows.
<b>Schedule Page: 332 Line No.: 4 Column: d</b> Amounts shown based on actual energy flows.
<b>Schedule Page: 332 Line No.: 5 Column: b</b> Contract terminated June 1, 2014.
<b>Schedule Page: 332 Line No.: 5 Column: c</b> Amounts shown based on actual energy flows.
<b>Schedule Page: 332 Line No.: 5 Column: d</b> Amounts shown based on actual energy flows.
<b>Schedule Page: 332 Line No.: 6 Column: c</b> Amounts shown based on actual energy flows and transmission reservations.
<b>Schedule Page: 332 Line No.: 6 Column: d</b> Amounts shown based on actual energy flows and transmission reservations.
<b>Schedule Page: 332 Line No.: 6 Column: f</b> Amounts shown include short term transmission reservations, related ancillary and losses.
<b>Schedule Page: 332 Line No.: 7 Column: c</b> Amounts shown based on transmission reservations.
<b>Schedule Page: 332 Line No.: 7 Column: d</b> Amounts shown based on transmission reservations.
<b>Schedule Page: 332 Line No.: 7 Column: f</b> Amounts shown include short term transmission reservations, related ancillary and losses.
<b>Schedule Page: 332 Line No.: 8 Column: b</b> Contract expires concurrent with the ANPP Participation Agreement.
<b>Schedule Page: 332 Line No.: 8 Column: c</b> Amounts shown based on actual energy flows.
<b>Schedule Page: 332 Line No.: 8 Column: d</b> Amounts shown based on actual energy flows.
<b>Schedule Page: 332 Line No.: 9 Column: c</b> Amounts shown based on transmission reservations.
<b>Schedule Page: 332 Line No.: 9 Column: d</b> Amounts shown based on transmission reservations.
<b>Schedule Page: 332 Line No.: 9 Column: f</b> Amounts shown include short term transmission reservations, related ancillary and losses.

Name of Respondent El Paso Electric Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2014/Q4
FOOTNOTE DATA			

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

Amounts shown based on actual energy flows.

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

Amounts shown based on actual energy flows.

**Schedule Page: 332 Line No.: 10 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.: 11 Column: c**

Amounts shown based on transmission reservations.

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

Amounts shown based on transmission reservations.

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

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

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

Amounts shown based on transmission reservations.

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

Amounts shown based on transmission reservations.

**Schedule Page: 332 Line No.: 12 Column: f**

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

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

Amounts shown based on transmission reservations.

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

Amounts shown based on transmission reservations.

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

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

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Name of Respondent El Paso Electric Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2014/Q4
MISCELLANEOUS GENERAL EXPENSES (Account 930.2) (ELECTRIC)				
Line No.	Description (a)	Amount (b)		
1	Industry Association Dues	363,021		
2	Nuclear Power Research Expenses			
3	Other Experimental and General Research Expenses			
4	Pub & Dist Info to Stkhldrs...expn servicing outstanding Securities	800,361		
5	Oth Expn >=5,000 show purpose, recipient, amount. Group if < \$5,000	19,100		
6	Palo Verde General Expenses	12,629,195		
7	Four Corners General Expenses	1,356,963		
8	Palo Verde Transmission Line Cost	75,416		
9	Director's Fees and Expenses	2,846,210		
10	Economic Development	313,000		
11	Promotional Materials	40,501		
12				
13				
14				
15				
16				
17				
18				
19				
20				
21				
22				
23				
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46	TOTAL	18,443,767		



Name of Respondent El Paso Electric Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2014/Q4
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**Schedule Page: 335 Line No.: 10 Column: b**

Primarily consists of contributions to promote economic development to (a) Borderplex Bi National Economic Alliance of \$250,000; (b) Mesilla Valley Economic Development Alliance of \$43,000; (c) Project Vida of \$10,000; and (d) ACCION New Mexico of \$10,000.

Name of Respondent El Paso Electric Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2014/Q4
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**DEPRECIATION AND AMORTIZATION OF ELECTRIC PLANT (Account 403, 404, 405)**  
(Except amortization of acquisition adjustments)

1. Report in section A for the year the amounts for : (b) Depreciation Expense (Account 403); (c) Depreciation Expense for Asset Retirement Costs (Account 403.1); (d) Amortization of Limited-Term Electric Plant (Account 404); and (e) Amortization of Other Electric Plant (Account 405).

2. Report in Section 8 the rates used to compute amortization charges for electric plant (Accounts 404 and 405). State the basis used to compute charges and whether any changes have been made in the basis or rates used from the preceding report year.

3. Report all available information called for in Section C every fifth year beginning with report year 1971, reporting annually only changes to columns (c) through (g) from the complete report of the preceding year.

Unless composite depreciation accounting for total depreciable plant is followed, list numerically in column (a) each plant subaccount, account or functional classification, as appropriate, to which a rate is applied. Identify at the bottom of Section C the type of plant included in any sub-account used.

In column (b) report all depreciable plant balances to which rates are applied showing subtotals by functional Classifications and showing composite total. Indicate at the bottom of section C the manner in which column balances are obtained. If average balances, state the method of averaging used.

For columns (c), (d), and (e) report available information for each plant subaccount, account or functional classification Listed in column (a). If plant mortality studies are prepared to assist in estimating average service Lives, show in column (f) the type mortality curve selected as most appropriate for the account and in column (g), if available, the weighted average remaining life of surviving plant. If composite depreciation accounting is used, report available information called for in columns (b) through (g) on this basis.

4. If provisions for depreciation were made during the year in addition to depreciation provided by application of reported rates, state at the bottom of section C the amounts and nature of the provisions and the plant items to which related.

**A. Summary of Depreciation and Amortization Charges**

Line No.	Functional Classification (a)	Depreciation Expense (Account 403) (b)	Depreciation Expense for Asset Retirement Costs (Account 403.1) (c)	Amortization of Limited Term Electric Plant (Account 404) (d)	Amortization of Other Electric Plant (Acc 405) (e)	Total (f)
1	Intangible Plant			8,051,001		8,051,001
2	Steam Production Plant	17,404,011	279,382			17,683,393
3	Nuclear Production Plant	19,736,257	-1,347,634			18,388,623
4	Hydraulic Production Plant-Conventional					
5	Hydraulic Production Plant-Pumped Storage					
6	Other Production Plant	3,054,099	416			3,054,515
7	Transmission Plant	7,197,854				7,197,854
8	Distribution Plant	19,859,050				19,859,050
9	Regional Transmission and Market Operation					
10	General Plant	7,211,657				7,211,657
11	Common Plant-Electric					
12	TOTAL	74,462,928	-1,067,836	8,051,001		81,446,093

**B. Basis for Amortization Charges**

Asset	Term	Basis	Amort Exp	Method
Computer Software	5 - 10 years	\$75,200,691	\$8,051,001	Straight Line

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DEPRECIATION AND AMORTIZATION OF ELECTRIC PLANT (Continued)

C. Factors Used in Estimating Depreciation Charges

Line No.	Account No. (a)	Depreciable Plant Base (In Thousands) (b)	Estimated Avg. Service Life (c)	Net Salvage (Percent) (d)	Applied Depr. rates (Percent) (e)	Mortality Curve Type (f)	Average Remaining Life (g)
12							
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Name of Respondent El Paso Electric Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2014/Q4
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**REGULATORY COMMISSION EXPENSES**

1. Report particulars (details) of regulatory commission expenses incurred during the current year (or incurred in previous years, if being amortized) relating to format cases before a regulatory body, or cases in which such a body was a party.  
2. Report in columns (b) and (c), only the current year's expenses that are not deferred and the current year's amortization of amounts deferred in previous years.

Line No.	Description (Furnish name of regulatory commission or body the docket or case number and a description of the case) (a)	Assessed by Regulatory Commission (b)	Expenses of Utility (c)	Total Expense for Current Year (b) + (c) (d)	Deferred in Account 182.3 at Beginning of Year (e)
1	Federal Energy Regulatory Commission				
2	FERC General and Other		247,342	247,342	
3	FERC Annual Fee		673,550	673,550	
4					
5	Public Utility Commission of Texas				
6	Texas 2012 Rate Case Costs		599,054	599,054	580,904
7	Texas 2013 Fuel Reconciliation		328,413	328,413	
8	Texas 2015 Rate Case Costs				
9	Texas Energy Efficiency		202,994	202,994	
10	Texas General and Other		16,355	16,355	
11					
12	New Mexico Public Regulation Commission				
13	2010 FPPCAC Audit				432,522
14	New Mexico Procurement Plan		106,223	106,223	
15	New Mexico Energy Efficiency Filings		69,510	69,510	
16	New Mexico 2015 Rate Case Costs				
17	Four Corners Project		99,973	99,973	
18	New Mexico General and Other		91,716	91,716	
19					
20	Nuclear Regulatory Commission				
21	PVNGS Unit 1 Fees		1,081,058	1,081,058	
22	PVNGS Unit 2 Fees		1,038,817	1,038,817	
23	PVNGS Unit 3 Fees		1,031,433	1,031,433	
24					
25	Other		67,527	67,527	
26					
27					
28					
29					
30					
31					
32					
33					
34					
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36					
37					
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39					
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45					
46	TOTAL		5,653,965	5,653,965	1,013,426

Name of Respondent El Paso Electric Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of <u>2014/Q4</u>
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**REGULATORY COMMISSION EXPENSES (Continued)**

3. Show in column (k) any expenses incurred in prior years which are being amortized. List in column (a) the period of amortization.  
4. List in column (f), (g), and (h) expenses incurred during year which were charged currently to income, plant, or other accounts.  
5. Minor items (less than \$25,000) may be grouped.

EXPENSES INCURRED DURING YEAR			AMORTIZED DURING YEAR				
CURRENTLY CHARGED TO			Deferred to Account 182.3 (i)	Contra Account (j)	Amount (k)	Deferred in Account 182.3 End of Year (l)	Line No.
Department (f)	Account No. (g)	Amount (h)					
							1
	928000	247,342					2
	928000	673,550					3
							4
							5
	928000	599,054		182.3	-580,904		6
	928000	328,413					7
	928000		169,303	182.3		169,303	8
	928000	202,994					9
	928000	16,355					10
							11
							12
			1,737	182.3		434,259	13
	928000	106,223					14
	928000	69,510					15
	928000		41,458	182.3		41,458	16
	928000	99,973					17
	928000	91,716					18
							19
							20
	928000	1,081,058					21
	928000	1,038,817					22
	928000	1,031,433					23
							24
	928000	67,527					25
							26
							27
							28
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		5,653,965	212,498		-580,904	645,020	46

Name of Respondent El Paso Electric Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2014/Q4
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**Schedule Page: 350 Line No.: 6 Column: a**

Represents Texas rate case costs related to Docket No. 40094 which the Company filed with the PUCT in February 2012. These costs were fully amortized by 2014.

**Schedule Page: 350 Line No.: 7 Column: a**

Represents Texas Fuel Reconciliation costs related to Docket No. 41852 which the Company filed with the PUCT in September 2013.

**Schedule Page: 350 Line No.: 13 Column: a**

Represents New Mexico Fuel and Purchased Power Cost Adjustment Clause ("FPPCAC") audit costs in Case No. 10-00065 UT.

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Name of Respondent El Paso Electric Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2014/Q4
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DISTRIBUTION OF SALARIES AND WAGES (Continued)

Line No.	Classification (a)	Direct Payroll Distribution (b)	Allocation of Payroll charged for Clearing Accounts (c)	Total (d)
48	Distribution			
49	Administrative and General			
50	TOTAL Maint. (Enter Total of lines 43 thru 49)			
51	Total Operation and Maintenance			
52	Production-Manufactured Gas (Enter Total of lines 31 and 43)			
53	Production-Natural Gas (Including Expl. and Dev.) (Total lines 32,			
54	Other Gas Supply (Enter Total of lines 33 and 45)			
55	Storage, LNG Terminating and Processing (Total of lines 31 thru			
56	Transmission (Lines 35 and 47)			
57	Distribution (Lines 36 and 48)			
58	Customer Accounts (Line 37)			
59	Customer Service and Informational (Line 38)			
60	Sales (Line 39)			
61	Administrative and General (Lines 40 and 49)			
62	TOTAL Operation and Maint. (Total of lines 52 thru 61)			
63	Other Utility Departments			
64	Operation and Maintenance			
65	TOTAL All Utility Dept. (Total of lines 28, 62, and 64)	72,354,613	698,580	73,053,193
66	Utility Plant			
67	Construction (By Utility Departments)			
68	Electric Plant	17,425,738	1,380,259	18,805,997
69	Gas Plant			
70	Other (provide details in footnote):			
71	TOTAL Construction (Total of lines 68 thru 70)	17,425,738	1,380,259	18,805,997
72	Plant Removal (By Utility Departments)			
73	Electric Plant	104,484	1,377	105,861
74	Gas Plant			
75	Other (provide details in footnote):			
76	TOTAL Plant Removal (Total of lines 73 thru 75)	104,484	1,377	105,861
77	Other Accounts (Specify, provide details in footnote):			
78	In-Kind Donations and Exp fo Certain Civic, Political & Rel	141,322	278	141,600
79	Prepayment and other	83,398	15	83,413
80				
81				
82				
83				
84				
85				
86				
87				
88				
89				
90				
91				
92				
93				
94				
95	TOTAL Other Accounts	224,720	293	225,013
96	TOTAL SALARIES AND WAGES	90,109,555	2,080,509	92,190,064



Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2014/Q4
El Paso Electric Company			
FOOTNOTE DATA			

**Schedule Page: 398 Line No.: 1 Column: b**

Ancillary Services Purchased represents service to Native Load that El Paso Electric Company self-provides from its own facilities. The dollar values are imputed as though El Paso Electric Company took these services under its own tariff.

**Schedule Page: 398 Line No.: 1 Column: d**

Ancillary Services Purchased represents service to Native Load that El Paso Electric Company self-provides from its own facilities. The dollar values are imputed as though El Paso Electric Company took these services under its own tariff.

**Schedule Page: 398 Line No.: 1 Column: e**

The Number of Units includes 1,720,355 MWh from hourly services, (of which 4,227 MWh were sold to El Paso Electric Marketing, an affiliate of El Paso Electric Company); 1,215,435 MWh from daily services, (of which 960 MWh were sold to El Paso Electric Marketing, an affiliate of El Paso Electric Company); 974,910 MWh from monthly services; and 1,161,186 MWh from yearly contracts, (of which 61,726 MWh were sold to Rio Grande Electric Co-Op, a network customer of El Paso Electric Company).

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

\$205,495 pertains to hourly services (of which \$409 pertains to El Paso Electric Marketing, an affiliate of El Paso Electric Company). \$140,837 pertains to daily services (of which \$127 pertains to El Paso Electric Marketing, an affiliate of El Paso Electric Company). \$567 pertains to weekly services. \$218,170 pertains to monthly services and \$517,928 pertains to yearly contracts, (of which \$7,421 pertains to Rio Grande Electric Co-Op, a network customer of El Paso Electric Company).

**Schedule Page: 398 Line No.: 2 Column: b**

Ancillary Services Purchased represents service to Native Load that El Paso Electric Company self-provides from its own facilities. The dollar values are imputed as though El Paso Electric Company took these services under its own tariff.

**Schedule Page: 398 Line No.: 2 Column: d**

Ancillary Services Purchased represents service to Native Load that El Paso Electric Company self-provides from its own facilities. The dollar values are imputed as though El Paso Electric Company took these services under its own tariff.

**Schedule Page: 398 Line No.: 2 Column: e**

The Number of Units includes 206,540 MWh from hourly services (of which 77 MWh were sold to El Paso Electric Marketing, an affiliate of El Paso Electric Company); 24,309 MWh from daily services; 158,423 MWh from monthly services; and 840,710 MWh from yearly contracts, (of which 61,726 MWh were sold to Rio Grande Electric Co-Op, a network customer of El Paso Electric Company).

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

\$19,581 pertains to hourly services (of which \$6 pertains to El Paso Electric Marketing, an affiliate of El Paso Electric Company). \$3,571 pertains to daily services. \$34,848 pertains to monthly services and \$191,384 pertains to yearly contracts, (of which \$4,648 pertains to Rio Grande Electric Co-Op, a network customer of El Paso Electric Company).

Name of Respondent El Paso Electric Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of <u>2014/Q4</u>
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**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	1,297	8	1600		7	537	50	225	
14	November	1,023	17	2000		5	562	50	95	
15	December	1,060	31	1900		5	474	50	125	
16	Total for Quarter 4	3,380				17	1,573	150	445	
17	Total Year to Date/Year	15,942				106	6,390	600	3,158	

Name of Respondent El Paso Electric Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2014/Q4
ELECTRIC ENERGY ACCOUNT					
Report below the information called for concerning the disposition of electric energy generated, purchased, exchanged and wheeled during the year.					
Line No.	Item (a)	MegaWatt Hours (b)	Line No.	Item (a)	MegaWatt Hours (b)
1	SOURCES OF ENERGY		21	DISPOSITION OF ENERGY	
2	Generation (Excluding Station Use):		22	Sales to Ultimate Consumers (Including Interdepartmental Sales)	7,625,640
3	Steam	4,134,567	23	Requirements Sales for Resale (See instruction 4, page 311.)	61,729
4	Nuclear	5,106,668	24	Non-Requirements Sales for Resale (See instruction 4, page 311.)	3,322,053
5	Hydro-Conventional		25	Energy Furnished Without Charge	
6	Hydro-Pumped Storage		26	Energy Used by the Company (Electric Dept Only, Excluding Station Use)	16,916
7	Other	235,894	27	Total Energy Losses	553,565
8	Less Energy for Pumping		28	TOTAL (Enter Total of Lines 22 Through 27) (MUST EQUAL LINE 20)	11,579,903
9	Net Generation (Enter Total of lines 3 through 8)	9,477,129			
10	Purchases	2,056,711			
11	Power Exchanges:				
12	Received	67,992			
13	Delivered	21,929			
14	Net Exchanges (Line 12 minus line 13)	46,063			
15	Transmission For Other (Wheeling)				
16	Received	5,545,907			
17	Delivered	5,545,907			
18	Net Transmission for Other (Line 16 minus line 17)				
19	Transmission By Others Losses				
20	TOTAL (Enter Total of lines 9, 10, 14, 18 and 19)	11,579,903			

Name of Respondent El Paso Electric Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of <u>2014/Q4</u>
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**MONTHLY PEAKS AND OUTPUT**

1. Report the monthly peak load and energy output. If the respondent has two or more power which are not physically integrated, furnish the required information for each non- integrated system.
2. Report in column (b) by month the system's output in Megawatt hours for each month.
3. Report in column (c) by month the non-requirements sales for resale. Include in the monthly amounts any energy losses associated with the sales.
4. Report in column (d) by month the system's monthly maximum megawatt load (60 minute integration) associated with the system.
5. Report in column (e) and (f) the specified information for each monthly peak load reported in column (d).

**NAME OF SYSTEM:**

Line No.	Month (a)	Total Monthly Energy (b)	Monthly Non-Requirements Sales for Resale & Associated Losses (c)	MONTHLY PEAK		
				Megawatts (See Instr. 4) (d)	Day of Month (e)	Hour (f)
29	January	907,507	290,658	1,076	23	2000
30	February	816,889	287,850	1,092	5	2000
31	March	893,243	309,345	1,000	31	2000
32	April	788,578	188,042	1,163	22	1600
33	May	1,006,519	300,441	1,511	28	1600
34	June	1,152,851	266,999	1,764	4	1600
35	July	1,174,753	273,647	1,714	22	1500
36	August	1,169,865	339,435	1,603	6	1600
37	September	1,091,107	351,898	1,639	2	1600
38	October	822,632	164,351	1,297	8	1600
39	November	825,494	237,070	1,023	17	2000
40	December	930,465	312,317	1,060	31	1900
41	TOTAL	11,579,903	3,322,053			

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2014/Q4
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FOOTNOTE DATA			

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

Includes 712,284 MWhs related to purchases to Freeport-McMoRan related to the Company's Power Purchase and Sales Agreement with Freeport-McMoRan dated December 16, 2005.

**Schedule Page: 401 Line No.: 20 Column: b**

Includes 712,284 MWhs related to purchases to Freeport-McMoRan related to the Company's Power Purchase and Sales Agreement with Freeport-McMoRan dated December 16, 2005.

**Schedule Page: 401 Line No.: 24 Column: b**

Includes 712,284 MWhs related to purchases to Freeport-McMoRan related to the Company's Power Purchase and Sales Agreement with Freeport-McMoRan dated December 16, 2005.

**Schedule Page: 401 Line No.: 28 Column: b**

Includes 712,284 MWhs related to purchases to Freeport-McMoRan related to the Company's Power Purchase and Sales Agreement with Freeport-McMoRan dated December 16, 2005.

**Schedule Page: 401 Line No.: 29 Column: b**

Includes 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: 401 Line No.: 29 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: 401 Line No.: 30 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: 401 Line No.: 30 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: 401 Line No.: 31 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: 401 Line No.: 31 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: 401 Line No.: 32 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: 401 Line No.: 32 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: 401 Line No.: 33 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: 401 Line No.: 33 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: 401 Line No.: 34 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: 401 Line No.: 34 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: 401 Line No.: 35 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: 401 Line No.: 35 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: 401 Line No.: 36 Column: b**

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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: 401 Line No.: 36 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: 401 Line No.: 37 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: 401 Line No.: 37 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.

**Schedule Page: 401 Line No.: 38 Column: b**

Includes 15,479 MWhs related to sales to Freeport related to the Company's Power Purchase and Sales Agreement with Freeport dated December 16, 2005.

**Schedule Page: 401 Line No.: 38 Column: c**

Includes 15,479 MWhs related to sales to Freeport related to the Company's Power Purchase and Sales Agreement with Freeport dated December 16, 2005.

**Schedule Page: 401 Line No.: 39 Column: b**

Includes 45,891 MWhs related to sales to Freeport related to the Company's Power Purchase and Sales Agreement with Freeport dated December 16, 2005.

**Schedule Page: 401 Line No.: 39 Column: c**

Includes 45,891 MWhs related to sales to Freeport related to the Company's Power Purchase and Sales Agreement with Freeport dated December 16, 2005.

**Schedule Page: 401 Line No.: 40 Column: b**

Includes 45,619 MWhs related to sales to Freeport related to the Company's Power Purchase and Sales Agreement with Freeport dated December 16, 2005.

**Schedule Page: 401 Line No.: 40 Column: c**

Includes 45,619 MWhs related to sales to Freeport related to the Company's Power Purchase and Sales Agreement with Freeport dated December 16, 2005.



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Name of Respondent El Paso Electric Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2014/Q4
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**STEAM-ELECTRIC GENERATING PLANT STATISTICS (Large Plants)**

1. Report data for plant in Service only. 2. Large plants are steam plants with installed capacity (name plate rating) of 25,000 Kw or more. Report in this page gas-turbine and internal combustion plants of 10,000 Kw or more, and nuclear plants. 3. Indicate by a footnote any plant leased or operated as a joint facility. 4. If net peak demand for 60 minutes is not available, give data which is available, specifying period. 5. If any employees attend more than one plant, report on line 11 the approximate average number of employees assignable to each plant. 6. If gas is used and purchased on a therm basis report the Btu content of the gas and the quantity of fuel burned converted to Mct. 7. Quantities of fuel burned (Line 38) and average cost per unit of fuel burned (Line 41) must be consistent with charges to expense accounts 501 and 547 (Line 42) as show on Line 20. 8. If more than one fuel is burned in a plant furnish only the composite heat rate for all fuels burned.

Line No.	Item (a)	Plant Name: <i>Rio Grande</i> (b)	Plant Name: <i>Rio Grande Unit 9</i> (c)				
1	Kind of Plant (Internal Comb, Gas Turb, Nuclear)	Steam	Gas Turbine				
2	Type of Constr (Conventional, Outdoor, Boiler, etc)	Indoor and Outdoor	Outdoor				
3	Year Originally Constructed	1929	2013				
4	Year Last Unit was Installed	1972	2013				
5	Total Installed Cap (Max Gen Name Plate Ratings-MW)	266.00	132.00				
6	Net Peak Demand on Plant - MW (60 minutes)	195	88				
7	Plant Hours Connected to Load	7959	2855				
8	Net Continuous Plant Capability (Megawatts)	233	88				
9	When Not Limited by Condenser Water	238	93				
10	When Limited by Condenser Water	233	88				
11	Average Number of Employees	52	0				
12	Net Generation, Exclusive of Plant Use - KWh	768847000	195504000				
13	Cost of Plant: Land and Land Rights	100946	0				
14	Structures and Improvements	5465997	22034769				
15	Equipment Costs	52989135	72456912				
16	Asset Retirement Costs	76983	0				
17	Total Cost	58633061	94491681				
18	Cost per KW of Installed Capacity (line 17/5) Including	220.4250	715.8461				
19	Production Expenses: Oper, Supv, & Engr	727807	0				
20	Fuel	37771661	8460049				
21	Coolants and Water (Nuclear Plants Only)	0	0				
22	Steam Expenses	1566076	0				
23	Steam From Other Sources	0	0				
24	Steam Transferred (Cr)	0	0				
25	Electric Expenses	187601	0				
26	Misc Steam (or Nuclear) Power Expenses	1274661	7399				
27	Rents	0	0				
28	Allowances	0	0				
29	Maintenance Supervision and Engineering	745138	5256				
30	Maintenance of Structures	143538	5129				
31	Maintenance of Boiler (or reactor) Plant	1392535	2552724				
32	Maintenance of Electric Plant	1150510	46659				
33	Maintenance of Misc Steam (or Nuclear) Plant	803358	0				
34	Total Production Expenses	45762885	11077216				
35	Expenses per Net KWh	0.0595	0.0567				
36	Fuel: Kind (Coal, Gas, Oil, or Nuclear)	Gas	Oil		Gas	Oil	
37	Unit (Coal-tons/Oil-barrel/Gas-mcf/Nuclear-indicate)	Mcf	BBL		Mcf	BBL	
38	Quantity (Units) of Fuel Burned	8861587	0	0	1668296	0	0
39	Avg Heat Cont - Fuel Burned (btu/indicate if nuclear)	1024000	0	0	1024000	0	0
40	Avg Cost of Fuel/unit, as Delvd f.o.b. during year	4.262	0.000	0.000	5.071	0.000	0.000
41	Average Cost of Fuel per Unit Burned	4.262	0.000	0.000	5.071	0.000	0.000
42	Average Cost of Fuel Burned per Million BTU	4.163	0.000	0.000	4.952	0.000	0.000
43	Average Cost of Fuel Burned per KWh Net Gen	0.049	0.000	0.000	0.043	0.000	0.000
44	Average BTU per KWh Net Generation	11802.000	0.000	0.000	8738.000	0.000	0.000

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STEAM-ELECTRIC GENERATING PLANT STATISTICS (Large Plants)(Continued)

9. Items under Cost of Plant are based on U. S. of A. Accounts. Production expenses do not include Purchased Power, System Control and Load Dispatching, and Other Expenses Classified as Other Power Supply Expenses. 10. For IC and GT plants, report Operating Expenses, Account Nos. 547 and 549 on Line 25 "Electric Expenses," and Maintenance Account Nos. 553 and 554 on Line 32, "Maintenance of Electric Plant." Indicate plants designed for peak load service. Designate automatically operated plants. 11. For a plant equipped with combinations of fossil fuel steam, nuclear steam, hydro, internal combustion or gas-turbine equipment, report each as a separate plant. However, if a gas-turbine unit functions in a combined cycle operation with a conventional steam unit, include the gas-turbine with the steam plant. 12. If a nuclear power generating plant, briefly explain by footnote (a) accounting method for cost of power generated including any excess costs attributed to research and development; (b) types of cost units used for the various components of fuel cost; and (c) any other informative data concerning plant type fuel used, fuel enrichment type and quantity for the report period and other physical and operating characteristics of plant.

Plant Name: <i>Newman</i> (d)			Plant Name: <i>Four Corners</i> (e)			Plant Name: <i>Copper</i> (f)			Line No.
							Gas Turbine		1
							Outdoor		2
		1959						1979	3
		2011						1980	4
		889.00		0.00				79.00	5
		646		0				68	6
		8753		0				1021	7
		752		0				64	8
		758		0				64	9
		752		0				64	10
		75		0				0	11
		2769468000		597252000				39856000	12
		181900		8623				10000	13
		45789640		3543995				727595	14
		372420559		89396484				14958432	15
		-325470		3072696				15479	16
		418066629		96021798				15711506	17
		470.2662		0				198.8798	18
		1815035		365370				0	19
		147189924		11710929				3410619	20
		0		0				0	21
		983089		1430777				0	22
		0		0				0	23
		0		0				0	24
		2690624		150626				0	25
		2675475		844565				47047	26
		462412		973717				0	27
		9745		0				0	28
		1180974		251175				15892	29
		606748		183845				22501	30
		4661865		3383425				249592	31
		6795755		651455				66977	32
		1778418		969494				0	33
		170850064		20915378				3812628	34
		0.0617		0.0350				0.0957	35
Gas	Oil		Coal	Gas		Gas	Oil		36
Mcf	BBL		Ton	Mcf		Mcf	BBL		37
25673367	0	0	328733	27818	0	639068	0	0	38
1020000	0	0	17570430	1010000	0	1019000	0	0	39
5.733	0.000	0.000	34.862	9.014	0.000	5.337	0.000	0.000	40
5.733	0.000	0.000	34.862	9.014	0.000	5.337	0.000	0.000	41
5.621	0.000	0.000	1.984	8.924	0.000	5.237	0.000	0.000	42
0.053	0.000	0.000	0.020	0.000	0.000	0.086	0.000	0.000	43
9456.000	0.000	0.000	9734.000	0.000	0.000	16339.000	0.000	0.000	44

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STEAM-ELECTRIC GENERATING PLANT STATISTICS (Large Plants) (Continued)

1. Report data for plant in Service only. 2. Large plants are steam plants with installed capacity (name plate rating) of 25,000 Kw or more. Report in this page gas-turbine and internal combustion plants of 10,000 Kw or more, and nuclear plants. 3. Indicate by a footnote any plant leased or operated as a joint facility. 4. If net peak demand for 60 minutes is not available, give data which is available, specifying period. 5. If any employees attend more than one plant, report on line 11 the approximate average number of employees assignable to each plant. 6. If gas is used and purchased on a term basis report the Btu content of the gas and the quantity of fuel burned converted to Mct. 7. Quantities of fuel burned (Line 38) and average cost per unit of fuel burned (Line 41) must be consistent with charges to expense accounts 501 and 547 (Line 42) as show on Line 20. 8. If more than one fuel is burned in a plant furnish only the composite heat rate for all fuels burned.

Line No.	Item (a)	Plant Name: <i>Palo Verde</i> (b)	Plant Name: (c)				
1	Kind of Plant (Internal Comb, Gas Turb, Nuclear						
2	Type of Constr (Conventional, Outdoor, Boiler, etc)						
3	Year Originally Constructed						
4	Year Last Unit was Installed						
5	Total Installed Cap (Max Gen Name Plate Ratings-MW)		0.00				0.00
6	Net Peak Demand on Plant - MW (60 minutes)		0				0
7	Plant Hours Connected to Load		0				0
8	Net Continuous Plant Capability (Megawatts)		0				0
9	When Not Limited by Condenser Water		0				0
10	When Limited by Condenser Water		0				0
11	Average Number of Employees		0				0
12	Net Generation, Exclusive of Plant Use - KWh		5106668000				0
13	Cost of Plant: Land and Land Rights		2347703				0
14	Structures and Improvements		491077211				0
15	Equipment Costs		1279721718				0
16	Asset Retirement Costs		-42229190				0
17	Total Cost		1730917442				0
18	Cost per KW of Installed Capacity (line 17/5) Including		0				0
19	Production Expenses: Oper, Supv, & Engr		14056910				0
20	Fuel		50090908				0
21	Coolants and Water (Nuclear Plants Only)		6692613				0
22	Steam Expenses		5280881				0
23	Steam From Other Sources		0				0
24	Steam Transferred (Cr)		0				0
25	Electric Expenses		4672957				0
26	Misc Steam (or Nuclear) Power Expenses		18218820				0
27	Rents		0				0
28	Allowances		0				0
29	Maintenance Supervision and Engineering		4393670				0
30	Maintenance of Structures		1290880				0
31	Maintenance of Boiler (or reactor) Plant		6789653				0
32	Maintenance of Electric Plant		8592869				0
33	Maintenance of Misc Steam (or Nuclear) Plant		1967286				0
34	Total Production Expenses		122047447				0
35	Expenses per Net KWh		0.0239				0.0000
36	Fuel: Kind (Coal, Gas, Oil, or Nuclear)	Nuclear					
37	Unit (Coal-tons/Oil-barrel/Gas-mcf/Nuclear-indicate)	MMbtu					
38	Quantity (Units) of Fuel Burned	52614511	0	0	0	0	0
39	Avg Heat Cont - Fuel Burned (btu/indicate if nuclear)	0	0	0	0	0	0
40	Avg Cost of Fuel/unit, as Delvd f.o.b. during year	0.952	0.000	0.000	0.000	0.000	0.000
41	Average Cost of Fuel per Unit Burned	0.952	0.000	0.000	0.000	0.000	0.000
42	Average Cost of Fuel Burned per Million BTU	0.952	0.000	0.000	0.000	0.000	0.000
43	Average Cost of Fuel Burned per KWh Net Gen	0.010	0.000	0.000	0.000	0.000	0.000
44	Average BTU per KWh Net Generation	10303.000	0.000	0.000	0.000	0.000	0.000

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STEAM-ELECTRIC GENERATING PLANT STATISTICS (Large Plants)(Continued)

9. Items under Cost of Plant are based on U. S. of A. Accounts. Production expenses do not include Purchased Power, System Control and Load Dispatching, and Other Expenses Classified as Other Power Supply Expenses. 10. For IC and GT plants, report Operating Expenses, Account Nos. 547 and 549 on Line 25 "Electric Expenses," and Maintenance Account Nos. 553 and 554 on Line 32, "Maintenance of Electric Plant." Indicate plants designed for peak load service. Designate automatically operated plants. 11. For a plant equipped with combinations of fossil fuel steam, nuclear steam, hydro, internal combustion or gas-turbine equipment, report each as a separate plant. However, if a gas-turbine unit functions in a combined cycle operation with a conventional steam unit, include the gas-turbine with the steam plant. 12. If a nuclear power generating plant, briefly explain by footnote (a) accounting method for cost of power generated including any excess costs attributed to research and development; (b) types of cost units used for the various components of fuel cost; and (c) any other informative data concerning plant type fuel used, fuel enrichment type and quantity for the report period and other physical and operating characteristics of plant.

Plant Name: (d)	Plant Name: (e)	Plant Name: (f)	Line No.
			1
			2
			3
			4
0.00	0.00	0.00	5
0	0	0	6
0	0	0	7
0	0	0	8
0	0	0	9
0	0	0	10
0	0	0	11
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0	0	0	13
0	0	0	14
0	0	0	15
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0	0	0	31
0	0	0	32
0	0	0	33
0	0	0	34
0.0000	0.0000	0.0000	35
			36
			37
0	0	0	38
0	0	0	39
0.000	0.000	0.000	40
0.000	0.000	0.000	41
0.000	0.000	0.000	42
0.000	0.000	0.000	43
0.000	0.000	0.000	44

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FOOTNOTE DATA			

**Schedule Page: 403 Line No.: 1 Column: e**  
Jointly owned plant.

**Schedule Page: 403 Line No.: 2 Column: e**  
Data on lines 2-11 for total plant to be reported by the Operating Agent, Arizona Public Service Company.

**Schedule Page: 402 Line No.: 11 Column: c**  
Average number of employees included in the number for Rio Grande Plant.

**Schedule Page: 403 Line No.: 11 Column: f**  
Average number of employees included in the number for Newman Plant.

**Schedule Page: 403 Line No.: 16 Column: e**  
Includes and adjustment due to early recognition of the ARO obligation resulting from the purchase agreement with APS.

**Schedule Page: 403 Line No.: 20 Column: e**  
Excludes \$1,171,896 related to the amortization of final coal reclamation costs.

**Schedule Page: 402.1 Line No.: 1 Column: b**  
Jointly owned plant.

**Schedule Page: 402.1 Line No.: 2 Column: b**  
Data on lines 2-11 for total plant to be reported by the Operating Agent, Arizona Public Service Company.

**Schedule Page: 402.1 Line No.: 20 Column: b**  
Excludes a DOE refund of \$8,535,927.

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**GENERATING PLANT STATISTICS (Small Plants)**

1. Small generating plants are steam plants of, less than 25,000 Kw; internal combustion and gas turbine-plants, conventional hydro plants and pumped storage plants of less than 10,000 Kw installed capacity (name plate rating). 2. Designate any plant leased from others, operated under a license from the Federal Energy Regulatory Commission, or operated as a joint facility, and give a concise statement of the facts in a footnote. If licensed project, give project number in footnote.

Line No.	Name of Plant (a)	Year Orig. Const. (b)	Installed Capacity/ Name Plate Rating (In MW) (c)	Net Peak Demand MW (60 min.) (d)	Net Generation Excluding Plant Use (e)	Cost of Plant (f)
1	Solar Plants					
2	Newman PV System	2009	0.06		130	388,498
3	Rio Grande PV System	2009	0.06		125	168,882
4	Wrangler CPV System	2011	0.05		108	418,730
5	Stanton PV System	2012	0.03		50	273,687
6	El Paso Community College PV System	2012	0.02		32	97,020
7	Van Horn PV System	2013	0.02		37	99,675
8	Total Solar		0.24		482	1,446,492
9						
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GENERATING PLANT STATISTICS (Small Plants) (Continued)

3. List plants appropriately under subheadings for steam, hydro, nuclear, internal combustion and gas turbine plants. For nuclear, see instruction 11, Page 403. 4. If net peak demand for 60 minutes is not available, give the which is available, specifying period. 5. If any plant is equipped with combinations of steam, hydro internal combustion or gas turbine equipment, report each as a separate plant. However, if the exhaust heat from the gas turbine is utilized in a steam turbine regenerative feed water cycle, or for preheated combustion air in a boiler, report as one plant.

Plant Cost (Incl Asset Retire. Costs) Per MW (g)	Operation Exc'l. Fuel (h)	Production Expenses		Kind of Fuel (k)	Fuel Costs (in cents per Million Btu) (l)	Line No.
		Fuel (i)	Maintenance (j)			
						1
8,983,900						2
9,266,767						3
8,723,542			1,732			4
8,552,719						5
6,468,000						6
5,863,235						7
8,267,300			1,732			8
						9
						10
						11
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Name of Respondent El Paso Electric Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2014/Q4
FOOTNOTE DATA			

**Schedule Page: 410 Line No.: 2 Column: f**

Includes credits of \$150,536 recovered through the Volunteer Renewable Energy (VRE) Program.

**Schedule Page: 410 Line No.: 2 Column: g**

Excludes credits of \$150,536 recovered through the VRE Program.

**Schedule Page: 410 Line No.: 3 Column: f**

Includes credits of \$387,124 recovered through the VRE Program.

**Schedule Page: 410 Line No.: 3 Column: g**

Excludes credits of \$387,124 recovered through the VRE Program.

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Name of Respondent El Paso Electric Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of <u>2014/Q4</u>
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**TRANSMISSION LINE STATISTICS**

1. Report information concerning transmission lines, cost of lines, and expenses for year. List each transmission line having nominal voltage of 132 kilovolts or greater. Report transmission lines below these voltages in group totals only for each voltage.
2. Transmission lines include all lines covered by the definition of transmission system plant as given in the Uniform System of Accounts. Do not report substation costs and expenses on this page.
3. Report data by individual lines for all voltages if so required by a State commission.
4. Exclude from this page any transmission lines for which plant costs are included in Account 121, Nonutility Property.
5. Indicate whether the type of supporting structure reported in column (e) is: (1) single pole wood or steel; (2) H-frame wood, or steel poles; (3) tower; or (4) underground construction. If a transmission line has more than one type of supporting structure, indicate the mileage of each type of construction by the use of brackets and extra lines. Minor portions of a transmission line of a different type of construction need not be distinguished from the remainder of the line.
6. Report in columns (f) and (g) the total pole miles of each transmission line. Show in column (f) the pole miles of line on structures the cost of which is reported for the line designated; conversely, show in column (g) the pole miles of line on structures the cost of which is reported for another line. Report pole miles of line on leased or partly owned structures in column (g). In a footnote, explain the basis of such occupancy and state whether expenses with respect to such structures are included in the expenses reported for the line designated.

Line No.	DESIGNATION		VOLTAGE (KV) (Indicate where other than 60 cycle, 3 phase)		Type of Supporting Structure (e)	LENGTH (Pole miles) (In the case of underground lines report circuit miles)		Number Of Circuits (h)
	From (a)	To (b)	Operating (c)	Designed (d)		On Structure of Line Designated (f)	On Structures of Another Line (g)	
1	Palo Verde	Kyrene	500.00	500.00	(1),(3)		75.00	1
2	Palo Verde	Westwing	500.00	500.00	(3)		45.00	2
3								
4	Newman	West Mesa	345.00	345.00	(2)	232.20		1
5	Newman	Afton	345.00	345.00	(2)	29.88		1
6	Afton	Luna	345.00	345.00	(2)	57.26		1
7	Luna	Greenlee	345.00	345.00	(2)		109.80	1
8	Newman	Eddy County	345.00	345.00	(2)	79.93	125.45	1
9	Diablo	Luna	345.00	345.00	(2)	85.66		1
10	Luna	Macho Springs	345.00	345.00	(2),(3)	24.86		1
11	Macho Springs	Springerville	345.00	345.00	(2),(3)	201.38		1
12								
13								
14	Various 115kV Lines		115.00	115.00	(1),(2)	441.82	54.40	1
15	Various 69kV Lines		69.00	69.00	(1),(2)	204.65	21.55	1
16								
17								
18								
19								
20								
21								
22								
23								
24								
25								
26								
27								
28								
29								
30								
31								
32								
33								
34								
35								
36					TOTAL	1,357.64	431.20	13

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TRANSMISSION LINE STATISTICS (Continued)

7. Do not report the same transmission line structure twice. Report Lower voltage Lines and higher voltage lines as one line. Designate in a footnote if you do not include Lower voltage lines with higher voltage lines. If two or more transmission line structures support lines of the same voltage, report the pole miles of the primary structure in column (f) and the pole miles of the other line(s) in column (g)
8. Designate any transmission line or portion thereof for which the respondent is not the sole owner. If such property is leased from another company, give name of lessor, date and terms of Lease, and amount of rent for year. For any transmission line other than a leased line, or portion thereof, for which the respondent is not the sole owner but which the respondent operates or shares in the operation of, furnish a succinct statement explaining the arrangement and giving particulars (details) of such matters as percent ownership by respondent in the line, name of co-owner, basis of sharing expenses of the Line, and how the expenses borne by the respondent are accounted for, and accounts affected. Specify whether lessor, co-owner, or other party is an associated company.
9. Designate any transmission line leased to another company and give name of Lessee, date and terms of lease, annual rent for year, and how determined. Specify whether lessee is an associated company.
10. Base the plant cost figures called for in columns (j) to (l) on the book cost at end of year.

Size of Conductor and Material (i)	COST OF LINE (Include in Column (j) Land, Land rights, and clearing right-of-way)			EXPENSES, EXCEPT DEPRECIATION AND TAXES				Line No.
	Land (j)	Construction and Other Costs (k)	Total Cost (l)	Operation Expenses (m)	Maintenance Expenses (n)	Rents (o)	Total Expenses (p)	
1780 ACSR	1,550,811	7,028,571	8,579,382					1
1780 ACSR	1,212,906	5,497,120	6,710,026					2
								3
795 ACSR	930,038	11,839,518	12,769,556					4
795 ACSR	423,552	5,410,812	5,834,364					5
795 ACSR	811,653	10,368,750	11,180,403					6
795 ACSR	86,513	1,417,782	1,504,295					7
954 ACSR/T2	2,836,385	16,237,311	19,073,696					8
954 ACSR	1,114,625	12,217,982	13,332,607					9
954 ACSR	19,320	6,853,289	6,872,609					10
954 ACSR	154,575	54,832,478	54,987,053					11
								12
								13
Various	4,425,988	71,304,128	75,730,116					14
Various	309,717	14,566,825	14,876,542					15
								16
								17
								18
								19
								20
								21
								22
								23
								24
								25
								26
								27
								28
								29
								30
								31
								32
								33
								34
								35
	13,876,083	217,574,566	231,450,649					36

Name of Respondent El Paso Electric Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2014/Q4
FOOTNOTE DATA			

**Schedule Page: 422 Line No.: 1 Column: g**

EPE Ownership - 18.7%

**Schedule Page: 422 Line No.: 2 Column: g**

EPE Ownership - 18.7%

**Schedule Page: 422 Line No.: 4 Column: b**

Includes intermediate station - Arroyo.

**Schedule Page: 422 Line No.: 7 Column: b**

Includes intermediate station - Hidalgo.

**Schedule Page: 422 Line No.: 7 Column: g**

EPE Ownership - 57.2% Luna-Hidalgo (50.0 mi), 40% Hidalgo-Greenlee (59.8 mi).

**Schedule Page: 422 Line No.: 8 Column: b**

Includes intermediate stations - Caliente Amrad.

**Schedule Page: 422 Line No.: 8 Column: f**

EPE Ownership - 100% Newman - Caliente (22.8 mi), 100% Caliente - Amrad (56.0 mi).

**Schedule Page: 422 Line No.: 8 Column: g**

EPE Ownership - 66.7% Amrad-Eddy County (125.4 mi).

**Schedule Page: 422 Line No.: 10 Column: f**

Composed of (2) H-frame wood or steel poles (146.90 mi) and (3) tower (77.80 mi).

**Schedule Page: 422 Line No.: 14 Column: g**

Includes double circuit and underbuilt segments of line.

**Schedule Page: 422 Line No.: 15 Column: g**

Includes double circuit and underbuilt segments of line.

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**SUBSTATIONS**

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

Line No.	Name and Location of Substation (a)	Character of Substation (b)	VOLTAGE (In MVA)		
			Primary (c)	Secondary (d)	Tertiary (e)
1	10,000 kVA and Over				
2					
3	Afton La Mesa, NM	Trans. UA			
4	Airport New Mexico	Dist. UA	115.00	23.90	
5	Alamo Lower Valley	Dist. UA	69.00	23.90	
6	Altura El Paso	Dist. UA	13.80	4.16	
7	Americas El Paso	Dist. UA	69.00	13.80	
8	Amrad Oro Grande, NM	Trans. UA	345.00	115.00	13.00
9	Amrad Oro Grande, NM	Dist. UA	115.00	24.90	
10	Anthony Anthony, NM	Dist. UA	115.00	24.90	
11	Apollo New Mexico	Dist. UA	69.00	2.40	
12	Arroyo Las Cruces, NM	Trans. UA	345.00	345.00	
13	Arroyo Las Cruces, NM	Trans. UA	345.00	115.00	13.80
14	Arroyo Las Cruces, NM	Dist. UA	115.00	23.90	
15	Arroyo Las Cruces, NM	Dist. UA	115.00	23.90	
16	Ascarate El Paso	Dist. UA	115.00	69.00	13.80
17	Ascarate El Paso	Dist. UA	115.00	69.00	
18	Ascarate El Paso	Dist. UA	69.00	13.80	
19	Ascarate El Paso	Dist. UA	69.00	4.16	
20	Austin El Paso	Dist. UA	115.00	13.80	
21	Austin El Paso	Dist. UA	69.00	4.16	
22	Biggs El Paso	Dist. UA	115.00		
23	Border Steel El Paso	Dist. UA	115.00	13.80	
24	Butterfield El Paso	Dist. UA	115.00	13.80	
25	Caliente El Paso	Trans. UA	345.00	115.00	13.80
26	Caliente El Paso	Trans. UA	115.00	13.80	
27	Chaparral Chaparral, NM	Dist. UA	115.00	13.80	
28	Clint Lower Valley	Dist. UA	69.00	13.80	
29	Clint Lower Valley	Dist. UA	69.00	4.16	
30	Copper El Paso	Dist. UA	13.80	115.00	
31	Copper El Paso	Dist. UA	115.00	13.80	
32	Copper El Paso	Dist. UA	13.80	45.80	
33	Copper El Paso	Dist. UA	13.80	0.48	
34	Cox New Mexico	Trans. UA	115.00	69.00	
35	Coyote Lower Valley	Dist. UA	115.00	13.80	
36	Cromo El Paso	Dist. UA	115.00	13.80	
37	Dallas El Paso	Dist. UA	69.00	13.80	
38	Dallas El Paso	Dist. UA	69.00	13.80	
39	Dallas El Paso	Dist. UA	13.80	4.16	
40	Diablo Sunland Park, NM	Trans. UA	345.00	115.00	13.80



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SUBSTATIONS (Continued)

5. Show in columns (l), (j), and (k) special equipment such as rotary converters, rectifiers, condensers, etc. and auxiliary equipment for increasing capacity.

6. Designate substations or major items of equipment leased from others, jointly owned with others, or operated otherwise than by reason of sole ownership by the respondent. For any substation or equipment operated under lease, give name of lessor, date and period of lease, and annual rent. For any substation or equipment operated other than by reason of sole ownership or lease, give name of co-owner or other party, explain basis of sharing expenses or other accounting between the parties, and state amounts and accounts affected in respondent's books of account. Specify in each case whether lessor, co-owner, or other party is an associated company.

Capacity of Substation (In Service) (In MVA) (f)	Number of Transformers In Service (g)	Number of Spare Transformers (h)	CONVERSION APPARATUS AND SPECIAL EQUIPMENT			Line No.
			Type of Equipment (i)	Number of Units (j)	Total Capacity (In MVA) (k)	
						1
						2
						3
30	1					4
30	1					5
13	2					6
30	1					7
261	1					8
8	1					9
60	2					10
30	1					11
308	1					12
400	2					13
30	1					14
30	1	1				15
100	1					16
100	1					17
60	2					18
10	1					19
80	2					20
10	3					21
						22
70	2					23
60	2					24
400	2					25
30	3					26
60	2					27
8	1					28
3	3					29
75	1					30
30	1					31
2	1					32
1	1					33
12	1					34
13	1					35
60	2					36
20	1					37
20	1					38
5	2					39
600	3					40

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**SUBSTATIONS**

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

Line No.	Name and Location of Substation (a)	Character of Substation (b)	VOLTAGE (In MVa)		
			Primary (c)	Secondary (d)	Tertiary (e)
1	Diamond Head T-1 El Paso	Dist. UA	115.00	13.80	
2	Durazno El Paso	Dist. UA	115.00	13.80	
3	Dyer El Paso	Dist. UA	69.00	13.80	
4	Dyer El Paso	Dist. UA	115.00	69.00	
5	EMRLD New Mexico	Dist. UA	115.00	13.80	
6	Farah El Paso	Dist. UA	69.00	13.80	
7	Felipe El Paso	Dist. UA	69.00	23.90	
8	Fort Bliss El Paso	Dist. UA	115.00	13.80	
9	Global Reach El Paso	Dist. UA	115.00	13.80	
10	Hatch New Mexico	Dist. UA	115.00	24.90	
11	Hatch New Mexico	Dist. UA	23.90	4.16	
12	Lane Lower Valley	Dist. UA	115.00	69.00	
13	Lane Lower Valley	Dist. UA	115.00	13.80	
14	Las Cruces Las Cruces, NM	Dist. UA	115.00	24.00	
15	Las Cruces Las Cruces, NM	Dist. UA	23.90	4.16	
16	Las Cruces Las Cruces, NM	Dist. UA	115.00	23.90	
17	Leo El Paso	Dist. UA	69.00	13.80	
18	Leo El Paso	Dist. UA	13.80	4.16	
19	Leo Temp	Dist. UA	69.00	13.80	
20	Mann Lower Valley	Dist. UA	69.00	13.80	
21	Mann Lower Valley	Dist. UA	69.00	13.80	
22	Mesa El Paso	Dist. UA	115.00	13.80	
23	Milagro El Paso	Dist. UA	115.00	69.00	
24	Milagro El Paso	Dist. UA	115.00	13.80	
25	Montoya Upper Valley, NM	Dist. UA	115.00	23.90	
26	Montwood El Paso	Dist. UA	115.00	23.90	
27	Newman T-1	Trans. UA	345.00	115.00	13.80
28	Newman T-2	Trans. UA	13.80	115.00	
29	Newman T-3	Dist. UA	115.00	2.40	
30	Newman T-4	Dist. UA	13.80	2.40	
31	Newman T-5	Dist. UA	13.80	2.40	
32	Newman T-6	Trans. UA	13.80	115.00	
33	Newman T-7	Dist. UA	13.80	2.40	
34	Newman T-8	Trans. UA	13.80	115.00	
35	Newman T-9	Trans. UA	13.80	115.00	
36	Newman T-10	Dist. UA	13.80	4.16	
37	Newman T-11	Trans. UA	13.80	115.00	
38	Newman T-12	Dist. UA	115.00	4.16	
39	Newman T-13	Trans. UA	13.80	115.00	
40	Newman T-14	Trans. UA	13.80	115.00	

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SUBSTATIONS (Continued)

5. Show in columns (l), (j), and (k) special equipment such as rotary converters, rectifiers, condensers, etc. and auxiliary equipment for increasing capacity.

6. Designate substations or major items of equipment leased from others, jointly owned with others, or operated otherwise than by reason of sole ownership by the respondent. For any substation or equipment operated under lease, give name of lessor, date and period of lease, and annual rent. For any substation or equipment operated other than by reason of sole ownership or lease, give name of co-owner or other party, explain basis of sharing expenses or other accounting between the parties, and state amounts and accounts affected in respondent's books of account. Specify in each case whether lessor, co-owner, or other party is an associated company.

Capacity of Substation (In Service) (In MVA) (f)	Number of Transformers In Service (g)	Number of Spare Transformers (h)	CONVERSION APPARATUS AND SPECIAL EQUIPMENT			Line No.
			Type of Equipment (i)	Number of Units (j)	Total Capacity (In MVA) (k)	
30	1					1
30	1					2
50	2					3
100	1					4
13	1					5
30	1					6
30	1					7
50	2					8
30	1					9
30	1					10
2	1					11
100	1					12
30	1					13
40	2					14
6	1					15
120	2					16
20	1					17
5	2					18
16	1					19
30	1					20
24	1					21
60	2					22
100	1					23
90	3					24
130	3					25
30	1	1				26
230	1					27
112	1					28
6	1					29
5	1					30
10	1					31
112	1					32
10	1					33
112	1					34
112	1					35
10	1					36
112	1					37
20	1					38
125	1					39
175	1					40

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**SUBSTATIONS**

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4. Indicate in column (b) the functional character of each substation, designating whether transmission or distribution and whether attended or unattended. At the end of the page, summarize according to function the capacities reported for the individual stations in column (f).

Line No.	Name and Location of Substation (a)	Character of Substation (b)	VOLTAGE (In MVa)		
			Primary (c)	Secondary (d)	Tertiary (e)
1	Newman T-15	Trans. UA	13.80	115.00	
2	Newman T-16	Trans. UA	13.80	115.00	
3	Newman T-17	Dist. UA	13.80	4.16	
4	Newman T-18	Dist. UA	13.80	4.16	
5	Patriot T-1 El Paso	Dist. UA	115.00	13.80	
6	Pendale El Paso	Dist. UA	115.00	13.80	
7	Phelps Dodge El Paso	Dist. UA	69.00	13.80	
8	Phelps Dodge El Paso	Dist. UA	13.80	2.30	
9	Phelps Dodge El Paso	Dist. UA	13.80	4.16	
10	Pellicano El Paso	Dist. UA	115.00	23.90	
11	Picacho New Mexico	Dist. UA	115.00	23.90	
12	Picante T-1	Trans. UA	345.00	115.00	
13	Redeye New Mexico	Dist. UA	115.00	13.80	
14	Rio Bosque	Dist. UA	115.00	13.80	
15	Rio Grande Sunland Park, New Mexico	Dist. UA	17.20	115.00	
16	Rio Grande Sunland Park, New Mexico	Dist. UA	115.00	69.00	
17	Rio Grande Sunland Park, New Mexico	Dist. UA	69.00	2.40	
18	Rio Grande Sunland Park, New Mexico	Dist. UA	13.80	4.16	
19	Rio Grande Sunland Park, New Mexico	Trans. UA	18.00	4.16	
20	Rio Grande Sunland Park, New Mexico	Trans. UA	13.80	69.00	
21	Rio Grande Sunland Park, New Mexico	Trans. UA	14.40	4.16	
22	Rio Grande Sunland Park, New Mexico	Dist. UA	69.00	14.40	
23	Rio Grande Sunland Park, New Mexico	Trans. UA	13.80	2.40	
24	Rio Grande Sunland Park, New Mexico	Dist. UA	14.40	2.40	
25	Rio Grande Sunland Park, New Mexico	Dist. UA	13.80	115.00	
26	Rio Grande Sunland Park, New Mexico	Dist. UA	13.80	4.16	
27	Ripley El Paso	Dist. UA	115.00	13.80	
28	Salopek Las Cruces, NM	Dist. UA	115.00	24.90	
29	Santa Fe El Paso	Dist. UA	69.00	13.80	
30	Santa Fe El Paso	Dist. UA	13.80	4.16	
31	Santa Teresa Santa Teresa	Dist. UA	115.00	24.90	
32	Santa Teresa T-2	Trans. UA	115.00	24.90	
33	Scotsdale El Paso	Dist. UA	115.00	69.00	
34	Scotsdale El Paso	Dist. UA	115.00	13.80	
35	Shearman El Paso	Dist. UA	115.00	13.80	
36	Socorro Lower Valley	Dist. UA	69.00	13.80	
37	Sol El Paso	Dist. UA	115.00	13.80	
38	Sparks El Paso	Dist. UA	115.00	13.80	
39	Sparks El Paso	Dist. UA	115.00	69.00	
40	Sunset El Paso	Dist. UA	69.00	13.80	

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SUBSTATIONS (Continued)

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Capacity of Substation (In Service) (In MVA) (f)	Number of Transformers In Service (g)	Number of Spare Transformers (h)	CONVERSION APPARATUS AND SPECIAL EQUIPMENT			Line No.
			Type of Equipment (i)	Number of Units (j)	Total Capacity (In MVA) (k)	
117	1					1
117	1					2
17	1					3
17	1					4
30	1					5
30	1					6
10	3					7
10	2					8
5	1					9
30	1					10
50	1					11
220	1					12
13	1					13
30	1					14
348	1	1				15
200	2					16
11	1					17
10	1					18
14	1					19
50	1					20
4	1					21
20	1					22
3	1					23
8	2					24
132	1					25
6	1					26
30	1					27
78	3					28
25	1					29
11	3					30
60	2					31
30	1					32
100	1					33
55	2					34
30	1					35
30	1					36
60	2					37
30	1					38
1						39
30	2					40

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Line No.	Name and Location of Substation (a)	Character of Substation (b)	VOLTAGE (In MVa)		
			Primary (c)	Secondary (d)	Tertiary (e)
1	Sunset El Paso	Dist. UA	69.00	4.16	
2	Sunset North El Paso	Dist. UA	115.00	13.80	
3	Sunset North El Paso	Dist. UA	115.00	69.00	
4	Sunset T-4 El Paso	Dist. UA	69.00	13.80	
5	Talavera Temp T-1 Las Cruces, NM	Dist. UA	115.00	23.90	
6	Thorn El Paso	Dist. UA	115.00	13.80	
7	Transmountain Temp	Dist. UA	115.00	24.90	
8	Viscount El Paso	Dist. UA	69.00	13.80	
9	Vista El Paso	Dist. UA	115.00	13.80	
10	White Sands New Mexico	Dist. UA	115.00	13.80	
11	Wrangler El Paso	Dist. UA	115.00	13.80	
12					
13	5,000 to 10,000 kVA				
14					
15	Clint Lower Valley	Dist. UA	69.00	13.80	
16	Clint Lower Valley	Dist. UA	69.00	4.16	
17	Darbyshire El Paso	Dist. UA	69.00	13.80	
18	Diana El Paso	Dist. UA	13.80	4.16	
19	Durazno El Paso	Dist. UA	69.00	13.80	
20	Farmer Van Horn	Dist. UA	69.00	23.90	
21	Five Points El Paso	Dist. UA	13.80	4.16	
22	Horizon Horizon	Dist. UA	69.00	13.80	
23	Locust New Mexico	Dist. UA	23.90	4.16	
24	Mar New Mexico	Dist. UA	115.00	4.16	
25	Mar New Mexico	Dist. UA	24.90	4.16	
26	McGregor New Mexico	Dist. UA	69.00	13.80	
27	Proler Proler	Dist. UA	69.00	2.40	
28	S.P. Pipeline El Paso	Dist. UA	13.80	2.40	
29	Sierra Blanca Sierra Blanca	Dist. UA	69.00	24.00	
30	Sierra Blanca Sierra Blanca	Dist. UA	23.90	4.16	
31	Tobin El Paso	Dist. UA	13.80	4.16	
32	Valley Lower Valley	Dist. UA	69.00	13.80	
33					
34	1,000 to 5,000 kVA				
35					
36	Alameda Las Cruces, NM	Dist. UA	23.90	4.16	
37	Beaumont El Paso	Dist. UA	13.80	4.16	
38	Cadwallader El Paso	Dist. UA	13.80	4.16	
39	Canutillo Upper Valley	Dist. UA	23.90	4.16	
40	Cielo El Paso	Dist. UA	13.80	4.16	

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SUBSTATIONS (Continued)

5. Show in columns (l), (j), and (k) special equipment such as rotary converters, rectifiers, condensers, etc. and auxiliary equipment for increasing capacity.

6. Designate substations or major items of equipment leased from others, jointly owned with others, or operated otherwise than by reason of sole ownership by the respondent. For any substation or equipment operated under lease, give name of lessor, date and period of lease, and annual rent. For any substation or equipment operated other than by reason of sole ownership or lease, give name of co-owner or other party, explain basis of sharing expenses or other accounting between the parties, and state amounts and accounts affected in respondent's books of account. Specify in each case whether lessor, co-owner, or other party is an associated company.

Capacity of Substation (In Service) (In MVA) (f)	Number of Transformers In Service (g)	Number of Spare Transformers (h)	CONVERSION APPARATUS AND SPECIAL EQUIPMENT			Line No.
			Type of Equipment (i)	Number of Units (j)	Total Capacity (In MVA) (k)	
10	3					1
60	2					2
70	1					3
30	1					4
13	1					5
60	2					6
20	1					7
30	1					8
60	2					9
30	1					10
50	1					11
						12
						13
						14
8	1					15
1	1					16
6	3					17
6	7					18
8	1					19
10	1					20
6	3					21
30	1					22
6	1					23
10	1					24
3	1					25
8	1					26
6	1					27
6	1					28
8	3					29
1	1					30
6	2					31
8	1					32
						33
						34
						35
3	1					36
3	1					37
3	1					38
2	1					39
3	2					40

Name of Respondent El Paso Electric Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2014/Q4
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**SUBSTATIONS**

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

Line No.	Name and Location of Substation (a)	Character of Substation (b)	VOLTAGE (In MVa)		
			Primary (c)	Secondary (d)	Tertiary (e)
1	Cinecue El Paso	Dist. UA	13.80	4.16	
2	Clardy El Paso	Dist. UA	13.80	4.16	
3	Coronado El Paso	Dist. UA	13.80	4.16	
4	Cotton El Paso	Dist. UA	13.80	4.16	
5	East El Paso	Dist. UA	13.80	4.16	
6	Fabens Lower Valley	Dist. UA	69.00	4.16	
7	Franklin El Paso	Dist. UA	13.80	4.16	
8	Fresno El Paso	Dist. UA	13.80	4.16	
9	Frontera Upper Valley	Dist. UA	13.80	4.16	
10	Grace El Paso	Dist. UA	13.80	4.16	
11	Griggs Upper Valley	Dist. UA	23.90	4.16	
12	Hacienda El Paso	Dist. UA	13.80	4.16	
13	Hanes New Mexico	Dist. UA	23.90	4.16	
14	Hueco El Paso	Dist. UA	69.00	23.90	
15	Hueco El Paso	Dist. UA	23.90	0.48	
16	Kemp El Paso	Dist. UA	13.80	4.16	
17	Latta El Paso	Dist. UA	13.80	4.16	
18	Lomaland El Paso	Dist. UA	13.80	4.16	
19	McClure Las Cruces, NM	Dist. UA	23.90	4.16	
20	Melendres Las Cruces, NM	Dist. UA	23.90	4.16	
21	Mesilla Park Mesilla Park, NM	Dist. UA	23.90	4.16	
22	Mission El Paso	Dist. UA	13.80	4.16	
23	Missouri Las Cruces, NM	Dist. UA	23.90	4.16	
24	Morningside El Paso	Dist. UA	13.80	4.16	
25	Mountain El Paso	Dist. UA	13.80	4.16	
26	Mulberry Upper Valley	Dist. UA	13.80	4.16	
27	Newell Newell	Dist. UA	13.80	2.40	
28	Newtex Upper Valley	Dist. UA	23.90	4.16	
29	Octavia El Paso	Dist. UA	13.80	4.16	
30	Parkdale El Paso	Dist. UA	13.80	4.16	
31	Prison El Paso	Dist. UA	23.90	2.40	
32	Railroad El Paso	Dist. UA	13.80	2.40	
33	Ranchland El Paso	Dist. UA	13.80	4.16	
34	Range New Mexico	Dist. UA	24.90	13.20	
35	River Upper Valley	Dist. UA	13.80	4.16	
36	Rosedale El Paso	Dist. UA	13.80	4.16	
37	Sierra Blanca Sierra Blanca	Dist. UA	69.00	23.90	
38	Sierra Blanca Sierra Blanca	Dist. UA	23.90	4.16	
39	Summit El Paso	Dist. UA	13.80	4.16	
40	UTEP El Paso	Dist. UA	13.80	4.16	



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SUBSTATIONS (Continued)

5. Show in columns (l), (j), and (k) special equipment such as rotary converters, rectifiers, condensers, etc. and auxiliary equipment for increasing capacity.

6. Designate substations or major items of equipment leased from others, jointly owned with others, or operated otherwise than by reason of sole ownership by the respondent. For any substation or equipment operated under lease, give name of lessor, date and period of lease, and annual rent. For any substation or equipment operated other than by reason of sole ownership or lease, give name of co-owner or other party, explain basis of sharing expenses or other accounting between the parties, and state amounts and accounts affected in respondent's books of account. Specify in each case whether lessor, co-owner, or other party is an associated company.

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

Name of Respondent El Paso Electric Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2014/Q4
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**SUBSTATIONS**

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

Line No.	Name and Location of Substation (a)	Character of Substation (b)	VOLTAGE (In MVa)		
			Primary (c)	Secondary (d)	Tertiary (e)
1	Van Horn Van Horn	Dist. UA	23.90	4.16	
2	Vinton New Mexico	Dist. UA	23.90	4.16	
3	Water Trtmnt El Paso	Dist. UA	13.80	2.40	
4	Westside Las Cruces, NM	Dist. UA	23.90	4.16	
5	White Upper Valley	Dist. UA	13.80	4.16	
6	Ysleta El Paso	Dist. UA	13.80	4.16	
7					
8	300 to 999 kVA				
9					
10	Chevron Pipeline New Mexico	Dist. UA	23.90	2.40	
11	Dona Ana New Mexico	Dist. UA	23.90	4.16	
12	Fort Hancock Hudspeth County	Dist. UA	24.90	4.16	
13	La Mesa New Mexico	Dist. UA	23.90	4.16	
14	La Posta New Mexico	Dist. UA	23.90	4.16	
15	Tornillo Lower Valley	Dist. UA	24.40	4.16	
16	Wilson El Paso	Dist. UA	13.80	2.40	
17					
18	300 kVA (Distribution Racks)				
19					
20	Acala Hudspeth County	Dist. UA	23.90	2.40	
21	Allamore Hudspeth County	Dist. UA	23.90	2.40	
22	Camp 90 Hudspeth County	Dist. UA	23.90	2.40	
23	Country Club Anthony, NM	Dist. UA	13.80	2.40	
24	Eagler Flats Hudspeth County (Dees)	Dist. UA	23.90	2.40	
25	Faskin Hudspeth County	Dist. UA	23.90	2.40	
26	Gill-Neely Hudspeth County (Maverick)	Dist. UA	23.90	2.40	
27	Love Hudspeth County	Dist. UA	23.90	2.40	
28	Riverside Hudspeth County	Dist. UA	23.90	2.40	
29					
30	PORTABLE SUBSTATIONS				
31	(All sizes)				
32	Mobile Substation	Dist. UA	13.80	0.48	
33	Mobile Substation	Dist. UA	115.00	13.80	
34	Mobile Substation	Dist. UA	115.00	13.80	
35	Mobile Substation	Dist. UA	69.00	2.40	
36	Mobile Substation No. 2	Dist. UA	24.90	2.40	
37	Mobile Substation No. 3	Dist. UA	13.80	2.40	
38					
39	SPARE TRANSFORMERS	N/A			
40					

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SUBSTATIONS (Continued)

5. Show in columns (l), (j), and (k) special equipment such as rotary converters, rectifiers, condensers, etc. and auxiliary equipment for increasing capacity.

6. Designate substations or major items of equipment leased from others, jointly owned with others, or operated otherwise than by reason of sole ownership by the respondent. For any substation or equipment operated under lease, give name of lessor, date and period of lease, and annual rent. For any substation or equipment operated other than by reason of sole ownership or lease, give name of co-owner or other party, explain basis of sharing expenses or other accounting between the parties, and state amounts and accounts affected in respondent's books of account. Specify in each case whether lessor, co-owner, or other party is an associated company.

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

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FOOTNOTE DATA			

**Schedule Page: 426 Line No.: 3 Column: a**  
Afton substation is a switching transmission substation. The Company does not own the transformers on site.

**Schedule Page: 426 Line No.: 22 Column: a**  
Biggs substation is a switching distribution substation. The Company does not own the transformers on site.

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