

THIS FILING IS

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

Form 1 Approved
OMB No. 1902-0021
(Expires 12/31/2011)
Form 1-F Approved
OMB No. 1902-0029
(Expires 12/31/2011)
Form 3-Q Approved
OMB No. 1902-0205
(Expires 1/31/2012)



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 2010/Q4

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

GENERAL INFORMATION

I. Purpose

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

II. Who Must Submit

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

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

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

III. What and Where to Submit

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

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

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

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

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

The CPA Certification Statement should:

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

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

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

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

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

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

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

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

IV. When to Submit:

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

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

V. Where to Send Comments on Public Reporting Burden.

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

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

GENERAL INSTRUCTIONS

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

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

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

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

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

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

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

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

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

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

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

DEFINITIONS

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

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

EXCERPTS FROM THE LAW

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

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

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

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

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

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

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

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

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

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

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

General Penalties

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

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

IDENTIFICATION		
01 Exact Legal Name of Respondent El Paso Electric Company		02 Year/Period of Report End of <u>2010/Q4</u>
03 Previous Name and Date of Change <i>(if name changed during year)</i> / /		
04 Address of Principal Office at End of Period <i>(Street, City, State, Zip Code)</i> P.O. Box 982, El Paso, TX 79960-0982; 100 North Stanton, El Paso, TX 79901		
05 Name of Contact Person Nathan T. Hirschi		06 Title of Contact Person Vice President & Controller
07 Address of Contact Person <i>(Street, City, State, Zip Code)</i> P.O. Box 982, El Paso, TX 79960-0982; 100 North Stanton, El Paso, TX 79901		
08 Telephone of Contact Person, <i>Including Area Code</i> (915) 521-4456	09 This Report Is (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	10 Date of Report <i>(Mo, Da, Yr)</i> / /

ANNUAL CORPORATE OFFICER CERTIFICATION

The undersigned officer certifies that:

I have examined this report and to the best of my knowledge, information, and belief all statements of fact contained in this report are correct statements of the business affairs of the respondent and the financial statements, and other financial information contained in this report, conform in all material respects to the Uniform System of Accounts.

01 Name Nathan T. Hirschi	03 Signature Nathan T. Hirschi	04 Date Signed <i>(Mo, Da, Yr)</i> 04/13/2011
02 Title Vice President & Controller		

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

LIST OF SCHEDULES (Electric Utility)

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

Line No.	Title of Schedule (a)	Reference Page No. (b)	Remarks (c)
1	General Information	101	
2	Control Over Respondent	102	not applicable
3	Corporations Controlled by Respondent	103	
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	
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	none
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	

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	Sales of Electricity by Rate Schedules	304	
44	Sales for Resale	310-311	
45	Electric Operation and Maintenance Expenses	320-323	
46	Purchased Power	326-327	
47	Transmission of Electricity for Others	328-330	
48	Transmission of Electricity by ISO/RTOs	331	not applicable
49	Transmission of Electricity by Others	332	
50	Miscellaneous General Expenses-Electric	335	
51	Depreciation and Amortization of Electric Plant	336-337	
52	Regulatory Commission Expenses	350-351	
53	Research, Development and Demonstration Activities	352-353	none
54	Distribution of Salaries and Wages	354-355	
55	Common Utility Plant and Expenses	356	none
56	Amounts included in ISO/RTO Settlement Statements	397	not applicable
57	Purchase and Sale of Ancillary Services	398	
58	Monthly Transmission System Peak Load	400	
59	Monthly ISO/RTO Transmission System Peak Load	400a	not applicable
60	Electric Energy Account	401	
61	Monthly Peaks and Output	401	
62	Steam Electric Generating Plant Statistics	402-403	
63	Hydroelectric Generating Plant Statistics	406-407	not applicable
64	Pumped Storage Generating Plant Statistics	408-409	not applicable
65	Generating Plant Statistics Pages	410-411	not applicable
66	Transmission Line Statistics Pages	422-423	

Name of Respondent

El Paso Electric Company

This Report Is:

(1) An Original

(2) A Resubmission

Date of Report

(Mo, Da, Yr)

/ /

Year/Period of Report

End of 2010/Q4

LIST OF SCHEDULES (Electric Utility) (continued)

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

Line No.	Title of Schedule (a)	Reference Page No. (b)	Remarks (c)
67	Transmission Lines Added During the Year	424-425	
68	Substations	426-427	
69	Transactions with Associated (Affiliated) Companies	429	none
70	Footnote Data	450	

Stockholders' Reports Check appropriate box:

Two copies will be submitted

No annual report to stockholders is prepared

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>2010/Q4</u>
--	---	---------------------------------------	--

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.

Nathan T. Hirschi Vice President & Controller Stanton Tower, 100 North Stanton El Paso, Texas 79901	Mailing Address: Nathan T. Hirschi Post Office Box 982 El Paso, Texas 79960-0982
--	---

2. Provide the name of the State under the laws of which respondent is incorporated, and date of incorporation. If incorporated under a special law, give reference to such law. If not incorporated, state that fact and give the type of organization and the date organized.

Texas - August 30, 1901

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

Not applicable.

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

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

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

- (1) Yes...Enter the date when such independent accountant was initially engaged:
(2) 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>2010/Q4</u>
--	---	---------------------------------------	--

CONTROL OVER RESPONDENT

1. If any corporation, business trust, or similar organization or a combination of such organizations jointly held control over the respondent at the end of the year, state name of controlling corporation or organization, manner in which control was held, and extent of control. If control was in a holding company organization, show the chain of ownership or control to the main parent company or organization. If control was held by a trustee(s), state name of trustee(s), name of beneficiary or beneficiaries for whom trust was maintained, and purpose of the trust.

CORPORATIONS CONTROLLED BY RESPONDENT

1. Report below the names of all corporations, business trusts, and similar organizations, controlled directly or indirectly by respondent at any time during the year. If control ceased prior to end of year, give particulars (details) in a footnote.
2. If control was by other means than a direct holding of voting rights, state in a footnote the manner in which control was held, naming any intermediaries involved.
3. If control was held jointly with one or more other interests, state the fact in a footnote and name the other interests.

Definitions

1. See the Uniform System of Accounts for a definition of control.
2. Direct control is that which is exercised without interposition of an intermediary.
3. Indirect control is that which is exercised by the interposition of an intermediary which exercises direct control.
4. Joint control is that in which neither interest can effectively control or direct action without the consent of the other, as where the voting control is equally divided between two holders, or each party holds a veto power over the other. Joint control may exist by mutual agreement or understanding between two or more parties who together have control within the meaning of the definition of control in the Uniform System of Accounts, regardless of the relative voting rights of each party.

Line No.	Name of Company Controlled (a)	Kind of Business (b)	Percent Voting Stock Owned (c)	Footnote Ref. (d)
1	MiraSol Energy Services, Inc.	Energy efficiency products		
2		and services	100%	
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				
15				
16				
17				
18				
19				
20				
21				
22				
23				
24				
25				
26				
27				

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 2010/Q4
FOOTNOTE DATA			

Schedule Page: 103 Line No.: 1 Column: a
MiraSol, which began operations as a separate subsidiary in March 2001, provided energy efficiency generating units and products and discontinued new activities in 2002.

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	David W. Stevens	560,000
2	Senior Vice President and Chief Financial Officer	David G. Carpenter	322,400
3	Senior Vice President - Customer Care and		
4	External Affairs	Richard G. Fleager	238,500
5	Senior Vice President - General Consel		
6	and Chief Compliance Officer	Mary E. Kipp	217,500
7	Senior Vice President - Corporate Planning		
8	and Development	Rocky R. Miracle	255,000
9	Vice President - System Operations and Planning	Steven T. Buraczyk	190,000
10	Vice President - Treasurer	Steven P. Busser	203,238
11	Vice President - New Mexico Affairs	Robert C. Doyle	140,712
12	Vice President and Controller	Nathan T. Hirschi	210,000
13	Vice President - Customer Care	Kerry B. Lore	190,624
14	Vice President - Transmission and Distribution	Hector R. Puente	211,538
15	Vice President - Power Generation	Andres R. Ramirez	211,573
16	Corporate Secretary	Guillermo Silva, Jr.	145,230
17	Vice President - Power Marketing and Fuels	John A. Whitacre	203,175
18	Senior Vice President and Chief Operating Officer	George A. Williams	279,154
19	President	J. Frank Bates	98,269
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			

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 2010/Q4
El Paso Electric Company			
FOOTNOTE DATA			

Schedule Page: 104 Line No.: 6 Column: b

On June 14, 2010, the Company appointed Mary E. Kipp as Senior Vice President - General Counsel and Chief Compliance Officer. Ms. Kipp served as Vice President - Legal and Chief Compliance Officer since December 2009.

Schedule Page: 104 Line No.: 9 Column: b

On January 24, 2011, the Company appointed Steven T. Buraczyk as Vice President - System Operations and Planning. Mr. Buraczyk had been Vice President - Power Marketing and Fuels since July 2008.

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

On January 24, 2011, the Company appointed Steven P. Busser as Vice President - Treasurer. Mr. Busser had been Vice President - Treasurer and Chief Risk Officer since May 2006.

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

On March 1, 2010, Nathan T. Hirschi was appointed as Vice President and Controller. Mr. Hirschi had been Vice President - Special Projects since December 2009.

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

On January 24, 2011, the Company appointed John A. Whitacre as Vice President - Power Marketing and Fuels. Mr. Whitacre had been Vice President - System Operations and Planning since May 2006.

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

As of September 15, 2010, George A. Williams, Senior Vice President and Chief Operating Officer is no longer with the Company.

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

As of March 31, 2010, J. Frank Bates, President retired from the Company.

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, TX 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	George W. Edwards, Jr.-Director	79 West View Way
14		Eatonton, Georgia 31024-5445
15		
16	James W. Harris-Director***	Seneca Financial Group, Inc.
17		P.O. Box 38
18		Manns Harbor, North Carolina 27953
19		
20	Kenneth R. Heitz-Director and Chairman of the Board	Irell & Manella, LLP
21		1800 Avenue of the Stars, Suite 900
22		Los Angeles, California 90067-4276
23		
24	Patricia Z. Holland-Branch - Director	Facilities Connection, Inc.
25		240 East Sunset
26		El Paso, Texas 79922
27		
28	Michael K. Parks-Director and Vice Chairman of the Board***	Crescent Capital Group, LP
29		11100 Santa Monica Blvd., Suite 2000
30		Los Angeles, California 90025
31		
32	Thomas V. Shockley-Director	602 Cimarron Hills Trail West
33		Georgetown, Texas 78628
34		
35	Eric B. Siegel-Director**	11100 Santa Monica Blvd., Suite 2000
36		Los Angeles, California 90025
37		
38	David W. Stevens-Director and CEO	El Paso Electric Company
39		100 N. Stanton
40		El Paso, Texas 79901
41		
42	Stephen N. Wertheimer-Director***	W Capital Partners
43		One East 52nd Street
44		New York, New York 10022
45		
46	Charles A. Yamarone-Director	Houlihan Lokey
47		1930 Century Park West
48		Los Angeles, California 90067

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 2010/Q4
FOOTNOTE DATA			

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

On May 26, 2010, Mr. Edwards retired from the Board of Directors of El Paso Electric Company.

Schedule Page: 105 Line No.: 32 Column: a

On May 26, 2010, Thomas V. Shockley was appointed as Director to fill the vacancy created by the retirement of George W. Edwards, Jr.

Name of Respondent
El Paso Electric Company

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

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

Year/Period of Report
End of 2010/Q4

INFORMATION ON FORMULA RATES
FERC Rate Schedule/Tariff Number FERC Proceeding

Does the respondent have formula rates?
 Yes
 No

1. Please list the Commission accepted formula rates including FERC Rate Schedule or Tariff Number and FERC proceeding (i.e. Docket No) accepting the rate(s) or changes in the accepted rate.

Line No.	FERC Rate Schedule or Tariff Number	FERC Proceeding
1	Rate Schedule FERC No. 18	ER08-742-001
2		
3		
4		
5		
6		
7		
8		
9		
10		
11		
12		
13		
14		
15		
16		
17		
18		
19		
20		
21		
22		
23		
24		
25		
26		
27		
28		
29		
30		
31		
32		
33		
34		
35		
36		
37		
38		
39		
40		
41		

Name of Respondent
El Paso Electric Company

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

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

Year/Period of Report
End of 2010/Q4

INFORMATION ON FORMULA RATES
FERC Rate Schedule/Tariff Number FERC Proceeding

Does the respondent file with the Commission annual (or more frequent) filings containing the inputs to the formula rate(s)?
 Yes
 No

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

Line No.	Accession No.	Document Date \ Filed Date	Docket No.	Description	Formula Rate FERC Rate Schedule Number or Tariff Number
1	20110215-0003	02/10/2011	ER08-742-000	2010 Annual Update	18
2		02/14/2011			
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
18					
19					
20					
21					
22					
23					
24					
25					
26					
27					
28					
29					
30					
31					
32					
33					
34					
35					
36					
37					
38					
39					
40					
41					
42					
43					
44					
45					
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 2010/Q4
FOOTNOTE DATA			

Schedule Page: 1061 Line No.: 1 Column:
The 2010 annual update is to the cost-based formula rate included in the Power Sales Agreement under ER08-742.

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			
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				
15				
16				
17				
18				
19				
20				
21				
22				
23				
24				
25				
26				
27				
28				
29				
30				
31				
32				
33				
34				
35				
36				
37				
38				
39				
40				
41				
42				
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 / /	Year/Period of Report End of <u>2010/Q4</u>
--	---	-----------------------	--

IMPORTANT CHANGES DURING THE QUARTER/YEAR

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

1. Changes in and important additions to franchise rights: Describe the actual consideration given therefore and state from whom the franchise rights were acquired. If acquired without the payment of consideration, state that fact.
2. Acquisition of ownership in other companies by reorganization, merger, or consolidation with other companies: Give names of companies involved, particulars concerning the transactions, name of the Commission authorizing the transaction, and reference to Commission authorization.
3. Purchase or sale of an operating unit or system: Give a brief description of the property, and of the transactions relating thereto, and reference to Commission authorization, if any was required. Give date journal entries called for by the Uniform System of Accounts were submitted to the Commission.
4. Important leaseholds (other than leaseholds for natural gas lands) that have been acquired or given, assigned or surrendered: Give effective dates, lengths of terms, names of parties, rents, and other condition. State name of Commission authorizing lease and give reference to such authorization.
5. Important extension or reduction of transmission or distribution system: State territory added or relinquished and date operations began or ceased and give reference to Commission authorization, if any was required. State also the approximate number of customers added or lost and approximate annual revenues of each class of service. Each natural gas company must also state major new continuing sources of gas made available to it from purchases, development, purchase contract or otherwise, giving location and approximate total gas volumes available, period of contracts, and other parties to any such arrangements, etc.
6. Obligations incurred as a result of issuance of securities or assumption of liabilities or guarantees including issuance of short-term debt and commercial paper having a maturity of one year or less. Give reference to FERC or State Commission authorization, as appropriate, and the amount of obligation or guarantee.
7. Changes in articles of incorporation or amendments to charter: Explain the nature and purpose of such changes or amendments.
8. State the estimated annual effect and nature of any important wage scale changes during the year.
9. State briefly the status of any materially important legal proceedings pending at the end of the year, and the results of any such proceedings culminated during the year.
10. Describe briefly any materially important transactions of the respondent not disclosed elsewhere in this report in which an officer, director, security holder reported on Page 106, voting trustee, associated company or known associate of any of these persons was a party or in which any such person had a material interest.
11. (Reserved.)
12. If the important changes during the year relating to the respondent company appearing in the annual report to stockholders are applicable in every respect and furnish the data required by Instructions 1 to 11 above, such notes may be included on this page.
13. Describe fully any changes in officers, directors, major security holders and voting powers of the respondent that may have occurred during the reporting period.
14. In the event that the respondent participates in a cash management program(s) and its proprietary capital ratio is less than 30 percent please describe the significant events or transactions causing the proprietary capital ratio to be less than 30 percent, and the extent to which the respondent has amounts loaned or money advanced to its parent, subsidiary, or affiliated companies through a cash management program(s). Additionally, please describe plans, if any to regain at least a 30 percent proprietary ratio.

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

Name of Respondent 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 2010/Q4
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:

None

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

None

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

None

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

RGRT Senior Notes. The Company received final approval from the New Mexico Public Regulation Commission ("NMPRC") in Case No. 10-00145-UT and approval from the Federal Energy Regulatory Commission ("FERC") in Docket No. ES10-43-000 on June 22, 2010 and June 29, 2010, respectively, to refinance the Company's revolving credit facility and issue in a private placement up to \$110 million of senior notes from the Rio Grande Resources Trust II (the "RGRT"). On August 17, 2010, the Company and RGRT, a Texas grantor trust through which the Company finances its portion of nuclear fuel for the Palo Verde Nuclear Generating Station, entered into a Note Purchase Agreement (the "Agreement") with various institutional purchasers. Under the terms of the Agreement, RGRT sold to the purchasers \$110 million aggregate principal amount of senior notes consisting of (a) \$15 million aggregate principal amount of 3.67% RGRT Senior Notes, Series A, due August 15, 2015, with an effective interest rate of 3.87%, (b) \$50 million aggregate principal amount of 4.47% RGRT Senior Notes, Series B, due August 15, 2017, with an effective interest rate of 4.62% and (c) \$45 million aggregate principal amount of 5.04% RGRT Senior Notes, Series C, due August 15, 2020, with an effective interest rate of 5.16% (collectively, the "Notes"). 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 lease of nuclear fuel.

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 2010/Q4
El Paso Electric Company			
IMPORTANT CHANGES DURING THE QUARTER/YEAR (Continued)			

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 2010 and had accrued \$1.9 million in interest related to the Notes at December 31, 2010.

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 were 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 under the RCF (as defined below).

Revolving Credit Facility. Prior to September 23, 2010, the Company had available a \$200 million credit facility with a five-year term ending April 2011. The credit facility provided for up to \$120 million for the financing of nuclear fuel, which was accomplished through the RGRT that borrowed under the facility to acquire and process the nuclear fuel. The Company was obligated to repay the RGRT's borrowings with interest. Any amounts not borrowed by the RGRT could have been borrowed by the Company for working capital needs.

On September 23, 2010, the Company and RGRT entered into a new revolving credit agreement (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 RCF, the Company and RGRT have available \$200 million of credit for a term of four years. The Company may request that the RCF be increased up to a total of \$300 million during the term of the RCF, subject to lender approval.

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 by RGRT is recorded as a capital lease of nuclear fuel on the regulatory-basis balance sheet. Quarterly lease payments are made on units of production. The RCF is unsecured. The RCF requires compliance with certain covenants, including a total debt to capitalization ratio. The Company was in compliance with these requirements throughout 2010. At December 31, 2010, RGRT had \$4.7 million outstanding for nuclear fuel under the RCF. No amounts were outstanding under this facility for working capital needs as of December 31, 2010. The weighted average interest rate on the RCF was 2.6% as of December 31, 2010.

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 2010/Q4
El Paso Electric Company			
IMPORTANT CHANGES DURING THE QUARTER/YEAR (Continued)			

7. Changes in Articles of Incorporation:

None

8. Important Wage Scale Changes:

Base salaries for non-union employees were increased by an average of 3.0% effective in January 2010 compared to 2009 through the merit award process. The annual effect of this increase was approximately \$1.2 million.

The Company has approximately 1,000 employees, about 41% of whom are covered by a collective bargaining agreement. The International Brotherhood of Electrical Workers Local 960 ("Local 960") represents employees working primarily in the power plants, substations, line crews, meter reading and collection areas, facilities services area, and the customer service area. Effective September 3, 2010, the Company entered into a new collective bargaining agreement with Local 960 for a three-year term ending September 2, 2013. The new agreement provides for a 2% wage increase effective September 3, 2010, with an annual effect of \$0.5 million, a 3% wage increase effective September 3, 2011, and a 3% wage increase effective September 3, 2012.

9. Materially Important Legal Proceedings (see also Notes B and H 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, to the extent that the Company has been able to reach a conclusion as to its ultimate liability, it 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.

Transmission Dispute with Tucson Electric Power Company ("TEP"). In January 2006, the Company filed a complaint with the FERC to interpret the terms of a Power Exchange and Transmission Agreement (the "Transmission Agreement") entered into with TEP in 1982. TEP filed a complaint with the FERC one day later raising virtually identical issues. TEP claimed that, under the Transmission Agreement, it was entitled to up to 400 MW of firm transmission rights on the Company's transmission system that would enable it to transmit power from the Luna Energy Facility ("LEF") located near Deming, New Mexico to Springerville or Greenlee in Arizona. The Company asserted that TEP's rights under the Transmission Agreement do not include transmission rights necessary to transmit such power as contemplated by TEP and that TEP must acquire any such rights in the open market from the Company at applicable tariff rates or from other transmission providers. On April 24, 2006, the FERC ruled in the Company's favor, finding that TEP does not have transmission rights under the Transmission Agreement to transmit power from the LEF to Arizona. The ruling was based on written evidence presented and without an evidentiary hearing. TEP's request for a rehearing of the FERC's decision was granted in part and denied in part in an order issued October 4, 2006, and hearings on the disputed issues were held before an administrative law judge. In the initial decision dated September 6, 2007, the administrative

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 2010/Q4
El Paso Electric Company			
IMPORTANT CHANGES DURING THE QUARTER/YEAR (Continued)			

law judge found that the Transmission Agreement allows TEP to transmit power from the LEF to Arizona but limits that transmission to 200 MW on any segment of the circuit and to non-firm service on the segment from Luna to Greenlee. The Company and TEP filed exceptions to the initial decision.

On November 13, 2008, the FERC issued an order on the initial decision finding that the transmission rights given to TEP in the Transmission Agreement are firm and are not restricted for transmission of power from Springerville as the receipt point to Greenlee as the delivery point. Therefore, pursuant to the order, TEP can use its transmission rights granted under the Transmission Agreement to transmit power from the LEF to either Springerville or Greenlee so long as it transmits no more than 200 MW over all segments at any one time.

The FERC also ordered that the Company refund to TEP all sums with interest that TEP had paid it for transmission under the applicable transmission service agreements since February 2006 for service relating to the LEF. On December 3, 2008, the Company refunded \$9.7 million to TEP. The Company had established a reserve for the rate refund of approximately \$7.2 million as of September 30, 2008, resulting in a pre-tax charge to earnings of approximately \$2.5 million in 2008. The Company also paid TEP interest on the refunded balance of approximately \$0.9 million, which was also charged to earnings in 2008. The Company filed a request for rehearing of the FERC's decision on December 15, 2008, seeking reversal of the order on the merits and a return of any refunds made in the interim, as well as compensation for all service that the Company may provide to TEP from the LEF over the Company's transmission system on a going forward basis. On July 7, 2010, the FERC denied the Company's request for rehearing. On July 23, 2010, the Company filed a petition for review in the United States Court of Appeals for the District of Columbia Circuit and on August 18, 2010, TEP filed a motion to intervene in the proceeding. On January 14, 2011, the Company and TEP filed a joint consent motion, asking the Court to hold the proceedings in abeyance while the parties engaged in settlement discussions. The Court granted the motion on January 19, 2011. If the order is not reversed, or otherwise resolved through settlement, the Company will lose the opportunity to receive compensation from TEP for such transmission service in the future.

In an ancillary proceeding, TEP filed a lawsuit in the United States District Court for the District of Arizona in December 2008, seeking reimbursement for amounts TEP paid a third party transmission provider for purchases of transmission capacity between April 2006 and May 2007, allegedly totaling approximately \$1.5 million, plus accrued interest. TEP alleges that the Company was obligated to provide TEP with that transmission capacity without charge under the Transmission Agreement. In September 2009, the Court granted a stay in this suit pending a resolution of the underlying FERC proceeding and any appeal thereof. The Company cannot predict the outcome of this matter.

10. Materially Important Transactions:

None

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2010/Q4
El Paso Electric Company			
IMPORTANT CHANGES DURING THE QUARTER/YEAR (Continued)			

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:

J. Frank Bates, President and Chief Operating Officer since November 2008, retired from the Company on March 31, 2010.

Effective March 1, 2010, the Company appointed Nathan T. Hirschi as Vice President and Controller. His responsibilities include Financial Accounting, Taxation, Financial Systems and Budgeting. Mr. Hirschi served as the Company's Vice President of Special Projects from December 2009 to March 2010.

On May 26, 2010, Thomas V. Shockley was elected as a member of the Company's Board of Directors filling the vacant position created by the retirement of George W. Edwards, Jr. Mr. Shockley, age 65, retired in 2004 after a lengthy career in the regulated utility industry. From 2000 to 2004, he served as the Vice Chairman and Chief Operating Officer of American Electric Power Company, Inc. ("AEP"), one of the largest electric utilities in the United States. From 1997 to 2000, Mr. Shockley was President and Chief Operating Officer of Central and South West Corporation which combined with American Electric Power of Columbus, Ohio in 2000 to form AEP. In his career, Mr. Shockley served in various other executive and management positions in the utility and energy industries. He previously served on the Boards of Directors of the Foundation Coal Company and Cellnet. He also currently serves on the Board of Chase Energy Development.

On June 14, 2010, the Company appointed Mary E. Kipp as Senior Vice President, General Counsel and Chief Compliance Officer. Ms. Kipp served as the Company's Vice President-Legal and Chief Compliance Officer since December 2009. From December 2007 to December 2009, she served as the Company's Assistant General Counsel and Director of FERC Compliance. Prior to joining the Company, Ms. Kipp was a senior attorney in the Federal Energy Regulatory Commission's Office of Enforcement in Washington, DC from January 2004 to December 2007.

On September 15, 2010, the Company announced the departure of George A. Williams, Senior Vice President and Chief Operating Officer, effective immediately.

On January 24, 2011, the Company appointed Steve Buraczyk as Vice President of System Operations and Planning. Mr. Buraczyk served as Vice President of Power Marketing and Fuels since July 2008.

On January 24, 2011, the Company appointed John A. Whitacre as Vice President of Power Marketing

Name of Respondent	This Report is:	Date of Report	Year/Period of Report
El Paso Electric Company	(1) <input checked="" type="checkbox"/> An Original	(Mo, Da, Yr)	
	(2) <input type="checkbox"/> A Resubmission	/ /	2010/Q4
IMPORTANT CHANGES DURING THE QUARTER/YEAR (Continued)			

and Fuels. Mr. Whitacre served as Vice President of System Operations and Planning since May 2006.

On January 24, 2011, the Company appointed Steven P. Busser as Vice President-Treasurer. Mr. Busser served as Vice President-Treasurer and Chief Risk Officer since May 2006.

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

Not applicable

COMPARATIVE BALANCE SHEET (ASSETS AND OTHER DEBITS)

Line No.	Title of Account (a)	Ref. Page No. (b)	Current Year End of Quarter/Year Balance (c)	Prior Year End Balance 12/31 (d)
1	UTILITY PLANT			
2	Utility Plant (101-106, 114)	200-201	3,395,585,045	3,271,082,284
3	Construction Work in Progress (107)	200-201	285,086,445	244,166,253
4	TOTAL Utility Plant (Enter Total of lines 2 and 3)		3,680,671,490	3,515,248,537
5	(Less) Accum. Prov. for Depr. Amort. Depl. (108, 110, 111, 115)	200-201	1,921,791,108	1,866,174,766
6	Net Utility Plant (Enter Total of line 4 less 5)		1,758,880,382	1,649,073,771
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)		151,908,641	136,170,954
12	(Less) Accum. Prov. for Amort. of Nucl. Fuel Assemblies (120.5)	202-203	44,206,978	33,550,999
13	Net Nuclear Fuel (Enter Total of lines 7-11 less 12)		107,701,663	102,619,955
14	Net Utility Plant (Enter Total of lines 6 and 13)		1,866,582,045	1,751,693,726
15	Utility Plant Adjustments (116)		1,669,587	2,182,560
16	Gas Stored Underground - Noncurrent (117)		0	0
17	OTHER PROPERTY AND INVESTMENTS			
18	Nonutility Property (121)		143,495	143,495
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	1,764	333,509
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)		2,909,334	2,824,058
25	Sinking Funds (125)		0	0
26	Depreciation Fund (126)		0	0
27	Amortization Fund - Federal (127)		0	0
28	Other Special Funds (128)		161,512,210	142,806,912
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)		164,566,803	146,107,974
33	CURRENT AND ACCRUED ASSETS			
34	Cash and Working Funds (Non-major Only) (130)		0	0
35	Cash (131)		4,830,604	-8,119,967
36	Special Deposits (132-134)		0	0
37	Working Fund (135)		272,777	-223,504
38	Temporary Cash Investments (136)		74,080,685	100,133,160
39	Notes Receivable (141)		0	0
40	Customer Accounts Receivable (142)		56,581,313	52,533,119
41	Other Accounts Receivable (143)		1,340,293	800,693
42	(Less) Accum. Prov. for Uncollectible Acct.-Credit (144)		2,885,128	1,191,082
43	Notes Receivable from Associated Companies (145)		0	0
44	Accounts Receivable from Assoc. Companies (146)		0	0
45	Fuel Stock (151)	227	1,582,462	1,806,879
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	34,479,028	36,660,910
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	70,506	-533,120

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	518	116
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)		18,081,862	29,642,287
58	Advances for Gas (166-167)		0	0
59	Interest and Dividends Receivable (171)		4,257	-6,725
60	Rents Receivable (172)		0	0
61	Accrued Utility Revenues (173)		16,644,000	18,214,000
62	Miscellaneous Current and Accrued Assets (174)		167,912	628,350
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)		205,251,089	230,345,116
68	DEFERRED DEBITS			
69	Unamortized Debt Expenses (181)		10,507,780	9,468,097
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	132,227,910	120,030,742
73	Prelim. Survey and Investigation Charges (Electric) (183)		603,099	1,402,219
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)		-230,609	-330,306
77	Temporary Facilities (185)		0	0
78	Miscellaneous Deferred Debits (186)	233	2,888,233	2,106,495
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)		21,496,062	22,369,554
82	Accumulated Deferred Income Taxes (190)	234	252,006,338	291,173,835
83	Unrecovered Purchased Gas Costs (191)		0	0
84	Total Deferred Debits (lines 69 through 83)		419,498,813	446,220,636
85	TOTAL ASSETS (lines 14-16, 32, 67, and 84)		2,657,568,337	2,576,550,012

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 2010/Q4
FOOTNOTE DATA			

Schedule Page: 110 Line No.: 57 Column: d

AC 165 decreased due to the reclassification of \$2,015,802 to AC 186 to conform with the 2010 presentation related to prepayments for land leased adjacent to our Newman Power Plant. The lease terminates in 2032.

Schedule Page: 110 Line No.: 78 Column: d

AC 186 increased due to the reclassification of \$2,015,802 from AC 165 to conform with the 2010 presentation related to prepayments for land leased adjacent to our Newman Power Plant. The lease terminates in 2032.

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	65,195,470	65,010,002
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)		292,947,024	288,604,221
7	Other Paid-In Capital (208-211)	253	2,161,613	2,631,054
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	828,660,848	736,158,831
12	Unappropriated Undistributed Subsidiary Earnings (216.1)	118-119	-3,851,799	-3,624,809
13	(Less) Reaquired Capital Stock (217)	250-251	337,638,723	303,912,967
14	Noncorporate Proprietorship (Non-major only) (218)		0	0
15	Accumulated Other Comprehensive Income (219)	122(a)(b)	-38,239,246	-56,568,416
16	Total Proprietary Capital (lines 2 through 15)		808,894,248	727,956,977
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	550,000,000	550,000,000
22	Unamortized Premium on Long-Term Debt (225)		0	0
23	(Less) Unamortized Discount on Long-Term Debt-Debit (226)		3,389,719	3,437,903
24	Total Long-Term Debt (lines 18 through 23)		739,745,281	739,697,097
25	OTHER NONCURRENT LIABILITIES			
26	Obligations Under Capital Leases - Noncurrent (227)		110,000,000	66,078,394
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)		155,065,080	169,858,968
30	Accumulated Miscellaneous Operating Provisions (228.4)		0	0
31	Accumulated Provision for Rate Refunds (229)		0	0
32	Long-Term Portion of Derivative Instrument Liabilities		0	0
33	Long-Term Portion of Derivative Instrument Liabilities - Hedges		0	0
34	Asset Retirement Obligations (230)		92,910,489	85,357,921
35	Total Other Noncurrent Liabilities (lines 26 through 34)		357,975,569	321,295,283
36	CURRENT AND ACCRUED LIABILITIES			
37	Notes Payable (231)		0	0
38	Accounts Payable (232)		41,794,961	54,662,792
39	Notes Payable to Associated Companies (233)		0	0
40	Accounts Payable to Associated Companies (234)		0	0
41	Customer Deposits (235)		4,945,022	5,130,029
42	Taxes Accrued (236)	262-263	22,873,744	22,239,059
43	Interest Accrued (237)		10,218,191	10,283,444
44	Dividends Declared (238)		0	0
45	Matured Long-Term Debt (239)		0	0

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

Line No.	Title of Account (a)	Ref. Page No. (b)	Current Year End of Quarter/Year Balance (c)	Prior Year End Balance 12/31 (d)
46	Matured Interest (240)		0	0
47	Tax Collections Payable (241)		-159,279	1,567,368
48	Miscellaneous Current and Accrued Liabilities (242)		19,421,356	18,298,004
49	Obligations Under Capital Leases-Current (243)		6,584,997	40,918,976
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)		105,678,992	153,099,672
55	DEFERRED CREDITS			
56	Customer Advances for Construction (252)		8,302,712	7,096,497
57	Accumulated Deferred Investment Tax Credits (255)	266-267	26,691,507	27,892,427
58	Deferred Gains from Disposition of Utility Plant (256)		0	0
59	Other Deferred Credits (253)	269	16,195,772	16,707,405
60	Other Regulatory Liabilities (254)	278	78,839,228	78,587,341
61	Unamortized Gain on Reaquired Debt (257)		0	0
62	Accum. Deferred Income Taxes-Accel. Amort.(281)	272-277	0	0
63	Accum. Deferred Income Taxes-Other Property (282)		439,633,890	433,256,245
64	Accum. Deferred Income Taxes-Other (283)		75,611,138	70,961,068
65	Total Deferred Credits (lines 56 through 64)		645,274,247	634,500,983
66	TOTAL LIABILITIES AND STOCKHOLDER EQUITY (lines 16, 24, 35, 54 and 65)		2,657,568,337	2,576,550,012

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 2010/Q4
FOOTNOTE DATA			

Schedule Page: 112 Line No.: 21 Column: d

AC 224 decreased due to the reclassification of \$2,118,791 to AC 227 to conform with the 2010 presentation related to interest on capital lease obligations.

Schedule Page: 112 Line No.: 26 Column: d

AC 227 increased due to the reclassification of \$2,118,791 from AC 224 to conform with the 2010 presentation related to interest on capital lease obligations.

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	877,215,405	827,900,119		
3	Operating Expenses					
4	Operation Expenses (401)	320-323	509,022,684	505,037,457		
5	Maintenance Expenses (402)	320-323	56,822,998	59,606,002		
6	Depreciation Expense (403)	336-337	68,584,312	65,570,742		
7	Depreciation Expense for Asset Retirement Costs (403.1)	336-337	-330,388	39,853		
8	Amort. & Depl. of Utility Plant (404-405)	336-337	6,312,115	4,628,110		
9	Amort. of Utility Plant Acq. Adj. (406)	336-337				
10	Amort. Property Losses, Unrecov Plant and Regulatory Study Costs (407)					
11	Amort. of Conversion Expenses (407)					
12	Regulatory Debits (407.3)		2,216,279	575,004		
13	(Less) Regulatory Credits (407.4)			56,216		
14	Taxes Other Than Income Taxes (408.1)	262-263	54,489,075	49,997,367		
15	Income Taxes - Federal (409.1)	262-263	12,902,403	-10,458,342		
16	- Other (409.1)	262-263	4,309,049	2,326,758		
17	Provision for Deferred Income Taxes (410.1)	234, 272-277	121,872,303	118,803,380		
18	(Less) Provision for Deferred Income Taxes-Cr. (411.1)	234, 272-277	92,521,135	80,965,473		
19	Investment Tax Credit Adj. - Net (411.4)	266	-1,305,668	-1,560,144		
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)		219	1,872		
23	Losses from Disposition of Allowances (411.9)					
24	Accretion Expense (411.10)		8,014,140	7,321,245		
25	TOTAL Utility Operating Expenses (Enter Total of lines 4 thru 24)		750,387,948	720,863,871		
26	Net Util Oper Inc (Enter Tot line 2 less 25) Carry to Pg117,line 27		126,827,457	107,036,248		

STATEMENT OF INCOME FOR THE YEAR (Continued)

- 9. Use page 122 for important notes regarding the statement of income for any account thereof.
- 10. Give concise explanations concerning unsettled rate proceedings where a contingency exists such that refunds of a material amount may need to be made to the utility's customers or which may result in material refund to the utility with respect to power or gas purchases. State for each year effected the gross revenues or costs to which the contingency relates and the tax effects together with an explanation of the major factors which affect the rights of the utility to retain such revenues or recover amounts paid with respect to power or gas purchases.
- 11 Give concise explanations concerning significant amounts of any refunds made or received during the year resulting from settlement of any rate proceeding affecting revenues received or costs incurred for power or gas purchases, and a summary of the adjustments made to balance sheet, income, and expense accounts.
- 12. If any notes appearing in the report to stokholders are applicable to the Statement of Income, such notes may be included at page 122.
- 13. Enter on page 122 a concise explanation of only those changes in accounting methods made during the year which had an effect on net income, including the basis of allocations and apportionments from those used in the preceding year. Also, give the appropriate dollar effect of such changes.
- 14. Explain in a footnote if the previous year's/quarter's figures are different from that reported in prior reports.
- 15. If the columns are insufficient for reporting additional utility departments, supply the appropriate account titles report the information in a footnote to this schedule.

ELECTRIC UTILITY		GAS UTILITY		OTHER UTILITY		Line No.
Current Year to Date (in dollars) (g)	Previous Year to Date (in dollars) (h)	Current Year to Date (in dollars) (i)	Previous Year to Date (in dollars) (j)	Current Year to Date (in dollars) (k)	Previous Year to Date (in dollars) (l)	
						1
877,215,405	827,900,119					2
						3
509,022,684	505,037,457					4
56,822,998	59,606,002					5
68,584,312	65,570,742					6
-330,388	39,853					7
6,312,115	4,628,110					8
						9
						10
						11
2,216,279	575,004					12
	56,216					13
54,489,075	49,997,367					14
12,902,403	-10,458,342					15
4,309,049	2,326,758					16
121,872,303	118,803,380					17
92,521,135	80,965,473					18
-1,305,668	-1,560,144					19
						20
						21
219	1,872					22
						23
8,014,140	7,321,245					24
750,387,948	720,863,871					25
126,827,457	107,036,248					26

STATEMENT OF INCOME FOR THE YEAR (continued)

Line No.	Title of Account (a)	(Ref.) Page No. (b)	TOTAL		Current 3 Months Ended Quarterly Only No 4th Quarter (e)	Prior 3 Months Ended Quarterly Only No 4th Quarter (f)
			Current Year (c)	Previous Year (d)		
27	Net Utility Operating Income (Carried forward from page 114)		126,827,457	107,036,248		
28	Other Income and Deductions					
29	Other Income					
30	Nonutility Operating Income					
31	Revenues From Merchandising, Jobbing and Contract Work (415)		471,571	437,140		
32	(Less) Costs and Exp. of Merchandising, Job. & Contract Work (416)		451,420	505,994		
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	-226,990	-104,324		
37	Interest and Dividend Income (419)		4,732,695	4,717,883		
38	Allowance for Other Funds Used During Construction (419.1)		10,816,188	9,311,196		
39	Miscellaneous Nonoperating Income (421)		3,657,590	5,572,876		
40	Gain on Disposition of Property (421.1)		297,732	507,922		
41	TOTAL Other Income (Enter Total of lines 31 thru 40)		19,297,366	19,936,699		
42	Other Income Deductions					
43	Loss on Disposition of Property (421.2)		2,471	130,352		
44	Miscellaneous Amortization (425)		512,974	1,566,607		
45	Donations (426.1)		2,004,425	1,009,373		
46	Life Insurance (426.2)			74,021		
47	Penalties (426.3)		88,000	2,969		
48	Exp. for Certain Civic, Political & Related Activities (426.4)		500,446	830,007		
49	Other Deductions (426.5)		1,114,041	6,331,687		
50	TOTAL Other Income Deductions (Total of lines 43 thru 49)		4,222,357	9,945,016		
51	Taxes Applic. to Other Income and Deductions					
52	Taxes Other Than Income Taxes (408.2)	262-263	5,124	14,823		
53	Income Taxes-Federal (409.2)	262-263	-246,164	385,342		
54	Income Taxes-Other (409.2)	262-263				
55	Provision for Deferred Inc. Taxes (410.2)	234, 272-277	4,884,554	4,100,532		
56	(Less) Provision for Deferred Income Taxes-Cr. (411.2)	234, 272-277	152,257	798,050		
57	Investment Tax Credit Adj.-Net (411.5)					
58	(Less) Investment Tax Credits (420)		-104,748	-104,748		
59	TOTAL Taxes on Other Income and Deductions (Total of lines 52-58)		4,596,005	3,807,395		
60	Net Other Income and Deductions (Total of lines 41, 50, 59)		10,479,004	6,184,288		
61	Interest Charges					
62	Interest on Long-Term Debt (427)		49,876,918	49,939,467		
63	Amort. of Debt Disc. and Expense (428)		397,085	346,565		
64	Amortization of Loss on Reaquired Debt (428.1)		873,492	868,288		
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)		555,177	239,220		
69	(Less) Allowance for Borrowed Funds Used During Construction-Cr. (432)		6,671,238	6,028,778		
70	Net Interest Charges (Total of lines 62 thru 69)		45,031,434	45,364,762		
71	Income Before Extraordinary Items (Total of lines 27, 60 and 70)		92,275,027	67,855,774		
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)		92,275,027	67,855,774		

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		736,158,831	668,198,733
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)		92,502,017	67,960,098
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				
32				
33				
34				
35				
36	TOTAL Dividends Declared-Common Stock (Acct. 438)			
37	Transfers from Acct 216.1, Unapprop. Undistrib. Subsidiary Earnings			
38	Balance - End of Period (Total 1,9,15,16,22,29,36,37)		828,660,848	736,158,831
	APPROPRIATED RETAINED EARNINGS (Account 215)			
39				
40				

STATEMENT OF RETAINED EARNINGS

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

Line No.	Item (a)	Contra Primary Account Affected (b)	Current Quarter/Year Year to Date Balance (c)	Previous Quarter/Year Year to Date Balance (d)
41				
42				
43				
44				
45	TOTAL Appropriated Retained Earnings (Account 215)			
	APPROP. RETAINED EARNINGS - AMORT. Reserve, Federal (Account 215.1)			
46	TOTAL Approp. Retained Earnings-Amort. Reserve, Federal (Acct. 215.1)			
47	TOTAL Approp. Retained Earnings (Acct. 215, 215.1) (Total 45,46)			
48	TOTAL Retained Earnings (Acct. 215, 215.1, 216) (Total 38, 47) (216.1)		828,660,848	736,158,831
	UNAPPROPRIATED UNDISTRIBUTED SUBSIDIARY EARNINGS (Account			
	Report only on an Annual Basis, no Quarterly			
49	Balance-Beginning of Year (Debit or Credit)		-3,624,809	(3,520,485)
50	Equity in Earnings for Year (Credit) (Account 418.1)		-226,990	(104,324)
51	(Less) Dividends Received (Debit)			
52				
53	Balance-End of Year (Total lines 49 thru 52)		-3,851,799	(3,624,809)

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)	92,275,027	67,855,774
3	Noncash Charges (Credits) to Income:		
4	Depreciation and Depletion	68,584,312	65,570,742
5	Amortization of Other	22,968,749	18,354,737
6	Amortization of Nuclear Fuel	31,392,216	22,397,346
7			
8	Deferred Income Taxes (Net)	34,083,465	41,084,174
9	Investment Tax Credit Adjustment (Net)	-1,200,920	-1,455,396
10	Net (Increase) Decrease in Receivables	-1,334,730	26,112,469
11	Net (Increase) Decrease in Inventory	1,746,142	1,601,688
12	Net (Increase) Decrease in Allowances Inventory	-603,626	533,120
13	Net Increase (Decrease) in Payables and Accrued Expenses	3,575,476	-778,511
14	Net (Increase) Decrease in Other Regulatory Assets	-8,878,030	38,815,853
15	Net Increase (Decrease) in Other Regulatory Liabilities	957,150	18,018,336
16	(Less) Allowance for Other Funds Used During Construction	10,816,188	9,311,196
17	(Less) Undistributed Earnings from Subsidiary Companies	-226,990	-104,324
18	Other (provide details in footnote):	4,304,717	4,936,629
19	Unrealized (Gain) Loss on Investment in Debt Securities	-399,483	-245,846
20	Deferred Charges and Credits	2,500,893	-8,171,786
21	Net (Increase) Decrease in Prepayments and Other	-324,457	-16,249,432
22	Net Cash Provided by (Used in) Operating Activities (Total 2 thru 21)	239,057,703	269,173,025
23			
24	Cash Flows from Investment Activities:		
25	Construction and Acquisition of Plant (including land):		
26	Gross Additions to Utility Plant (less nuclear fuel)	-187,453,606	-225,312,872
27	Gross Additions to Nuclear Fuel	-36,890,643	-35,870,958
28	Gross Additions to Common Utility Plant		
29	Gross Additions to Nonutility Plant		
30	(Less) Allowance for Other Funds Used During Construction	-10,816,188	-9,311,196
31	Other (provide details in footnote):		
32			
33			
34	Cash Outflows for Plant (Total of lines 26 thru 33)	-213,528,061	-251,872,634
35			
36	Acquisition of Other Noncurrent Assets (d)		
37	Proceeds from Disposal of Noncurrent Assets (d)	342,222	630,557
38			
39	Investments in and Advances to Assoc. and Subsidiary Companies	104,755	2,083
40	Contributions and Advances from Assoc. and Subsidiary Companies		
41	Disposition of Investments in (and Advances to)		
42	Associated and Subsidiary Companies		
43			
44	Purchase of Investment Securities (a)		
45	Proceeds from Sales of Investment Securities (a)		

STATEMENT OF CASH FLOWS

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

Line No.	Description (See Instruction No. 1 for Explanation of Codes) (a)	Current Year to Date Quarter/Year (b)	Previous Year to Date Quarter/Year (c)
46	Loans Made or Purchased		
47	Collections on Loans		
48			
49	Net (Increase) Decrease in Receivables		
50	Net (Increase) Decrease in Inventory		
51	Net (Increase) Decrease in Allowances Held for Speculation		
52	Net Increase (Decrease) in Payables and Accrued Expenses		
53	Investment in Decommissioning Trust Fund (Purchases)	-73,192,802	-90,118,454
54	Investment in Decommissioning Trust Fund (Sales and Maturities)	61,656,140	79,934,666
55	Other Investing Activities	259,270	1,023,099
56	Net Cash Provided by (Used in) Investing Activities		
57	Total of lines 34 thru 55)	-224,358,476	-260,400,683
58			
59	Cash Flows from Financing Activities:		
60	Proceeds from Issuance of:		
61	Long-Term Debt (b)		
62	Preferred Stock		
63	Common Stock	-33,725,756	-24,105,022
64	Other Financing and Other Capital Lease Obligations-Proceeds	147,627,588	186,470,958
65	Exercise of Stock Options	1,378,280	3,768,960
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)	115,280,112	166,134,896
71			
72	Payments for Retirement of:		
73	Long-term Debt (b)		
74	Preferred Stock		
75	Common Stock		
76	Other Financing Activities	-3,013,976	-1,961,333
77	Financing and Capital Lease Obligations	-139,920,986	-173,126,234
78	Net Decrease in Short-Term Debt (c)		
79	Excess Tax Benefits from Long-Term Incentive Plans	350,000	328,179
80	Dividends on Preferred Stock		
81	Dividends on Common Stock		
82	Net Cash Provided by (Used in) Financing Activities		
83	(Total of lines 70 thru 81)	-27,304,850	-8,624,492
84			
85	Net Increase (Decrease) in Cash and Cash Equivalents		
86	(Total of lines 22,57 and 83)	-12,605,623	147,850
87			
88	Cash and Cash Equivalents at Beginning of Period	91,789,689	91,641,839
89			
90	Cash and Cash Equivalents at End of period	79,184,066	91,789,689

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 2010/Q4
El Paso Electric Company			
FOOTNOTE DATA			

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

	<u>2010</u>	<u>2009</u>
Other:		
Gain on Sale of Property	\$ (299,482)	\$ (377,570)
Impairments of Equity Investments	122,034	1,150,753
Amortization on Unearned Compensation	2,615,223	2,276,764
Other Operating Activities	<u>1,866,942</u>	<u>1,886,682</u>
Total	\$ 4,304,717	\$ 4,936,629

Name of Respondent El Paso Electric Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report / /	Year/Period of Report End of <u>2010/Q4</u>
--	---	-----------------------	--

NOTES TO FINANCIAL STATEMENTS

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

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

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2010/Q4
El Paso Electric Company			
NOTES TO FINANCIAL STATEMENTS (Continued)			

Note 1. Regulatory-Basis Financial Statements and Recent Developments

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 2010 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 2010 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 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.

The Company re-implemented FASB guidance for regulated operations in 2004 for its New Mexico jurisdiction, in 2007 for its Texas jurisdiction, and in 2008 for its FERC jurisdiction. Re-application of FASB guidance for regulated operations required the Company to recognize various regulatory assets on its GAAP financial statements related to accumulated deferred income tax, coal reclamation costs, and the New Mexico and FERC jurisdictional portions of loss on re-acquired debt which had previously been expensed for GAAP reporting. During the quarter ended September 30, 2010, the Company recorded the Texas jurisdictional portion of loss on re-acquired debt as a regulatory asset for GAAP reporting as a result of the final order in PUCT Docket No. 37690 issued on July 30, 2010. See Note B. Also effective with the re-application of FASB guidance for regulated operations, the Company includes AFUDC as a construction cost of electric plant in service replacing the method of calculating capitalized interest previously reported in its GAAP financial statements.

GAAP also requires earnings per share information on the income statement. 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):

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 2010/Q4
NOTES TO FINANCIAL STATEMENTS (Continued)			

Line No.	2010	2009
<u>Assets and Other Debits (Pages 110-111)</u>		
2	\$ (872,723)	\$ (878,233)
5	874,293	(884,861)
11	(1,134)	(1,150)
12	1,264	1,186
15	(1,670)	(2,183)
18	(143)	(143)
21	(2)	(334)
24	(2,909)	(2,824)
28	(161,512)	(142,807)
67	(1,053)	(1,238)
84	(124,685)	(205,160)
<u>Liabilities and Other Credits (Pages 112-113)</u>		
2	70	84
6	12,121	12,576
-	2,162	2,631
10	(341)	(341)
11	(17,803)	(25,904)
12	3,852	3,625
15	5,062	6,682
24	110,000	(2,119)
-	0	65,277
35	(357,975)	(319,177)
54	25,274	18,677
65	(71,582)	(107,829)
<u>Statements of Income for the Year (Pages 114-117)</u>		
2	\$ 35	\$ 95
25	(42,099)	(26,033)
26	42,134	26,128
60	3,815	4,564
70	(3,109)	(1,429)
-	51,016	33,044
-	10,286	0
78	8,328	(923)
<u>Statement of Cash Flows (Pages 120-121)</u>		
22	\$ 292	\$ (63)
57	(292)	63
83	0	0
<u>Statement of Accumulated Comprehensive Income, Comprehensive Income and Hedging Activities (Page 122a-122b)</u>		
9	\$ (1,619)	\$ (770)

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 2010/Q4
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, 2010 and 2009 consist of the following (in thousands):

	<u>2010</u>	<u>2009</u>
Cash and Cash Equivalents:		
Cash (131)	\$ 4,830	\$ (8,120)
Working funds (135)	273	(223)
Temporary cash investments (136)	<u>74,081</u>	<u>100,133</u>
Cash and cash equivalents at end of period	<u>\$ 79,184</u>	<u>\$ 91,790</u>
Amortization of Other:		
ARO depreciation (403.1)	\$ (330)	\$ 40
Other utility plant (404)	6,312	4,628
Regulatory assets (407.3)	2,216	575
ARO liability accretion (411.10)	8,014	7,321
Miscellaneous amortization (425)	513	1,567
Debt expense (428)	397	347
Loss on reacquired debt (428.1)	874	868
Interest rate lock losses	338	317
RCF issuance costs	269	136
Dry cask storage amortization	2,328	2,068
Coal reclamation amortization	598	301
New Mexico rate case expense amortization	348	187
Texas rate case expense amortization	<u>1,092</u>	<u>0</u>
	<u>\$ 22,969</u>	<u>\$ 18,355</u>

Utility Plant Adjustments

The following table summarizes amounts reflected as Utility Plant Adjustments for the New Mexico jurisdiction as of December 31, 2010 and 2009 (in thousands):

	<u>December 31,</u> <u>2009</u>	<u>2010 Activity</u>		<u>December 31,</u> <u>2010</u>
		<u>Additions</u> <u>(Debits)</u>	<u>Amortization</u> <u>(Credits)</u>	
New Mexico (a)				
Utility Plant Adjustment	\$ 17,848	\$ 0	\$ 0	\$ 17,848
Accumulated Amortization	<u>(15,665)</u>	<u>0</u>	<u>(513)</u>	<u>(16,178)</u>
	<u>\$ 2,183</u>	<u>\$ 0</u>	<u>\$ (513)</u>	<u>\$ 1,670</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 plans on amortizing this asset over the remaining lives of each respective production plant.

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 2010/Q4
El Paso Electric Company			
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. El Paso Electric Company also serves a full requirements wholesale customer in Texas.

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.

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. MiraSol Energy Services, Inc. ("MiraSol"), which began operations as a separate subsidiary in March 2001, provided energy efficiency products and discontinued these activities in 2002. The Company records its investment in MiraSol as an investment in subsidiary companies.

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, material, construction overheads and allowance for funds used during construction ("AFUDC"). Depreciation is provided on a straight-line basis at annual rates which will amortize the undepreciated cost of depreciable property over the estimated remaining lives of the assets (ranging in average from 3 to 48 years). The average composite depreciation rate utilized in 2010 and 2009 was 3.21% and 3.22%, respectively, excluding Palo Verde. The Palo Verde costs associated with the Texas and FERC jurisdictions are being depreciated on a straight-line basis over approximately 40 years and the related capital improvements at Palo Verde are being depreciated over the remaining life of the operating license for each unit. For the year ended December 31, 2010, the depreciation period for the Palo Verde costs allocated to the New Mexico jurisdiction include an additional 20 years in accordance with the 2009 New Mexico Stipulation in NMPRC Case No. 09-00171-UT. For the year ended December 31, 2009, the depreciation period for the Palo Verde costs allocated to the New Mexico jurisdiction included an additional 10 years.

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 2010/Q4
El Paso Electric Company			
NOTES TO FINANCIAL STATEMENTS (Continued)			

The cost of renewals and betterments are capitalized and the costs of repairs and minor replacements are charged to the appropriate operating expense accounts. When property subject to composite depreciation is retired or otherwise disposed of in the normal course of business, its original 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. A provision for spent fuel disposal costs is charged to expense based on the funding requirements of the Department of Energy (the "DOE") for disposal cost of approximately one-tenth of one cent on each kWh generated. 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 D.

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 rate used for the first six months of 2010 was 9.01% and 8.47% thereafter. The AFUDC rate utilized in 2009 was 8.94%. 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 for Financial Reporting and Rate Filing Requirements for Asset Retirement Obligations" which sets forth accounting requirements for the recognition and measurement of liabilities associated with the retirement of tangible long-lived assets. An asset retirement obligation ("ARO") associated with long-lived assets included within the scope of which 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 E. 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).

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

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 2010/Q4
El Paso Electric Company			
NOTES TO FINANCIAL STATEMENTS (Continued)			

Investments in Debt Securities. In 2007, the Company invested excess cash in auction rate securities with contract maturity dates that extended beyond three months. These securities have interest rates that reset frequently, and historically had provided a liquid market to sell the securities to meet cash requirements. These securities were and still are classified as trading securities by the Company. The auction rate securities had successful auctions through January 2008. However, since February 13, 2008, auctions for \$4.0 million of these investments have not been successful, resulting in the inability to liquidate these investments. These investments continue to pay interest. These amounts are recorded in Other Investments in the regulatory-basis balance sheets and reported at fair value. See Note N.

Investments. The Company's marketable securities, included 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 and its sales for resale customer are billed under base rates and a fuel adjustment clause which is adjusted monthly, as approved by the NMPRC and the FERC. 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 B.

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 are estimated based on monthly generation volumes and by applying an average revenue/kWh to the number of estimated kWhs delivered but not billed. Accrued Utility Revenues include accrued unbilled revenues of \$16.6 million and \$18.2 million at December 31, 2010 and 2009, respectively. The Company presents revenues net of sales taxes in its regulatory-basis statements of operations.

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 2010/Q4
El Paso Electric Company			
NOTES TO FINANCIAL STATEMENTS (Continued)			

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 2010 and 2009 are as follows (in thousands):

	<u>2010</u>	<u>2009</u>
Balance at beginning of year	\$ 1,191	\$ 3,123
Additions:		
Charged to costs and expense	4,756	3,289
Recovery of previous write-offs	852	1,316
Uncollectible receivables written off	<u>3,914</u>	<u>6,537</u>
Balance at end of year	<u>\$ 2,885</u>	<u>\$ 1,191</u>

Income Taxes. The Company accounts for federal and state income taxes under the asset and liability method of accounting for income taxes. Deferred income taxes are recognized for the estimated future tax consequences of "temporary differences" by applying enacted statutory tax rates for each taxable jurisdiction applicable to future years to differences between the financial statement carrying amounts and the tax basis of existing assets and liabilities. 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 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 F.

Pension and Postretirement Benefit Accounting. For a full discussion of the Company's accounting policies for its employee benefits see Note L.

Reclassification. Certain amounts in the regulatory-basis financial statements for 2009 have been reclassified to conform with the 2010 presentation.

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 2010/Q4
El Paso Electric Company			
NOTES TO FINANCIAL STATEMENTS (Continued)			

Other New Accounting Standards. In December 2009, the FASB issued revised guidance related to financial reporting by enterprises involved with variable interest entities. This guidance became effective for reporting periods beginning after November 15, 2009. The guidance requires an enterprise to perform an analysis to determine whether the enterprise's variable interest or interests give it a controlling financial interest in a variable interest entity. The Company has performed the required analysis and has determined that the Company does not have any purchased power agreements or other arrangements that qualify as a variable interest entity.

Effective April 1, 2009, the Company adopted FASB guidance which establishes general standards of accounting and disclosure of events that occur after the balance sheet date but before financial statements are issued. In February 2010, the Company adopted an amendment to FASB guidance, removing the requirement for a Securities and Exchange Commission filer to disclose a date through which subsequent events have been evaluated. This new guidance changed the Company's disclosures but does not impact the Company's financial statements.

In January 2010, the FASB issued new guidance to improve disclosure requirements related to fair value measurements and disclosures. The new requirements include (i) disclosure of significant transfers in and out of Level 1 and Level 2 fair value measurements and the reasons for the transfers; and (ii) disclosure in the reconciliation for Level 3 fair value measurements of information about purchases, sales, issuances, and settlements on a gross basis. The new guidance also clarifies existing disclosures and requires (i) an entity to provide fair value measurement disclosures for each class of assets and liabilities and (ii) disclosures about inputs and valuation techniques. The provisions of this new guidance were adopted in the first quarter of 2010 except for the reconciliation for the Level 3 fair value measurements on a gross basis which will be adopted during the first quarter of 2011. During the twelve months ended December 31, 2010, there were no transfers in or out of Level 1 or Level 2 categories. This guidance requires additional disclosure on fair value measurements but does not impact the Company's regulatory-basis financial statements.

B. Regulation

General

The rates and services of the Company are regulated by incorporated municipalities in Texas, the PUCT, the NMPRC, and the FERC. The PUCT and the NMPRC have jurisdiction to review municipal orders, ordinances, and utility agreements regarding rates and services within their respective states and over certain other activities of the Company. The FERC has jurisdiction over the Company's wholesale transactions and compliance with federally-mandated reliability standards. The decisions of the PUCT, NMPRC and the FERC are subject to judicial review.

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 2010/Q4
El Paso Electric Company			
NOTES TO FINANCIAL STATEMENTS (Continued)			

Texas Regulatory Matters

Texas Freeze Period. In 2005, the Company entered into agreements ("Texas Rate Agreements") with El Paso, PUCT staff and other parties in Texas that provided for most retail base rates to remain at their existing level through June 30, 2010. During the rate freeze period, if the Company's return on equity fell below the bottom of a defined range, the Company had the right to initiate a rate case and seek an adjustment to base rates. If the Company's return on equity exceeded the top of the range, the Company would refund an amount equal to 50% of the Texas jurisdictional pretax return in excess of the ceiling. The Company's return on equity fell within the then prevailing range during the last reporting period. Also pursuant to the Texas Rate Agreements, the Company agreed to share with its Texas customers 25% of off-system sales margins increasing to 90% after June 30, 2010.

2009 Texas Retail Rate Case. On December 9, 2009, the Company filed an application with the PUCT for authority to change rates, to reconcile fuel costs, to establish formula-based fuel factors, and to establish an energy efficiency cost-recovery factor. This case was assigned PUCT Docket No. 37690. The filing included a base rate increase which was based upon an adjusted test year ended June 30, 2009.

On July 30, 2010, the PUCT approved a settlement in the 2009 Texas retail rate case in PUCT Docket No. 37690. The settlement calls for an annual non-fuel base rate increase of \$17.15 million effective for usage beginning July 1, 2010. This increase was partially offset by the provision that, consistent with a prior rate agreement, effective July 1, 2010, the Company shares 90% of off-system sales margins with customers and retains 10% of such margins. Previously, the Company retained 75% of off-system sales margins. Interim rates went into effect July 1, 2010 pending final approval by the PUCT. All additions to electric plant in service since June 30, 1993 through June 30, 2009 were deemed to be reasonable and necessary with the exception of one small addition. The Company's new customer information system completed in April 2010 was also included in base rates with a ten-year amortization. The settlement provides for the reconciliation of fuel costs incurred through June 30, 2009 except for the recovery of final Four Corners' coal mine reclamation costs. The fuel reconciliation (Docket No. 38361) was bifurcated from the rate case to allow for litigation of the final coal mine reclamation costs. The PUCT also approved the use of a formula-based fuel factor which provides for more timely recovery of fuel costs. The PUCT approved a \$19.7 million or 11% reduction in the Company's fixed fuel factor as the initial rate under the approved fuel factor formula. The PUCT also approved an energy efficiency cost-recovery factor that includes the recovery of deferred energy efficiency costs over a three-year period.

Fuel Reconciliation Case (Severed from 2009 Rate Case). Pursuant to the stipulation in Docket No. 37690, the fuel reconciliation component of the rate case was severed and a separate docket, PUCT Docket No. 38361, was established to address one fuel reconciliation issue not settled by the parties. That single issue was a determination of the proper amount of the Four Corners' coal mine final reclamation costs to be recovered from the Company's Texas retail customers. The hearing on the merits of the case was held on August 11, 2010. On November 23, 2010 the Administrative Law Judge (the "ALJ") issued the Proposal for Decision which approved the Company's request. The PUCT issued a final order approving the Proposal for Decision on January 27, 2011.

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 2010/Q4
El Paso Electric Company			
NOTES TO FINANCIAL STATEMENTS (Continued)			

Fuel and Purchased Power Costs. The Company's actual fuel costs, including purchased power energy costs, are recoverable from its customers. The PUCT has adopted a fuel cost recovery rule ("Texas Fuel Rule") that allows the Company to seek periodic adjustments to its fixed fuel factor. The Company received approval on July 30, 2010 in PUCT Docket No. 37690 (discussed above), to implement a formula to determine its 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 December 17, 2009, the Company filed a petition with the PUCT in Docket No. 37788 to refund \$11.8 million in fuel cost over-recoveries, including interest, for the period September through November 2009. On January 20, 2010, a stipulation was filed that resolved all of the issues in this proceeding. The stipulation provided for the Company to implement a fuel refund for the net over-recovery of \$11.8 million, including interest, in the month of February 2010. On January 21, 2010, the ALJ assigned to the docket issued an order approving the implementation of interim rates to allow the requested refund to be made. The PUCT issued a final order on February 11, 2010 approving the stipulation.

On November 23, 2010, the Company filed a Petition to Revise its Fixed Fuel Factor pursuant to the Fuel Factor Formula authorized in PUCT Docket No. 37690 for determining the Company's fuel factor. The Company's request was to decrease its fixed fuel factor by 14.7%. On December 2, 2010, the State Office of Administrative Hearings ("SOAH") ALJ issued Order No. 1, establishing interim rates as requested, as well as a deadline of December 3, 2010, for the purpose of requesting a hearing, and absent such a request, implementation of the revised fuel factor would become final by its own terms and without further PUCT order. No request was received; therefore, the revised fuel factor became final. On January 6, 2011, the SOAH ALJ dismissed the proceeding from the SOAH docket, the case was dismissed from the PUCT's docket on that same date, and the case was closed.

On October 20, 2010, the Company filed a petition with the PUCT which was assigned Docket No. 38802 to refund \$12.8 million in fuel cost over-recoveries, including interest, for the period April 2010 through September 2010. In its filing, the Company requested the refund be made to customers in the single billing month of December 2010. On November 22, 2010, a stipulation was filed that resolved all issues in this case and requested that an order be issued that would allow the interim refund in December 2010 consistent with the Company's filing. The ALJ issued an order approving the implementation of interim rates to allow the requested refund to be made in December. On December 16, 2010, the PUCT issued a final order approving the stipulation.

On May 12, 2010, the Company filed a petition with the PUCT which was assigned Docket No. 38253 to refund \$10.5 million in fuel cost over-recoveries, including interest, for the period December 2009 through March 2010. On June 14, 2010, the Company and all other parties filed a stipulation that resolved all of the

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 2010/Q4
El Paso Electric Company			
NOTES TO FINANCIAL STATEMENTS (Continued)			

issues in this case. In the stipulation, the Company and the other parties agreed to increase the refund by \$0.6 million to remove costs for the purchase of renewable energy credits from the Company's fuel cost, and as a result of that adjustment and the associated recalculation of interest, the total refund was \$11.1 million. On June 16, 2010, the ALJ assigned to the docket issued an order approving the implementation of interim rates to allow the requested refund to be made in July and August 2010. The PUCT issued a final order on July 15, 2010 approving the stipulation.

On February 18, 2011, the Company filed a petition with the PUCT which was assigned Docket No. 39159 to refund \$11.8 million in fuel cost over-recoveries, including interest, for the period October 2010 through December 2010. In its filing, the Company requested the refund be made to customers in the single billing month of April 2011. On March 25, 2011, the ALJ approved the implementation of the interim fuel refund in April 2011. A final order is expected in April 2011.

Application for Approval to Revise Energy Efficiency Cost Recovery Factor for 2011. On June 1, 2010, the Company filed with the PUCT an application for approval to revise its energy efficiency cost recovery factor ("EECRF"), which was assigned PUCT Docket No. 38226. The Company requested that its revised EECRF become effective beginning with the first billing cycle of its January 2011 billing month. In its application, the Company requested authority to increase its 2011 EECRF to a total of \$6.6 million to recover \$4.2 million in energy efficiency costs projected to be incurred in 2011, a performance bonus of \$0.1 million for the Company's 2009 program performance, and \$2.3 million in annual amortization of the energy efficiency costs that were deferred pursuant to the PUCT's final order in Docket No. 35612. A final order approving the Company's application was issued on October 4, 2010.

Application for a Certificate of Convenience and Necessity ("CCN") for Rio Grande Unit 9. On September 30, 2010, the Company filed a petition seeking a CCN to construct an 87 MW natural gas-fired combustion turbine unit at the Company's existing Rio Grande Generating Station in the City of Sunland Park in southeast New Mexico. This case was assigned PUCT Docket No. 38717. A unanimous settlement to approve the CCN was filed on March 2, 2011 and a final order granting the CCN was approved on April 8, 2011.

New Mexico Regulatory Matters

2009 New Mexico Stipulation. On May 29, 2009, the Company filed a general rate case using a test year ended December 31, 2008. The 2009 rate case was docketed as NMPRC Case No. 09-00171-UT. A comprehensive unopposed stipulation (the "2009 New Mexico Stipulation") was reached in this general rate case and filed on October 8, 2009. The 2009 New Mexico Stipulation provided for an increase in New Mexico jurisdictional non-fuel and purchased power base rate revenues of \$5.5 million. The 2009 New Mexico Stipulation provided for the revision of depreciation rates for the Palo Verde nuclear generating plant to reflect a 20-year life extension and a revision of depreciation rates for other plant in service. The 2009 New Mexico Stipulation also provided for the continuation of the Company's Fuel and Purchased Power Cost Adjustment Clause ("FPPCAC") without conditions or variance. In addition, it modified the market pricing of capacity and energy provided by Palo Verde Unit 3 using a methodology based upon a previous purchased power contract with Credit Suisse Energy, LLC. On December 10, 2009, the NMPRC issued a final order conditionally approving and clarifying the unopposed stipulation, and the stipulated rates went into effect with January 2010 bills.

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 2010/Q4
El Paso Electric Company			
NOTES TO FINANCIAL STATEMENTS (Continued)			

Investigation into Recovering County Franchise Fees. On December 10, 2009, the NMPRC issued an order in NMPRC Case No. 09-00421-UT, requiring the Company to show cause why it should collect franchise fees from its customers on behalf of Doña Ana and Otero Counties (the "Counties"). The Company responded to the order on January 5, 2010. On January 26, 2010, the NMPRC issued a final order concluding that the imposition of franchise fees by New Mexico counties is not authorized under New Mexico law and, therefore, the Company may not pass through to its customers some past and all ongoing franchise fees imposed by the Counties. The order concluded that only "home rule" municipalities, who had adopted a charter under the state constitution, could impose franchise fees or taxes, provided the residents so voted.

As a result of its findings, the NMPRC directed the Company to immediately cease passing through to its customers any franchise fees paid by the Company to the Counties. The NMPRC also directed the Company to refund to its customers in the Counties the amount of franchise fees charged to those customers since June 1, 2004, plus interest. The order stated that the Company was required to refund these franchise fees to customers over a three-year period through a credit on customer bills.

The Company filed a Notice of Appeal with the New Mexico Supreme Court on January 27, 2010 (the "Appeal"), seeking to set aside the order on legal and jurisdictional grounds. The Company followed with a motion for Emergency Stay on January 29, 2010, asking the New Mexico Supreme Court to stay the order pending the Appeal. The Company also asked the NMPRC, on February 12, 2010, to delay implementation of its order pending the Appeal. The Counties moved to intervene in the Appeal on February 10, 2010. The Company had placed pending franchise payments to the Counties in separate accounts pending resolution of the proceedings. However, beginning in April 2010 the Company began paying franchise payments to the Counties in accordance with the current franchise agreements. On February 22, 2010, the New Mexico Supreme Court granted the Company's motion for Emergency Stay pending the outcome of the Appeal and granted the Counties' motion to intervene in the Appeal. In February 2010, the New Mexico legislature passed legislation that confirmed the legality of the Company's existing franchise agreements with the Counties. On October 26, 2010, the New Mexico Supreme Court issued its opinion and held that the franchise fee charges fall outside the NMPRC's jurisdiction and vacated and annulled the NMPRC's order.

Investigation into the Service Quality of the Company. On October 22, 2009, NMPRC Staff filed a petition requesting an investigation into the quality of service of the Company's power distribution system in the Santa Teresa Industrial Park, based upon a report prepared for customers in that area by the Los Alamos National Laboratory. On October 27, 2009, the NMPRC decided to initiate an investigation and ordered the Company to respond no later than November 16, 2009. The Company filed an initial response on November 16, 2009 and a supplemental response on January 8, 2010 after obtaining data on which the report was based. The Company responses provided evidence that the reliability and power quality performance for the Company's service territory as a whole and on the Santa Teresa circuits in particular meet all applicable reliability standards and comport with good utility practices. On January 28, 2010, the NMPRC Staff filed a reply stating that it found no factual basis to conclude that the Company had violated NMPRC rules and recommended the NMPRC dismiss this proceeding.

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 2010/Q4
El Paso Electric Company			
NOTES TO FINANCIAL STATEMENTS (Continued)			

On June 8, 2010, the hearing examiner issued a recommended decision concluding that there is no substantial evidence that would support the allegations in this case regarding the Company's quality of service. The hearing examiner found there is good cause to dismiss the investigation and close the docket without further proceedings. On November 4, 2010, the NMPRC issued a final order approving the recommended decision.

2010 Energy Efficiency Program Approval. On January 19, 2010, the Company filed its Application for Approval of its 2010 Energy Efficiency Programs pursuant to the New Mexico Efficient Use of Energy Act. The filing included changes and additions to the Company's previously approved programs and sought revisions to the associated rate rider through which program costs are recovered. The parties to the proceeding entered into an uncontested stipulation to implement program changes and expansions as well as the rate rider to recover related costs. The NMPRC approved the stipulation in its final order issued August 12, 2010.

2010 Renewable Procurement Plan Pursuant to the Renewable Energy Act. On July 1, 2010, the Company filed its Application for Approval of its 2010 Renewable Procurement Plan, which was assigned NMPRC Case No. 10-00200-UT. The filing included renewable resources intended to meet the Company's Renewable Portfolio Standard ("RPS") requirements in 2011 and future years. The 2010 Renewable Procurement Plan included a number of projects to meet the Company's RPS requirements, including three purchased power agreements for solar energy discussed in Note J – Commitments, Contingencies and Uncertainties – Power Purchase and Sales Contracts. In addition, the Company requested a variance from the solar diversity requirements in 2011 to be made up in later years from the new purchased power agreements for solar energy. Hearings were held on October 21, 2010. A final order was issued on December 16, 2010 that approved the Company's 2010 Renewable Procurement plan, including granting the requested variance from the solar diversity requirements in 2011. However, the NMPRC maintained the 2010 rates and contract terms for energy produced by customer-owned renewable distributed generation facilities.

Replacement of Revolving Credit Facility and Guarantee of Debt. On June 22, 2010, the Company received final approval from the NMPRC in Case No. 10-00145-UT to refinance the Company's RCF and issue in a private placement up to \$110 million of senior notes by the RGRT, guaranteed by the Company, to finance nuclear fuel. The refinancing of the RCF and the issuance of the senior notes was completed in the third quarter of 2010. See Note H.

Application for Approval to Recover Regulatory Disincentives and Incentives. On August 31, 2010, the Company filed an application for approval of its proposed rate design methodology to recover regulatory disincentives and incentives associated with the Company's energy efficiency and load management programs in New Mexico. On March 18, 2011, an uncontested stipulation which would provide for a rate per kWh of energy efficiency savings that would be recovered through the efficient use of energy rider. A hearing on the uncontested stipulation is scheduled for April 25, 2011 and a final order is expected before July 2011.

New Mexico Investigation into Executive Compensation. In December 2007, the NMPRC initiated an investigation into executive compensation of investor-owned gas and electric public utilities. In its order initiating the investigation, Case No. 07-00443-UT, the NMPRC required each utility to provide information on compensation of executive officers and directors for the period 1977-2006. The Company provided the requested information. No further action was taken by the NMPRC and the case was closed on October 5, 2010.

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 2010/Q4
El Paso Electric Company			
NOTES TO FINANCIAL STATEMENTS (Continued)			

Application for a CCN for Rio Grande Unit 9. On September 30, 2010, the Company filed a petition seeking a CCN to construct an 87 MW natural gas-fired combustion turbine unit at the Company's existing Rio Grande Generating Station in the City of Sunland Park in southeast New Mexico. This case was assigned NMPRC Case No. 10-00301-UT. On March 4, 2011, NMPRC Staff filed testimony in support of the Company's application and no party filed testimony or a position statement opposing the application. The hearing is currently scheduled to begin April 13, 2011, but the Company has filed an unopposed motion to amend the procedural order to establish a hearing date of May 18, 2011.

Federal Regulatory Matters

Transmission Dispute with Tucson Electric Power Company ("TEP"). In January 2006, the Company filed a complaint with the FERC to interpret the terms of a Power Exchange and Transmission Agreement (the "Transmission Agreement") entered into with TEP in 1982. TEP filed a complaint with the FERC one day later raising virtually identical issues. TEP claimed that, under the Transmission Agreement, it was entitled to up to 400 MW of firm transmission rights on the Company's transmission system that would enable it to transmit power from the Luna Energy Facility ("LEF") located near Deming, New Mexico to Springerville or Greenlee in Arizona. The Company asserted that TEP's rights under the Transmission Agreement do not include transmission rights necessary to transmit such power as contemplated by TEP and that TEP must acquire any such rights in the open market from the Company at applicable tariff rates or from other transmission providers. On April 24, 2006, the FERC ruled in the Company's favor, finding that TEP does not have transmission rights under the Transmission Agreement to transmit power from the LEF to Arizona. The ruling was based on written evidence presented and without an evidentiary hearing. TEP's request for a rehearing of the FERC's decision was granted in part and denied in part in an order issued October 4, 2006, and hearings on the disputed issues were held before an administrative law judge. In the initial decision dated September 6, 2007, the administrative law judge found that the Transmission Agreement allows TEP to transmit power from the LEF to Arizona but limits that transmission to 200 MW on any segment of the circuit and to non-firm service on the segment from Luna to Greenlee. The Company and TEP filed exceptions to the initial decision.

On November 13, 2008, the FERC issued an order on the initial decision finding that the transmission rights given to TEP in the Transmission Agreement are firm and are not restricted for transmission of power from Springerville as the receipt point to Greenlee as the delivery point. Therefore, pursuant to the order, TEP can use its transmission rights granted under the Transmission Agreement to transmit power from the LEF to either Springerville or Greenlee so long as it transmits no more than 200 MW over all segments at any one time.

The FERC also ordered that the Company refund to TEP all sums with interest that TEP had paid it for transmission under the applicable transmission service agreements since February 2006 for service relating to the LEF. On December 3, 2008, the Company refunded \$9.7 million to TEP. The Company had established a reserve for the rate refund of approximately \$7.2 million as of September 30, 2008, resulting in a pre-tax charge to earnings of approximately \$2.5 million in 2008. The Company also paid TEP interest on the refunded balance of approximately \$0.9 million, which was also charged to earnings in 2008. The Company filed a request for rehearing of the FERC's decision on December 15, 2008, seeking reversal of the order on the merits and a return of any refunds made in the interim, as well as compensation for all service that the Company may provide to TEP from the LEF over the Company's transmission system on a going forward basis. On July 7, 2010, the FERC denied the Company's request for rehearing. On July 23, 2010, the Company filed a petition for review in the United States Court of Appeals for the District of Columbia Circuit and on August 18, 2010, TEP filed a motion to intervene in the proceeding. On January 14, 2011, the Company and TEP filed a joint consent motion,

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 2010/Q4
El Paso Electric Company			
NOTES TO FINANCIAL STATEMENTS (Continued)			

asking the Court to hold the proceedings in abeyance while the parties engaged in settlement discussions. The Court granted the motion on January 19, 2011. If the order is not reversed, or otherwise resolved through settlement, the Company will lose the opportunity to receive compensation from TEP for such transmission service in the future.

In an ancillary proceeding, TEP filed a lawsuit in the United States District Court for the District of Arizona in December 2008, seeking reimbursement for amounts TEP paid a third party transmission provider for purchases of transmission capacity between April 2006 and May 2007, allegedly totaling approximately \$1.5 million, plus accrued interest. TEP alleges that the Company was obligated to provide TEP with that transmission capacity without charge under the Transmission Agreement. In September 2009, the Court granted a stay in this suit pending a resolution of the underlying FERC proceeding and any appeal thereof. The Company cannot predict the outcome of this matter.

Replacement of Revolving Credit Facility and Guarantee of Debt. On June 29, 2010, the Company received approval from the FERC in Docket No. ES10-43-000 to refinance the Company's RCF and issue in a private placement up to \$110 million of senior notes by the RGRT, guaranteed by the Company, to finance nuclear fuel. The refinancing of the RCF and the issuance of the senior notes was completed in the third quarter of 2010. See Note H.

Department of Energy. 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 a presidential permit. The DOE has determined that all such exports over international transmission lines shall be made in accordance with Order No. 888, which established the FERC rules for open access.

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 D – Palo Verde – Spent Fuel Storage for discussion of spent fuel storage and disposal costs.

Nuclear Regulatory Commission ("NRC"). The NRC has jurisdiction over the Company's licenses for Palo Verde and regulates the operation of nuclear generating stations to protect the health and safety of the public from radiation hazards. The NRC also has the authority to grant license extensions pursuant to the Atomic Energy Act of 1954, as amended.

Sales for Resale

The Company provides firm capacity and associated energy to the RGEC pursuant to an ongoing contract which requires a two-year notice to terminate. The Company also provides network integrated transmission service to 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 RGEC.

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 2010/Q4
NOTES TO FINANCIAL STATEMENTS (Continued)			

C. Regulatory Assets and Liabilities

The Company's operations are regulated by the PUCT, the NMPRC and the FERC. Regulatory assets represent probable future recovery of previously incurred costs, which will be collected from customers through the ratemaking process. Regulatory liabilities represent probable future reductions in revenues associated with amounts that are to be credited to customers through the ratemaking process. Regulatory assets and liabilities reflected in the Company's regulatory-basis balance sheets are presented below (in thousands):

	<u>Amortization Period Ends</u>	<u>December 31, 2010</u>	<u>December 31, 2009</u>
Regulatory assets			
Regulatory tax assets (a)	(b)	\$ 102,238	\$ 95,134
Final coal reclamation (a)	July 2016	10,282	9,381
Nuclear fuel postload daily financing charge	(c)	2,166	1,695
Texas energy efficiency	(c)	5,460	4,017
Texas 2009 rate case costs (d)	June 2012	3,298	1,473
Texas military base discount and recovery factor	(e)	761	0
New Mexico 2009 rate case procurement plan costs (d)	December 2011	232	464
New Mexico procurement plan costs	(f)	122	112
New Mexico 2009 rate case renewable energy credits (d)	December 2011	1,139	3,123
New Mexico renewable energy credits	(f)	930	292
New Mexico 2006 rate case costs (d)	June 2010	0	95
New Mexico 2009 rate case costs (d)	December 2012	506	814
New Mexico Palo Verde deferred depreciation	(b)	4,773	2,789
New Mexico energy efficiency	(c)	321	642
Total regulatory assets		<u>\$ 132,228</u>	<u>\$ 120,031</u>
Regulatory liabilities			
Regulatory tax liabilities (a)	(b)	\$ 59,863	\$ 60,569
Net overcollection of fuel revenues	(g)	<u>18,976</u>	<u>18,018</u>
Total regulatory liabilities		<u>\$ 78,839</u>	<u>\$ 78,587</u>

- (a) No specific return on investment is required since related assets and liabilities, including accumulated deferred income taxes and reclamation liability, offset.
- (b) The amortization period for this asset is based upon the life of the associated assets.
- (c) This asset is recovered through an annual recovery factor.
- (d) This item is included in rate base which earns a return on investment.
- (e) This item represents the net asset related to the military discount which is recovered from non-military customers through a recovery factor.
- (f) Amortization period is anticipated to be established in next general rate case.
- (g) Recovery or refund is through fuel adjustment mechanisms in each jurisdiction.

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) / /	2010/Q4
NOTES TO FINANCIAL STATEMENTS (Continued)			

D. 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, 2010 (in thousands):

	<u>Gross Plant</u>	<u>Accumulated Depreciation</u>	<u>Net Plant</u>
Nuclear production	\$ 1,721,885	\$ (1,163,013)	\$ 558,872
Steam and other	<u>378,136</u>	<u>(215,460)</u>	<u>162,676</u>
Total production	2,100,021	(1,378,473)	721,548
Transmission	323,481	(184,408)	139,073
Distribution	778,429	(257,278)	521,151
General	133,338	(76,198)	57,140
Intangible	<u>60,316</u>	<u>(25,434)</u>	<u>34,882</u>
Total	<u>\$ 3,395,585</u>	<u>\$ (1,921,791)</u>	<u>\$ 1,473,794</u>

Amortization of intangible plant (software) is provided on a straight-line basis over the estimated useful life of the asset (ranging from 3 to 10 years). The amortization expense for intangible plant was \$6.3 million and \$4.5 million for 2010 and 2009, respectively. The table below presents the estimated amortization expense for intangible plant for the next five years (in thousands):

2011	\$ 6,185
2012	5,765
2013	4,765
2014	3,796
2015	3,143

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.

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 2010/Q4
El Paso Electric Company			
NOTES TO FINANCIAL STATEMENTS (Continued)			

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, 2010 and 2009 is as follows (in thousands):

	<u>December 31, 2010</u>		<u>December 31, 2009</u>	
	<u>Palo Verde</u>	<u>Other</u>	<u>Palo Verde</u>	<u>Other</u>
Electric plant in service	\$ 1,721,885	\$ 167,034	\$1,685,307	\$ 159,649
Accumulated depreciation	(1,163,013)	(118,257)	(1,155,784)	(114,512)
Construction work in progress	<u>48,703</u>	<u>1,940</u>	<u>57,201</u>	<u>5,290</u>
Total	<u>\$ 607,575</u>	<u>\$ 50,717</u>	<u>\$ 586,724</u>	<u>\$ 50,427</u>

Palo Verde

The operation of Palo Verde and the relationship among the Palo Verde Participants is governed by the Arizona Nuclear Power Project Participation Agreement (the "ANPP Participation Agreement"). APS serves as operating agent for Palo Verde, and under the ANPP Participation Agreement, the Company has limited ability to influence operations and costs at Palo Verde. Pursuant to the ANPP Participation Agreement, the Palo Verde Participants share costs and generating entitlements in the same proportion as their percentage interests in the generating units, and each participant is required to fund its share of fuel, other operations, maintenance and capital costs. The Company's share of direct expenses in Palo Verde and other jointly-owned utility plants is reflected in fuel expense, other operations expense, maintenance expense, miscellaneous other deductions, and taxes other than income taxes in the Company's regulatory-basis 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.

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.

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. The Company is required to maintain a minimum accumulation and a minimum 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, 2010, the Company's decommissioning trust fund had a balance of \$153.9 million and the Company was above its minimum funding level. The Company will continue to monitor

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 2010/Q4
El Paso Electric Company			
NOTES TO FINANCIAL STATEMENTS (Continued)			

the status of its decommissioning funds and adjust its deposits, if necessary, to remain at or above its minimum accumulation requirements in the future.

Decommissioning costs are estimated every three years based upon engineering cost studies performed by outside engineers retained by APS. On March 26, 2008, the Palo Verde Participants approved the 2007 Palo Verde decommissioning study (the "2007 Study"). The 2007 Study estimated that the Company must fund approximately \$324.4 million (stated in 2007 dollars) to cover its share of decommissioning costs which was a reduction in decommissioning costs from the 2004 Palo Verde decommissioning study and will result in lower asset retirement obligations and lower expenses in the future. Although the 2007 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. A study of decommissioning costs was commissioned in 2010 ("2010 Study"). The final application of the 2010 Study is pending the NRC's decision to approve the application to extend the Palo Verde licenses for 20 years. See "Spent Fuel Storage" and "Disposal of Low-Level Radioactive Waste" below.

Spent Fuel Storage. The original spent fuel storage facilities at Palo Verde had sufficient capacity to store all fuel discharged from normal operation of all three Palo Verde units through 2003. Alternative on-site storage facilities and casks have been constructed to supplement the original facilities. In March 2003, APS began removing spent fuel from the original facilities as necessary, and placing it in special storage casks which will be stored at the on-site facilities until accepted by the DOE for permanent disposal. The 2007 Study assumed that costs to store fuel on-site will become the responsibility of the DOE after 2037. APS believes that spent fuel storage or disposal methods will be available to allow each Palo Verde unit to continue to operate through the current term of its operating license.

Pursuant to the Nuclear Waste Policy Act of 1982, as amended in 1987 (the "Waste Act"), 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. In accordance with the Waste Act, the DOE entered into a spent nuclear fuel contract with the Company and all other Palo Verde Participants. The DOE has previously reported that its spent nuclear fuel disposal facilities would not be in operation in the near future. In November 1997, the United States Court of Appeals for the District of Columbia Circuit issued a decision preventing the DOE from excusing its own delay but refused to order the DOE to begin accepting spent nuclear fuel. The Company cannot predict when spent fuel shipments to the DOE will commence.

The Company expects to incur significant costs for on-site spent fuel storage during the life of Palo Verde that the Company believes are the responsibility of the DOE. These costs are assigned to fuel requiring the additional on-site storage and amortized as that fuel is burned until an agreement is reached with the DOE for recovery of these costs.

In December 2003, APS, in conjunction with other nuclear plant operators, filed suit against the DOE on behalf of the Palo Verde Participants to recover monetary damages associated with the delay in the DOE's acceptance of spent fuel. APS pursued a damages claim for costs incurred through December 2006 in a trial that began on January 28, 2009. On June 18, 2010, the court awarded APS and the other Palo Verde Participants

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 2010/Q4
El Paso Electric Company			
NOTES TO FINANCIAL STATEMENTS (Continued)			

approximately \$30 million. In October 2010, the Company received \$4.8 million, representing its share of the award. The majority of the award was refunded to customers through the applicable fuel adjustment clauses. APS is continuing to pursue settlement of damage claims for costs incurred after 2006.

Disposal of Low-level Radioactive Waste. Congress has established requirements for the disposal by each state of low-level radioactive waste generated within its borders. The construction and opening of low-level radioactive waste disposal sites have been delayed due to extensive public hearings, disputes over environmental issues and review of technical issues related to the proposed sites. The opposition, delays, uncertainty and costs that have been experienced demonstrate possible roadblocks that may be encountered when Arizona seeks to open its own waste repository. APS currently believes that interim low-level waste storage methods are or will be available to allow each Palo Verde unit to continue to operate and to store safely low-level waste until a permanent disposal facility is available.

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 currently at \$12.6 billion. This potential liability is covered by primary liability insurance provided by commercial insurance carriers in the amount of \$375 million and the balance by an industry-wide retrospective assessment program. If a loss at a nuclear power plant covered by the programs exceeds the accumulated funds in the primary level of protection, the Company could be assessed retrospective premium adjustments on a per incident basis. Under federal law, the maximum assessment per reactor under the program for each nuclear incident is approximately \$117.5 million, subject to an annual limit of \$17.5 million. Based upon the Company's 15.8% interest in the three Palo Verde units, the Company's maximum potential assessment per incident for all three units is approximately \$55.7 million, with an annual payment limitation of approximately \$8.3 million.

The Palo Verde Participants maintain "all risk" (including nuclear hazards) insurance for property damage to, and decontamination of, property at Palo Verde in the aggregate amount of \$2.75 billion, a substantial portion of which must first be applied to stabilization and decontamination. 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 \$8.95 million for the current policy period.

E. Accounting for Asset Retirement Obligations

The Company complies with FERC Order No. 631 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 retirements 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

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 2010/Q4
El Paso Electric Company			
NOTES TO FINANCIAL STATEMENTS (Continued)			

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 2007 Palo Verde decommissioning study. See Note D. The ARO liability is calculated by adjusting the estimated decommissioning costs for spent fuel storage and a profit margin and market-risk premium factor. The resulting costs are escalated over the remaining life of the plant and finally discounted using a credit-risk adjusted discount rate. The Company assumed an escalation rate of 3.6%. Since the 2007 Palo Verde decommissioning cost estimate is less than the original estimate in 2007 dollars, the Company used the credit-risk adjusted discount rate of 9.5% used in the original calculation of the ARO liability. 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 has six external trust funds with an independent trustee which are legally restricted to settling its ARO at Palo Verde. The fair value of the funds at December 31, 2010 is \$153.9 million.

FERC Order No. 631 requires the Company to revise its previously recorded ARO for any changes in estimated cash flows. 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. Since the 2007 study reflected a downward revision in the estimated cash flows for decommissioning costs from the 2004 study, the Company recorded an \$8.6 million reduction to its ARO asset and liability in the first quarter of 2008. Accretion and depreciation expense related to the ARO decreased approximately \$1.3 million annually as a result of this adjustment.

A reconciliation of the Company's ARO liability recorded is as follows (in thousands):

	<u>2010</u>	<u>2009</u>
ARO liability at beginning of year	\$ 85,358	\$ 78,037
Liabilities incurred	0	0
Liabilities settled	(85)	0
Revisions to estimate	(377)	0
Accretion expense	<u>8,015</u>	<u>7,321</u>
ARO liability at end of year	<u>\$ 92,911</u>	<u>\$ 85,358</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.

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 2010/Q4
El Paso Electric Company			
NOTES TO FINANCIAL STATEMENTS (Continued)			

F. Common Stock

Overview

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

Long-Term Incentive Plan

On May 2, 2007, the Company's shareholders approved a stock-based long-term incentive plan (the "2007 LTIP") and authorized the issuance of up to one million shares of common stock for the benefit of directors and employees. Under the 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 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 expire 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 following table summarizes the transactions in the Company's stock options for 2010:

	<u>Shares</u>	<u>Weighted Average Exercise Price</u>	<u>Weighted Average Remaining Contractual Term</u>	<u>Aggregate Intrinsic Value</u> (In thousands)
Options outstanding at December 31, 2009	197,988	\$ 13.51		
Options exercised	<u>96,742</u>	14.25		
Options outstanding at December 31, 2010	<u>101,246</u>	12.82	1.96	\$ 1,490
Exercisable at December 31, 2010	<u>101,246</u>	12.82	1.96	\$ 1,490

The Company received approximately \$1.4 million in cash for the 96,742 stock options exercised in 2010. During 2010, the Company realized \$0.3 million in current tax benefits from the exercise of stock options. The intrinsic value of stock options exercised in 2010 and 2009 was \$1.3 million and \$1.5 million, respectively. No options were forfeited, vested or expired during 2010 and 2009.

All stock options outstanding have vested. No compensation cost was recognized in 2009 and 2010 for stock options and there is no unrecognized compensation expense related to stock options.

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 2010/Q4
El Paso Electric Company			
NOTES TO FINANCIAL STATEMENTS (Continued)			

Restricted Stock. The Company has awarded restricted stock under its long-term incentive plans. Restrictions from resale 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.

Approximately \$1.6 million and \$1.5 million was charged to expense related to restricted stock awards in 2010 and 2009, respectively. The deferred tax benefit related to these expenses was \$0.6 million and \$0.6 million for 2010 and 2009, respectively. Current tax expense of \$0.2 million and \$0.2 million was recognized by the Company in 2010 and 2009 from the issuance of restricted stock, respectively. Any capitalized costs related to these expenses would be less than \$0.1 million for both years.

The aggregate intrinsic value for restricted stock vested during 2010 and 2009 was \$1.7 million and \$1.3 million, respectively. The fair value at grant date for restricted stock vested in 2010 and 2009 was \$1.3 million and \$1.7 million, respectively. The outstanding restricted stock has remaining \$1.2 million of unrecognized compensation expense at December 31, 2010 that is expected to be recognized over the weighted average remaining contractual term of the outstanding restricted stock of approximately one year. The aggregate intrinsic value of the 143,371 outstanding restricted shares at December 31, 2010 was \$3.9 million.

The following table summarizes the unvested restricted stock transactions for 2010:

	<u>Total Shares</u>	<u>Weighted Average Grant Date Fair Value</u>
Restricted shares outstanding at December 31, 2009	147,427	\$ 15.74
Restricted stock awards	112,891	20.03
Lapsed restrictions and vesting	(78,954)	16.02
Forfeitures	<u>(37,993)</u>	18.20
Restricted shares outstanding at December 31, 2010	<u>143,371</u>	18.30

The weighted average fair values per share at grant date for restricted stock awarded during 2010 and 2009 were \$20.03 and \$14.59, respectively.

The holder of a restricted stock award has rights as a shareholder of the Company, including the right to vote and, if applicable, receive cash dividends on restricted stock, except that certain restricted stock awards require any cash dividend on restricted stock to be delivered to the Company in exchange for additional shares of restricted stock of equivalent market value.

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 2010/Q4
El Paso Electric Company			
NOTES TO FINANCIAL STATEMENTS (Continued)			

Performance Shares. The Company has granted performance share awards to certain officers under the Company's existing long-term incentive plans, which provide 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. Performance shares vesting on January 1, 2010 met the 30% payout level and 9,525 shares were issued with a total cost of \$0.7 million which had been expensed ratably between 2007 and 2009. The requisite service period for these shares ended December 31, 2009, and the shares had an aggregate intrinsic value of \$0.2 million. Performance shares vesting on January 1, 2011 met the 112.5% payout level and 34,820 shares were issued with a total cost of \$0.6 million which had been expensed ratably between 2008 and 2010. The requisite service period for these shares ended December 31, 2010, and the shares had an aggregate intrinsic value of \$1.0 million. In 2011, 2012 and 2013, 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 issued can range from zero to 403,500 shares.

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

The following table summarizes the outstanding performance share awards at the 100% performance level:

	<u>Number Outstanding</u>	<u>Weighted Average Grant Date Fair Value</u>
Performance shares outstanding at December 31, 2009	192,100	\$ 14.58
Performance share awards	96,900	19.82
Performance shares vested	(9,525)	20.86
Performance shares lapsed	(22,225)	20.86
Performance shares forfeited	<u>(24,550)</u>	12.91
Performance shares outstanding at December 31, 2010	<u><u>232,700</u></u>	16.08

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 2010/Q4
El Paso Electric Company			
NOTES TO FINANCIAL STATEMENTS (Continued)			

The outstanding performance awards have remaining \$1.5 million of unrecognized expense at December 31, 2010 that is expected to be recognized over the weighted average remaining contractual term of the awards of approximately one year. The aggregate intrinsic value of the 232,700 outstanding awards (based on 100% performance level) at December 31, 2010 was \$6.4 million. The weighted average per share grant date fair value per share of performance shares awarded during the years 2010 and 2009 was \$19.82 and \$12.00, respectively. The fair value of performance shares which vested in 2010 was \$0.2 million, with an intrinsic value of \$0.2 million.

The Company recorded compensation expense related to performance shares of \$1.0 million and \$0.7 million in 2010 and 2009, respectively. The compensation expense for 2010 and 2009 included cumulative adjustments for forfeiture of performance share awards by certain executives. Deferred tax expense related to compensation expense in 2010 and 2009 was \$0.3 million.

Common Stock

Repurchase Program. Since the inception of the stock repurchase program in 1999 through December 31, 2010, the Company has repurchased a total of approximately 22.6 million shares of its common stock at an aggregate cost of \$337.1 million, including commissions. On February 19, 2010, the Board of Directors authorized an additional repurchase of up to 2 million shares of the Company's outstanding common stock. During 2010, 1,524,711 shares were repurchased in the open market at an aggregate cost of \$33.7 million, including commissions. As of December 31, 2010, 676,271 shares remain authorized for repurchase under its authorized program. On March 21, 2011, the Board of Directors authorized an additional repurchase of up to 2.5 million shares of the Company's outstanding common stock (the "2011 Plan"). During the first quarter of 2011, the Company repurchased 586,911 shares at an aggregate cost of \$16.7 million. As of March 31, 2011, 2,589,360 shares remain authorized for repurchase under the Company's authorized 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. On March 21, 2011, the Board of Directors approved a common stock dividend strategy and announced its intention to commence paying a quarterly cash dividend of \$0.22 per share beginning in the second quarter of 2011.

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 2010/Q4
NOTES TO FINANCIAL STATEMENTS (Continued)			

G. Accumulated Other Comprehensive Income (Loss)

Accumulated other comprehensive income (loss) consists of the following components (in thousands):

	<u>Net Unrealized Gains (Losses) on Marketable Securities</u>	<u>Unrecognized Pension and Postretirement Benefit Costs</u>	<u>Net Losses on Cash Flow Hedges</u>	<u>Accumulated Other Comprehensive Income (Loss)</u>
Balance at December 31, 2008	\$ (6,159)	\$ (16,635)	\$ (14,021)	\$ (36,815)
Other comprehensive income (loss)	15,034	(47,552)	317	(32,201)
Income tax benefit (expense)	<u>(3,008)</u>	<u>15,567</u>	<u>(111)</u>	<u>12,448</u>
Balance at December 31, 2009	5,867	(48,620)	(13,815)	(56,568)
Other comprehensive income	6,787	19,508	338	26,633
Income tax expense	<u>(1,358)</u>	<u>(6,828)</u>	<u>(118)</u>	<u>(8,304)</u>
Balance at December 31, 2010	<u>\$ 11,296</u>	<u>\$ (35,940)</u>	<u>\$ (13,595)</u>	<u>\$ (38,239)</u>

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

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

	<u>December 31,</u>	
	<u>2010</u>	<u>2009</u>
	(In thousands)	
<u>Bonds (Account 221):</u>		
Pollution Control Bonds (1):		
7.25% 2009 Series A refunding bonds, due 2040	\$ 63,500	\$ 63,500
4.80% 2005 Series A refunding bonds, due 2040	59,235	59,235
7.25% 2009 Series B refunding bonds, due 2040	37,100	37,100
4.00% 2002 Series A refunding bonds, due 2032	<u>33,300</u>	<u>33,300</u>
Total Account 221	<u>193,135</u>	<u>193,135</u>
<u>Other Long-Term Debt (Accounts 224 and 226):</u>		
Senior Notes (2):		
6.00% Senior Notes, due 2035	400,000	400,000
7.50% Senior Notes, due 2038	<u>150,000</u>	<u>150,000</u>
Total Account 224	550,000	550,000
Unamortized discount on long-term debt		
Account 226	<u>(3,390)</u>	<u>(3,438)</u>
Total long-term debt	<u>\$ 739,745</u>	<u>\$ 739,697</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 2010/Q4
NOTES TO FINANCIAL STATEMENTS (Continued)			

Obligations Under Capital Lease - Noncurrent (Account 227):

RGRT Senior Notes (3):

3.67% Senior Notes, Series A, due 2015	\$ 15,000	\$ 0
4.47% Senior Notes, Series B, due 2017	50,000	0
5.04% Senior Notes, Series C, due 2020	45,000	0
Nuclear fuel (4)	<u>0</u>	<u>66,078</u>
Total long-term debt	<u>\$ 110,000</u>	<u>\$ 66,078</u>

Obligations Under Capital Lease - Current (Account 243):

Nuclear fuel (4)	<u>\$ 6,585</u>	<u>\$ 40,919</u>
------------------	-----------------	------------------

(1) Pollution Control Bonds ("PCBs")

The Company has four series of tax exempt PCBs in an aggregate principal amount of approximately \$193.1 million. The 2005 Series A \$59.2 million bonds which mature in 2040, have a fixed interest rate of 4.80% and an effective interest rate of 5.27% after considering related insurance and issuance costs. The 2002 Series A \$33.3 million pollution control bonds bear a fixed interest rate of 4.00% until August 1, 2012 when the bonds are due to be remarketed. The effective interest rate for these bonds is 4.70% after considering related insurance and issuance costs. The interest rate will remain at its current fixed interest rate until remarketing in August 2012.

On March 26, 2009, the Company completed a refunding transaction whereby the 2005 Series B \$63.5 million bonds and the 2005 Series C \$37.1 million bonds were refunded and replaced by 2009 Series A bonds in the aggregate principal amount of \$63.5 million (the "2009 Series A Bonds") and 2009 Series B bonds in the aggregate principal amount of \$37.1 million (the "2009 Series B Bonds"). The 2009 Series A Bonds and the 2009 Series B Bonds were issued as unsecured obligations and both have a fixed interest rate of 7.25%. The 2009 Series A Bonds will mature on February 1, 2040 and have an effective interest rate of 7.42% after considering related issuance costs. The 2009 Series B Bonds will mature on April 1, 2040 and have an effective interest rate of 7.42% after considering related issuance costs.

(2) Senior Notes

In May 2005, the Company issued \$400.0 million aggregate principal amount of its 6% Senior Notes due May 15, 2035. The proceeds from the issuance of the 6% Senior Notes of \$397.7 million (net of a \$2.3 million discount) were used to fund the retirement of the Company's first mortgage bonds.

In June 2008, the Company issued \$150.0 million aggregate principal amount of its 7.5% Senior Notes due March 15, 2038. Proceeds from the issuance of the 7.5% Senior Notes of \$148.7 million (\$150 million principal amount net of a \$1.3 million discount) were used to repay short-term borrowings of \$44.0 million. The remaining proceeds were used to fund capital expenditures and for other general corporate purposes. 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.

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 2010/Q4
El Paso Electric Company			
NOTES TO FINANCIAL STATEMENTS (Continued)			

(3) RGRT Senior Notes

On August 17, 2010, the Company and RGRT, a Texas grantor trust through which the Company finances its portion of nuclear fuel for Palo Verde, entered into a Note Purchase Agreement (the "Agreement") with various institutional purchasers. Under the terms of the Agreement, RGRT sold to the purchasers \$110 million aggregate principal amount of senior notes consisting of (a) \$15 million aggregate principal amount of 3.67% RGRT Senior Notes, Series A, due August 15, 2015, with an effective interest rate of 3.87%, (b) \$50 million aggregate principal amount of 4.47% RGRT Senior Notes, Series B, due August 15, 2017, with an effective interest rate of 4.62% and (c) \$45 million aggregate principal amount of 5.04% RGRT Senior Notes, Series C, due August 15, 2020, with an effective interest rate of 5.16% (collectively, the "Notes"). 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 lease 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 2010 and had accrued \$1.9 million in interest related to the Notes at December 31, 2010.

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 were 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 under the RCF (as defined below).

(4) Revolving Credit Facility

Prior to September 23, 2010, the Company had available a \$200 million credit facility with a five-year term ending April 2011. The credit facility provided for up to \$120 million for the financing of nuclear fuel, which was accomplished through the RGRT that borrowed under the facility to acquire and process the nuclear fuel. The Company was obligated to repay the RGRT's borrowings with interest. Any amounts not borrowed by the RGRT could have been borrowed by the Company for working capital needs.

On September 23, 2010, the Company and RGRT entered into a new revolving credit agreement (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 RCF, the Company and RGRT have available \$200 million of credit for a term of four years. The Company may request that the RCF be increased up to a total of \$300 million during the term of the RCF, subject to lender approval.

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 2010/Q4
El Paso Electric Company			
NOTES TO FINANCIAL STATEMENTS (Continued)			

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 by RGRT under the RCF is recorded as a capital lease of nuclear fuel on the regulatory-basis balance sheet. Quarterly lease payments are made on units of heat production. The RCF is unsecured. The RCF requires compliance with certain covenants, including a total debt to capitalization ratio. The Company was in compliance with these requirements throughout 2010. At December 31, 2010, RGRT had \$4.7 million outstanding for nuclear fuel under the RCF. No amounts were outstanding under this facility for working capital needs as of December 31, 2010. The weighted average interest rate on the RCF was 2.6% as of December 31, 2010.

As of December 31, 2010, the scheduled maturities for the next five years of long-term debt are as follows (in thousands):

2011	\$	0
2012		33,300
2013		0
2014		0
2015		15,000

Future obligations and maturities related to nuclear fuel financing obligations estimated to be paid in 2011 are \$4.7 million. Specific maturity dates are not known, as maturities occur as fuel is burned.

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 2010/Q4
NOTES TO FINANCIAL STATEMENTS (Continued)			

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, 2010 and 2009 are presented below (in thousands):

	<u>December 31,</u>	
	<u>2010</u>	<u>2009</u>
Deferred tax assets:		
Capitalized revenues and other capitalized costs	\$ 86,349	\$ 98,452
Pensions and benefits	58,026	68,065
Alternative minimum tax credit carryforward	18,370	28,267
Asset retirement obligation	33,257	29,393
Regulatory liabilities related to income taxes	20,433	21,224
Deferred fuel	6,727	6,306
Other	<u>28,844</u>	<u>39,467</u>
Total gross deferred tax assets	<u>252,006</u>	<u>291,174</u>
Deferred tax liabilities:		
Plant, principally due to depreciation and basis differences	(410,635)	(403,653)
Regulatory assets related to income taxes	(33,583)	(38,517)
Decommissioning	(37,387)	(29,603)
Other	<u>(33,640)</u>	<u>(32,444)</u>
Total gross deferred tax liabilities	<u>(515,245)</u>	<u>(504,217)</u>
Net accumulated deferred income taxes	<u>\$ (263,239)</u>	<u>\$ (213,043)</u>

Based on the average annual book income before taxes for the calendar years 2010 and 2009 excluding the effects of extraordinary and 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 2010 and 2009, as follows (in thousands):

	<u>Years Ended December 31,</u>	
	<u>2010</u>	<u>2009</u>
Income tax expense:		
Federal:		
Current	\$ 12,656	\$ (10,073)
Deferred	33,383	40,759
Investment tax credit	<u>(1,201)</u>	<u>(1,455)</u>
Total federal income tax	<u>\$ 44,838</u>	<u>\$ 29,231</u>
State:		
Current	\$ 4,309	\$ 2,327
Deferred	<u>701</u>	<u>381</u>
Total state income tax	<u>\$ 5,010</u>	<u>\$ 2,708</u>

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2010/Q4
El Paso Electric Company			
NOTES TO FINANCIAL STATEMENTS (Continued)			

Current federal income tax expense for 2010 reflects taxes accrued under the alternative minimum tax ("AMT"). Deferred federal income tax for 2010 includes an offsetting AMT benefit of \$9.9 million. There was no offsetting AMT benefit for 2009.

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

	Years Ended December 31,	
	<u>2010</u>	<u>2009</u>
Federal income tax expense computed		
on income at statutory rate	\$ 49,822	\$ 34,960
Difference due to:		
State income taxes (federal effect)	(1,579)	(917)
ITC amortization (net of deferred taxes)	(974)	(946)
Allowance for equity funds used during construction	(2,254)	(1,728)
Amortization of excess deferred taxes	(773)	(773)
Amortization of regulatory assets and liabilities	(510)	(509)
Patient Protection and Affordable Care Act	4,787	0
Permanent tax differences	(3,804)	(1,260)
Other	<u>123</u>	<u>404</u>
Total federal income tax expense	<u>\$ 44,838</u>	<u>\$ 29,231</u>

On March 23, 2010, the Patient Protection and Affordable Care Act ("PPACA") was signed into law. A major provision of the law is that, beginning in 2013, the income tax deductions for the cost of providing certain prescription drug coverage will be reduced by the amount of the Medicare Part D subsidies received. The Company was required to recognize the impacts of the tax law change at the time of enactment and recorded a one-time non-cash charge to income tax expense of approximately \$4.8 million in the first quarter of 2010.

As of December 31, 2010, the Company had \$18.4 million of AMT credit carryforwards that have an unlimited life.

The Company files income tax returns in the U.S. federal jurisdiction and in the states of Texas, New Mexico and Arizona. The Company is no longer subject to tax examination by the taxing authorities in the federal jurisdiction for years prior to 2007 and in the state jurisdictions for years prior to 1998. A deficiency notice relating to the Company's 1998 through 2003 income tax returns in Arizona contests a pollution control credit, a research and development credit and the sales and property apportionment factors. The Company is contesting these adjustments.

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 2010/Q4
NOTES TO FINANCIAL STATEMENTS (Continued)			

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.

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, 2010 and 2009, the Company recognized benefits of approximately \$0.1 million and \$0.2 million, respectively, in interest. The Company had approximately \$0.2 million and \$0.2 million for the payment of interest and penalties accrued at December 31, 2010 and December 31, 2009, respectively.

J. Commitments, Contingencies and Uncertainties

Federal Regulatory Matters

See Note B – Federal Regulatory Matters – *Transmission Dispute with Tucson Electric Power Company*, for discussion of the Company's transmission dispute with TEP.

Power Purchase and Sale Contracts

The Company had entered into the following significant agreements with various counterparties for forward firm purchases and sales of electricity:

<u>Type of Contract</u>	<u>Quantity</u>	<u>Term</u>
Power Purchase and Sale Agreement	100 MW (1)	2006 through 2021
Power Purchase Agreement	Up to 40 MW	2011 through September 2014
Power Purchase Agreement	20 MW	20 years after operational start date (2)
Power Purchase Agreement	24 MW	25 years after operational start date (3)
Power Purchase Agreement	5 MW	25 years after operational start date (4)

(1) In accordance with the purchase agreement, the allowed purchase quantity was increased to 125 MW from December 2008 through December 2011.

(2) This contract is a power purchase agreement for the full capacity of a 20 MW solar photovoltaic plant to be built in southern New Mexico. The plant is scheduled to begin commercial operation by December 31, 2011.

(3) This contract is a purchase power agreement for the full capacity of two 12 MW solar photovoltaic plants to be built in southern New Mexico. One of these plants is scheduled for commercial operation by December 31, 2011. The second plant is scheduled to begin commercial operation by June 30, 2012.

(4) This contract is a power purchase agreement for the full capacity of a 5 MW solar photovoltaic plant to be built in southern New Mexico. The plant is scheduled to begin commercial operation by June 30, 2011.

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 2010/Q4
El Paso Electric Company			
NOTES TO FINANCIAL STATEMENTS (Continued)			

To supplement its own generation and operating reserves, the Company engages in firm power purchase arrangements which may vary in duration and amount based on evaluation of the Company's resource needs and the economics of the transactions.

The Company initiated a Power Purchase and Sale Agreement with Freeport-McMoran Copper and Gold Energy Services LLC ("Freeport") formerly known as Phelps Dodge Energy Services LLC in June 2006. The contract 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 up to 100 MW 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 agreed to increase the amount to 125 MW from December 2008 through December 2011. The contract was approved by the FERC and continues through December 31, 2021.

The Company entered into a contract on April 18, 2007 (as amended on August 29, 2008, March 31, 2009 and May 8, 2009) to sell up to 100 MW of firm energy and 50 MW of contingent energy to Imperial Irrigation District ("IID"), which began May 1, 2007 and continued through October 31, 2009. The contract provided for 100 MW firm energy and 40 MW of contingent energy to continue through April 30, 2010, when the contract terminated. To ensure that power was available to meet the IID contract demand, the Company entered into a contract effective May 1, 2007 (as amended and restated on September 3, 2008 and March 30, 2009) to purchase up to 100 MW of firm energy delivered at Palo Verde through April 30, 2010, and 50 MW of energy delivered at Four Corners in the months of July through September 2007 and May through September for the years 2008 through 2009.

The Company entered into an agreement in 2009 to purchase capacity of up to 40 MW and unit contingent energy during 2010 from Shell Energy North America ("Shell"). Under the agreement, the Company provides natural gas to Pyramid Unit No. 4 where Shell has 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 contingency energy purchase from January 1, 2011 through September 30, 2014.

The Company entered into a 20-year contract with New Mexico SunTower, LLC ("NM SunTower") in 2008 for the purchase of the output of a 92-MW concentrated solar plant which was expected to begin commercial operation in 2011. NM SunTower is an affiliate of NRG Energy, Inc. NM SunTower failed to meet its financial commitment milestone, and, on May 3, 2010, the Company delivered to NM SunTower a notice of default as provided under the terms of the contract. The Company presented testimony to the NMPRC at a hearing June 8, 2010, seeking approval for NM SunTower's request to revise the contract to (i) change the technology from concentrated solar to photovoltaic, (ii) downsize the solar project from 92 MW to 20 MW, and (iii) delay the date for commercial operation to December 31, 2011, at the earliest. The Company also requested deferral of its 2011 solar diversity requirements to the 2012-2015 period and approval to meet its 2011 renewable portfolio standard ("RPS") with purchases of renewable energy credits ("RECs") from a third party. On June 24, 2010, the NMPRC approved changes to the contract with NM SunTower.

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 2010/Q4
El Paso Electric Company			
NOTES TO FINANCIAL STATEMENTS (Continued)			

On July 1, 2010, the Company made its annual Plan filing requesting approval for 25-year purchase power agreements for two additional solar photovoltaic projects totaling 24 MW, consisting of two 12 MW projects located in southern New Mexico with the first expected to be operational by December 31, 2011. The second 12 MW project is expected to be operational by June 30, 2012. The Company also requested approval for a 25-year purchase power agreement for a 5 MW photovoltaic project also located in southern New Mexico expected to be operational by June 30, 2011. In addition, approval for the purchase of RECs to meet the Company's RPS requirements for the 2011 to 2015 period was requested. The NMPRC approved the contracts and the Company's request to purchase RECs to meet RPS requirements in its final order issued December 16, 2010.

The Company provides firm capacity and associated energy to the RGEC pursuant to an ongoing contract which requires a two-year notice to terminate. The Company also provides network integrated transmission service to 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 RGEC.

Environmental Matters

General. The Company is subject to laws and regulations with respect to air, soil and water quality, waste disposal and other environmental matters by federal, state, regional, tribal and local authorities. Those authorities govern facility operations and have continuing jurisdiction over facility modifications. Failure to comply with these environmental regulatory requirements can result in actions by regulatory agencies or other authorities 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 obligations. These laws and regulations are subject to change and, as a result of those changes, 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") and comparable state laws and regulations relating to air emissions impose, among other obligations, limitations on pollutants generated during the Company's operations, including sulfur dioxide ("SO₂"), particulate matter, nitrogen oxides ("NO_x") and mercury.

Clean Air Interstate Rule. The U.S. Environmental Protection Agency's ("EPA") Clean Air Interstate Rule ("CAIR") as applied to the Company, involves requirements to limit emissions of NO_x from the Company's power plants in Texas and/or purchase allowances representing other parties' emissions reductions starting in 2009. Although the U.S. Court of Appeals for the District of Columbia voided CAIR in 2008, the Company must comply with CAIR until the EPA rewrites the rule as required by the Court's final opinion. The 2010 reconciliation to comply with CAIR was filed before the March 2011 deadline and the Company purchased and expensed \$0.3 million of allowances during 2010 to meet its estimated requirement.

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 2010/Q4
El Paso Electric Company			
NOTES TO FINANCIAL STATEMENTS (Continued)			

Clean Air Transport Rule. In July 2010, the EPA proposed as a replacement to CAIR, the Clean Air Transport Rule ("CATR"). CATR would require 31 states, including Texas, and the District of Columbia to issue regulations and develop a scheme by which power plants in their respective jurisdictions will further reduce emissions of SO₂ and NO_x. Reductions would be required beginning in 2012, with further reductions likely to be required in 2014. The EPA expects CATR to be finalized in July 2011, but it is unclear when the states would issue implementing regulations. There are a number of other uncertainties relating to this proposed rule, including whether it will be ultimately finalized and how the states will implement the requirements. As a result, the ultimate impact of this rule on the Company's operations cannot currently be determined, but it could be material.

Ozone. NO_x emissions can lead to the formation of ozone. Ozone levels are limited by the National Ambient Air Quality Standards established by the EPA. The EPA is in the process of revising these standards. If these revisions result in more stringent standards, the Company could be required to place additional NO_x pollution control measures on certain of its generating facilities. Without knowing the new ozone standards, the ultimate impact on the Company's facilities cannot be determined. However the impact of these regulations and associated costs could be material.

Climate Change. 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 ("GHG") emissions are low relative to electric power companies who rely on more coal-fired generation. However, regulations governing the emission of GHGs, such as carbon dioxide, could impose significant costs or limitations on the Company. In recent years, the U.S. Congress has considered new legislation to restrict or regulate GHG emissions, although federal efforts directed at enacting comprehensive climate change legislation stalled in 2010 and appear highly unlikely to recommence in 2011. Nonetheless, it is possible that federal legislation related to GHG emissions will be considered in Congress in the future. The EPA has also proposed using the CAA to limit carbon dioxide and other GHG emissions, and GHG emissions regulations have been adopted by EPA in recent years, with additional regulations proposed or in development.

Significant GHG emissions regulations have been adopted by EPA in recent years with additional regulations proposed or in development. In September 2009, the EPA adopted a rule requiring approximately 10,000 facilities comprising a substantial percentage of annual U.S. GHG emissions to inventory their emissions starting in 2010 and to report those emissions to the EPA beginning in 2011. The Company's fossil fuel-fired power generating assets are subject to this rule. The Company also has inventoried and implemented procedures for electrical equipment containing sodium hexafluoride (SF₆), another GHG. The Company is tracking these GHG emissions pursuant to EPA's new SF₆ reporting rule that was finalized in late 2010 and became effective January 1, 2011. The first report to EPA under this rule is due March 31, 2012.

EPA has also proposed and finalized other rulemakings on GHG emissions that affect electric utilities. Under EPA regulations finalized in May 2010 (referred to as the "Tailoring Rule"), the EPA began regulating GHG emissions from certain stationary sources in January 2011. The regulations are being implemented pursuant to two CAA programs: the Title V Operating Permit program and the program requiring a permit if undergoing construction or major modifications (referred to as the "PSD" program). Obligations relating to Title V permits will include recordkeeping and monitoring requirements. With respect to PSD permits, projects that cause a significant increase in GHG emissions (currently defined to be more than 75,000 tons or more per

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 2010/Q4
El Paso Electric Company			
NOTES TO FINANCIAL STATEMENTS (Continued)			

year or 100,000 tons or more per year, depending on various factors), will be required to implement "best available control technology", or "BACT". The EPA has issued guidance on what BACT entails for the control of GHGs and individual states are now required to determine what controls are required for facilities within their jurisdiction on a case-by-case basis. The ultimate impact of these new regulations on the Company's operations cannot be determined at this time, but the cost of compliance with new regulations could be material. Also, on December 23, 2010, EPA announced a settlement agreement with states and environmental groups regarding setting new source performance standards for GHG emissions from new and existing coal-, gas- and oil-based power plants. Pursuant to this agreement, EPA will propose standards for both new or modified boilers and for existing facilities by July 26, 2011, and finalize those standards by May 26, 2012. The impact of these rules on the Company is unknown at this time, but they could result in material costs.

In addition, almost half of the states, either individually or through multi state regional initiatives, have begun to consider how to address GHG emissions and are actively considering the development of emission inventories or regional GHG cap and trade programs. The State of New Mexico, where the Company operates one facility and has an interest in another facility, has joined with California and several other states in the Western Climate Initiative and is pursuing initiatives to reduce GHG emissions in the state. The New Mexico Environmental Improvement Board approved two separate rulemakings in November and December 2010 to limit GHG emissions from certain stationary sources. Under the November 2010 regulation, stationary sources that emit 25,000 metric tons or more of carbon dioxide a year would be required to reduce their GHG emissions by 2% per year from 2012 through 2020. The December 2010 regulation establishes a cap-and-trade system which would require certain industrial and electric generating facilities with carbon dioxide emissions in excess of 25,000 metric tons per year to reduce their emissions by 3% per year below 2010 levels. There are various uncertainties relating to these regulations, including whether current legal challenges to them will be successful, but as drafted, the Company does not expect these regulations to result in significant costs to the Company.

It is not currently possible to predict with confidence how any pending, proposed or future GHG legislation by Congress, the states, or multi-state regions or regulations adopted by EPA or the state environmental agencies will impact the Company's business. However, any such legislation or regulation of GHG emissions or any future related litigation could result in increased compliance costs or additional operating restrictions or reduced demand for the power the Company generates, could require the Company to purchase rights to emit GHG, and could have a material adverse effect on 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 our 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 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. Substantial expenditures may be required for the Company to comply with such regulations in the future and, in some instances, those expenditures may be material. Given the very significant remaining uncertainties regarding whether and how these issues will be regulated, as well as

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 2010/Q4
El Paso Electric Company			
NOTES TO FINANCIAL STATEMENTS (Continued)			

the timing and severity of any physical effects of climate change, the Company believes it is impossible at present to meaningfully quantify the costs of these potential impacts.

Contamination Matters. The Company has a provision for environmental remediation obligations of approximately \$0.4 million at December 31, 2010, related to compliance with federal and state environmental standards. However, unforeseen expenses associated with environmental compliance or remediation may occur and could have a material adverse effect on the future operations and financial condition of the Company.

The Company incurred the following expenditures to comply with federal environmental statutes (in thousands):

	<u>Years Ended December 31,</u>	
	<u>2010</u>	<u>2009</u>
Clean Air Act (1)	\$ 615	\$ 810
Clean Water Act (2)	178	597

- (1) Includes \$0.3 million related to alleged excess emissions at the Rio Grande generating station for the twelve months ended December 31, 2009.
- (2) 2009 excludes a \$0.6 million adjustment reducing estimated remediation costs for a property previously owned by the Company.

The EPA has investigated releases or potential releases of hazardous substances, pollutants or contaminants at the Gila River Boundary Site, on the Gila River Indian Community ("GRIC") reservation in Arizona and designated it as a Superfund site. The Company currently owns 16.29% of the site and will share in the cost of cleanup of this site. The Company has a tentative agreement with the former property owner and in 2011, the Company is expected to enter into a consent decree with the EPA at a cost to the Company of less than \$0.1 million (which amount is included in the \$0.4 million accrued at December 31, 2010).

In 2006, the Company experienced an oil discharge at the Rio Grande Power Station. The Company remediated the site by removing the contaminated soil and installing monitoring wells to monitor for the presence of hydrocarbons in the ground water. The Company's abatement plan was approved by the New Mexico Environment Department, and the Company further assessed and remediated the site in accordance with the plan in 2010. The Company has incurred \$0.3 million in costs related to this matter. Although monitoring of the groundwater continues in accordance with the NMED-approved abatement plan, the Company does not expect any significant additional costs to be incurred related to the 2006 discharge.

Environmental Litigation and Investigations. In May 2007, the EPA finalized a new federal implementation plan that addresses air emissions at Four Corners. APS, the Four Corners operating agent, has filed suit against the EPA relating to this new federal implementation plan to resolve issues involving operating flexibility for emission opacity standards. The Company cannot predict the outcome of the suit filed against the EPA or whether compliance with the implementation plan, as currently drafted or as amended, could have an adverse effect on its capital or operating costs.

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 2010/Q4
El Paso Electric Company			
NOTES TO FINANCIAL STATEMENTS (Continued)			

On April 6, 2009, APS received a request from the EPA under Section 114 of the CAA seeking detailed information regarding projects and operations at Four Corners. APS has responded to this request. The Company is unable to predict the timing or content of EPA's response or any resulting actions.

On February 16, 2010, a group of environmental organizations filed a petition with the United States Departments of Interior and Agriculture requesting that the agencies certify to the EPA that emissions from Four Corners are causing "reasonably attributable visibility impairment" under the CAA. APS is currently reviewing the petition and has indicated that it will likely file a response in opposition to the petition. The Company cannot predict the outcome of the petition or whether any resulting actions could have an adverse effect on its capital or operating costs.

Lease Agreements

In February 2008, the Company purchased the executive and administrative office building in El Paso that it had previously leased. All obligations incurred under this lease were terminated. In June 2008, the Company entered into an agreement to lease 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 2014. The Company also has several other leases for office and parking facilities which expire within the next five years.

These lease agreements do not impose any restrictions relating to issuance of additional debt, payment of dividends or entering into other lease arrangements. The Company has no significant capital lease agreements.

The Company's total annual rental expense related to operating leases was \$1.1 million for 2010 and 2009. As of December 31, 2010, the Company's minimum future rental payments for the next five years are as follows (in thousands):

2011	\$ 1,013
2012	941
2013	875
2014	843
2015	799

Union Matters

The Company has approximately 1,000 employees, 41% of whom are covered by a collective bargaining agreement. The International Brotherhood of Electrical Workers Local 960 ("Local 960") represents employees working primarily in the power plants, substations, line crews, meter reading and collection areas, facilities services area, and the customer service area. Effective September 3, 2010, the Company entered into a new collective bargaining agreement with Local 960 for a three-year term ending September 2, 2013.

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 2010/Q4
El Paso Electric Company			
NOTES TO FINANCIAL STATEMENTS (Continued)			

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, to the extent that the Company has been able to reach a conclusion as to its ultimate liability, it believes that none of these claims will have a material adverse effect on the financial position, results of operations or cash flows of the Company.

See Note B and Note J for discussion of the effects of government legislation and regulation on the Company.

L. Employee Benefits

Retirement Plans

The Company's Retirement Income Plan (the "Retirement Plan") covers employees who have completed one year of service with the Company and work at least a minimum number of hours each year. 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 under provisions of the Retirement Plan, as actuarially calculated. The assets of the Retirement Plan are invested in equity securities, debt securities and cash equivalents and are managed by professional investment managers appointed by the Company.

The Company has two non-qualified retirement plans that are non-funded defined benefit plans. One plan covers certain former employees and directors of the Company, and the other plan, an excess benefit plan adopted during 2004, 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. On December 15, 2009, the Company adopted FASB guidance on disclosure for pension and other post-retirement plans that requires additional disclosure of investment policies and strategies, categories of investment and fair value measurements of plan assets, and significant concentrations of risk.

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) / /	2010/Q4
NOTES TO FINANCIAL STATEMENTS (Continued)			

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

	December 31,			
	2010		2009	
	Retirement Income Plan	Non- Qualified Retirement Plans	Retirement Income Plan	Non- Qualified Retirement Plans
Change in projected benefit obligation:				
Benefit obligation at end of prior year	\$ 215,944	\$ 21,767	\$ 198,528	\$ 20,555
Service cost	5,888	176	5,414	120
Interest cost	12,507	1,122	11,942	1,241
Amendments	0	838	0	0
Actuarial loss	16,008	1,822	6,793	1,892
Benefits paid	<u>(7,629)</u>	<u>(1,717)</u>	<u>(6,733)</u>	<u>(2,041)</u>
Benefit obligation at end of year	<u>242,718</u>	<u>24,008</u>	<u>215,944</u>	<u>21,767</u>
Change in plan assets:				
Fair value of plan assets at end of prior year	155,140	0	178,372	0
Actual return on plan assets	17,030	0	(26,299)	0
Employer contribution	6,800	1,717	9,800	2,041
Benefits paid	<u>(7,629)</u>	<u>(1,717)</u>	<u>(6,733)</u>	<u>(2,041)</u>
Fair value of plan assets at end of year	<u>171,341</u>	<u>0</u>	<u>155,140</u>	<u>0</u>
Funded status at end of year	<u>\$ (71,377)</u>	<u>\$ (24,008)</u>	<u>\$ (60,804)</u>	<u>\$ (21,767)</u>

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

	December 31,			
	2010		2009	
	Retirement Income Plan	Non- Qualified Retirement Plans	Retirement Income Plan	Non- Qualified Retirement Plans
Current liabilities	\$ 0	\$ (1,914)	\$ 0	\$ (1,631)
Noncurrent liabilities	<u>(71,377)</u>	<u>(22,094)</u>	<u>(60,804)</u>	<u>(20,136)</u>
Total	<u>\$ (71,377)</u>	<u>\$ (24,008)</u>	<u>\$ (60,804)</u>	<u>\$ (21,767)</u>

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2010/Q4
El Paso Electric Company			
NOTES TO FINANCIAL STATEMENTS (Continued)			

The accumulated benefit obligation for all retirement plans was \$228.7 million and \$202.9 million at December 31, 2010 and 2009, respectively. The accumulated benefit obligation in excess of plan assets is as follows (in thousands):

	Years Ended December 31,			
	2010		2009	
	Retirement Income Plan	Non- Qualified Retirement Plans	Retirement Income Plan	Non- Qualified Retirement Plans
Projected benefit obligation	\$ (242,718)	\$ (24,008)	\$ (215,944)	\$ (21,767)
Accumulated benefit obligation	(205,167)	(23,538)	(181,837)	(21,072)
Fair value of plan assets	171,341	0	155,140	0

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

	Years Ended December 31,			
	2010		2009	
	Retirement Income Plan	Non- Qualified Retirement Plans	Retirement Income Plan	Non- Qualified Retirement Plans
Net loss	\$ 95,828	\$ 6,364	\$ 86,315	\$ 4,760
Prior service cost	46	502	68	596
Total	<u>\$ 95,874</u>	<u>\$ 6,866</u>	<u>\$ 86,383</u>	<u>\$ 5,356</u>

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

	December 31,					
	2010			2009		
	Retirement Income Plan	Non-Qualified		Retirement Income Plan	Non-Qualified	
		Supplemental Retirement Plan	Excess Benefit Plan		Supplemental Retirement Plan	Excess Benefit Plan
Discount rate	5.4%	4.6%	5.3%	5.9%	5.2%	6.0%
Rate of compensation increase	5.0%	N/A	5.0%	5.0%	N/A	5.0%

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 2010/Q4
El Paso Electric Company			
NOTES TO FINANCIAL STATEMENTS (Continued)			

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

	Years Ended December 31,			
	2010		2009	
	Retirement Income Plan	Non- Qualified Retirement Plans	Retirement Income Plan	Non- Qualified Retirement Plans
Service cost	\$ 5,888	\$ 176	\$ 5,414	\$ 120
Interest cost	12,507	1,122	11,942	1,241
Amendments	0	838	0	0
Expected return on plan assets	(13,867)	0	(15,439)	0
Amortization of:				
Net loss	3,331	218	1,549	76
Prior service cost	21	94	21	94
Net periodic benefit cost	<u>\$ 7,880</u>	<u>\$ 2,448</u>	<u>\$ 3,487</u>	<u>\$ 1,531</u>

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

	Years Ended December 31,			
	2010		2009	
	Retirement Income Plan	Non- Qualified Retirement Plans	Retirement Income Plan	Non- Qualified Retirement Plans
Net loss	\$ 12,844	\$ 1,822	\$ 48,531	\$ 1,892
Amortization of:				
Net loss	(3,331)	(218)	(1,549)	(76)
Prior service cost	(21)	(94)	(21)	(94)
Total expense recognized in other comprehensive income	<u>\$ 9,492</u>	<u>\$ 1,510</u>	<u>\$ 46,961</u>	<u>\$ 1,722</u>

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

	Years Ended December 31,			
	2010		2009	
	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>\$ 17,372</u>	<u>\$ 3,958</u>	<u>\$ 50,448</u>	<u>\$ 3,253</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 2010/Q4
NOTES TO FINANCIAL STATEMENTS (Continued)			

The following are amounts in accumulated other comprehensive income that are expected to be recognized as components of net periodic benefit cost during 2011 (in thousands):

	Retirement Income Plan	Non-Qualified Retirement Plans
Net loss	\$ 5,983	\$ 351
Prior service cost	21	94

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

	2010			2009		
	Retirement Income Plan	Non-Qualified		Retirement Income Plan	Non-Qualified	
		Retirement Plan	Excess Benefit Plan		Retirement Plan	Excess Benefit Plan
Discount rate	5.9%	5.2%	6.0%	6.1%	6.3%	6.3%
Expected long-term return on plan assets	7.5%	N/A	N/A	8.5%	N/A	N/A
Rate of compensation increase	5.0%	N/A	5.0%	5.0%	N/A	5.0%

The Company reassesses various actuarial assumptions at least on an annual basis. The discount rate is changed at each measurement date based on projected cash flows of the benefit plans using the spot rates in the Citigroup Pension Discount Curve and then solving for a single discount rate that produces the same present value of cash flows for each plan. The Company changed its discount rate to determine the benefit obligations for the retirement income plan from 5.90% to 5.40%, the non-qualified retirement plan from 5.20% to 4.60%; and the excess benefit plan from 6.00% to 5.30% at December 31, 2010. For determining 2010 benefit costs, the Company changed its discount rate for the retirement income plan from 6.10% to 5.90%, the non-qualified retirement plan from 6.30% to 5.20% and the excess benefit plan from 6.30% to 6.00%. A 1.0% decrease in the discount rate would increase the December 31, 2010 retirement plans' projected benefit obligation by 14.8%. A 1.0% increase in the discount rate would decrease the December 31, 2010 retirement plans' projected benefit obligation by 12.1%.

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 2010/Q4
El Paso Electric Company			
NOTES TO FINANCIAL STATEMENTS (Continued)			

The Company's overall expected long-term rate of return on assets is 7.5% effective January 1, 2010, 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 50% equity securities, 45% fixed income and 5% alternative investments. The Retirement Plan fund includes a diversified portfolio of funds investing in equity securities including large and small capital funds and international funds. The Retirement Plan fund also invests in fixed income securities and real estate. The expected returns for fund investments are based on historical risk premiums above the current fixed income rate, while the expected returns for the fixed income securities are based on the portfolio's yield to maturity.

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 for securities held in the underlying portfolios of the Retirement Plan are primarily obtained from independent pricing services. These prices are based on observable market data for the same or similar securities.
- 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 is based on market interest rates of investments with similar terms and risk characteristics.
- Level 3 – Unobservable inputs using data that is not corroborated by market data. The fair value of the limited real estate partnership is reported at the net asset value of the investment.

The fair value of the Company's Retirement Plan assets at December 31, 2010 and 2009, 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):

<u>Description of Securities</u>	<u>Fair Value as of December 31, 2010</u>	<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
Cash and Cash Equivalents	\$ 4,975	\$ 4,975	\$ 0	\$ 0
U.S. Treasury Securities	83,601	83,601	0	0
Guaranteed Investment Contract	550	0	550	0
Common Stock	54,957	54,957	0	0
Mutual Funds	19,501	19,501	0	0
Limited Partnership Interest in Real Estate (a)	<u>7,757</u>	<u>0</u>	<u>0</u>	<u>7,757</u>
Total Plan Investments	<u>\$ 171,341</u>	<u>\$ 163,034</u>	<u>\$ 550</u>	<u>\$ 7,757</u>

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2010/Q4
El Paso Electric Company			
NOTES TO FINANCIAL STATEMENTS (Continued)			

<u>Description of Securities</u>	<u>Fair Value as of December 31, 2009</u>	<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
Cash and Cash Equivalents	\$ 7,011	\$ 7,011	\$ 0	\$ 0
U.S. Treasury Securities	75,454	75,454	0	0
Guaranteed Investment Contract	570	0	570	0
Common Stock	37,839	37,839	0	0
Mutual Funds	25,978	25,978	0	0
Limited Partnership Interest in Real Estate (a)	<u>8,288</u>	<u>0</u>	<u>0</u>	<u>8,288</u>
Total Plan Investments	<u>\$ 155,140</u>	<u>\$ 146,282</u>	<u>\$ 570</u>	<u>\$ 8,288</u>

(a) 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 net asset value of the partnership which reflects the appraised value of the land.

The fair value of the investment in the Limited Partnership Interest in Real Estate as of December 31, 2010 resulted in an unrealized loss of \$0.5 million for the twelve months ended December 31, 2010. The table below reflects the changes during the period (in thousands):

	<u>Fair Value of Investments in Real Estate</u>
Balance at December 31, 2008	\$ 8,932
Unrealized loss in fair value	<u>(644)</u>
Balance at December 31, 2009	8,288
Unrealized loss in fair value	<u>(531)</u>
Balance at December 31, 2010	<u>\$ 7,757</u>

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 mutual funds that pursue risk minimization strategies and by diversifying its investments to limit its risks during falling markets. The investment managers have 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 \$13.9 million to its retirement plans in 2011, although the Company has no 2011 minimum funding requirements for the Retirement Plan.

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 2010/Q4
NOTES TO FINANCIAL STATEMENTS (Continued)			

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

	Retirement Income Plan	Non- Qualified Retirement Plans
2011	\$ 8,168	\$ 1,914
2012	9,001	1,778
2013	9,885	1,737
2014	10,898	1,694
2015	11,963	1,732
2016-2020	77,566	9,286

Other Postretirement 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 working for the Company. Contributions from the Company are currently based on the funding amounts established in PUCT Docket No. 37690. The assets of the plan are invested in equity securities, debt securities, and cash equivalents and are managed by professional investment managers appointed by the Company.

The Company determined that the prescription drug benefits of its plan were actuarially equivalent to the Medicare Part D benefit provided for in the Medicare Prescription Drug, Improvement, and Modernization Act of 2003. FASB guidance on accounting and disclosure requirements related to the Medicare Prescription Drug, Improvement and Modernization Act of 2003 requires measurement of the postretirement benefit obligation, the plan assets, and the net periodic postretirement benefit cost to reflect the effects of the subsidy. Effective January 1, 2011, the Medicare Part D subsidy will be included in the initial cost of prescriptions and the Company will no longer need to apply for the Medicare Part D subsidy for prescription drug claims.

In March 2010, the President signed into law comprehensive health care reform legislation under the Patient Protection and Affordable Care Act and the Health Care Education and Affordability Reconciliation Act (the "Acts"). The Company modified the operations of the plan to conform to the effective provisions of the Acts.

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) / /	2010/Q4
NOTES TO FINANCIAL STATEMENTS (Continued)			

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 plans (in thousands):

	<u>December 31,</u>	
	<u>2010</u>	<u>2009</u>
Change in benefit obligation:		
Benefit obligation at end of prior year	\$ 118,267	\$ 111,036
Service cost	3,558	3,395
Interest cost	6,664	6,492
Actuarial loss	(3,807)	466
Amendments	(26,605)	0
Benefits paid	(3,598)	(3,840)
Retiree contributions	584	541
Medicare Part D subsidy	<u>191</u>	<u>177</u>
Benefit obligation at end of year	<u>95,254</u>	<u>118,267</u>
Change in plan assets:		
Fair value of plan assets at end of prior year	29,348	25,239
Actual return on plan assets	2,514	3,809
Employer contribution	4,621	3,422
Benefits paid	(3,598)	(3,840)
Retiree contributions	584	541
Medicare Part D subsidy	<u>191</u>	<u>177</u>
Fair value of plan assets at end of year	<u>33,660</u>	<u>29,348</u>
Funded status	<u>\$ (61,594)</u>	<u>\$ (88,919)</u>

Amounts recognized in the Company's regulatory-basis balance sheets as a non-current liability consist of accrued postretirement costs of \$61.6 million and \$88.9 million for December 31, 2010 and 2009, respectively. The amendments that occurred during the twelve months ended December 31, 2010 primarily related to modifications to the required copayment levels, deductibles and out-of-pocket maximum responsibilities retained by the retired employees.

Amounts recognized in accumulated other comprehensive income that have not been recognized as a component of net periodic cost consist of the following (in thousands):

	<u>Years Ended December 31,</u>	
	<u>2010</u>	<u>2009</u>
Net gain	\$ (14,411)	\$ (9,793)
Prior service credit	(36,574)	(12,839)
Transition obligation	<u>4,583</u>	<u>6,740</u>
	<u>\$ (46,402)</u>	<u>\$ (15,892)</u>

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) / /	2010/Q4
NOTES TO FINANCIAL STATEMENTS (Continued)			

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

	<u>December 31,</u>	
	<u>2010</u>	<u>2009</u>
Discount rate at end of year	5.5%	5.9%
Health care cost trend rates:		
Initial	8.5%	8.5%
Ultimate	5.0%	5.0%
Year ultimate reached	2018	2017

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

	<u>Years Ended December 31,</u>	
	<u>2010</u>	<u>2009</u>
Service cost	\$ 3,558	\$ 3,395
Interest cost	6,664	6,492
Expected return on plan assets	(1,529)	(1,499)
Amortization of:		
Unrecognized transition obligation	2,157	2,157
Prior service benefit	(2,869)	(2,869)
Net gain	<u>(175)</u>	<u>0</u>
Net periodic benefit cost	<u>\$ 7,806</u>	<u>\$ 7,676</u>

The net periodic benefit cost includes amortization of unrecognized transition obligation over a twenty-year period beginning in 1993. The changes in benefit obligations recognized in other comprehensive income are presented below (in thousands):

	<u>Years Ended December 31,</u>	
	<u>2010</u>	<u>2009</u>
Net loss (gain)	\$ (4,792)	\$ (1,843)
Prior service benefit	(26,605)	0
Amortization of:		
Unrecognized transition obligation	(2,157)	(2,157)
Prior service benefit	2,869	2,869
Net gain	<u>175</u>	<u>0</u>
Total recognized in other comprehensive income	<u>\$ (30,510)</u>	<u>\$ (1,131)</u>

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2010/Q4
El Paso Electric Company			
NOTES TO FINANCIAL STATEMENTS (Continued)			

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

	<u>Years Ended December 31,</u>	
	<u>2010</u>	<u>2009</u>
Total recognized in net periodic benefit cost and other comprehensive income	<u>\$ (22,704)</u>	<u>\$ 6,545</u>

The following are amounts in accumulated other comprehensive income that are expected to be recognized as a component of net periodic benefit cost during 2011.

Unrecognized transition obligation	\$ 2,157
Prior service benefit	(5,927)
Net gain	(429)

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

	<u>2010</u>	<u>2009</u>
Discount rate at beginning of year	5.9%	6.0%
Expected long-term return on plan assets	5.2%	5.9%
Health care cost trend rates:		
Initial	8.5%	9.0%
Ultimate	5.0%	5.0%
Year ultimate reached	2017	2017

The discount rate is changed at each measurement date based on projected cash flows of the benefit plans using the spot rates in the Citigroup Pension Discount Curve and then solving for a single discount rate that produces the same present value of cash flows for each plan. At December 31, 2010, the Company changed its discount rate from 5.90% to 5.50% to determine the benefit obligations for the other postretirement benefits plan. For determining 2010 benefit cost, the Company changed its discount rate from 6.00% to 5.90%. A 1.0% decrease in the discount rate would increase the December 31, 2010 accumulated postretirement benefit obligation by 16.5%. A 1.0% increase in the discount rate would decrease the December 31, 2010 accumulated postretirement benefit obligation by 13.1%.

For measurement purposes, a 8.5% annual rate of increase in the per capita cost of covered health care benefits was assumed for 2010. The rate was assumed to decrease gradually to 5% for 2017 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, 2010 benefit obligation by \$15.2 million or \$12.3 million, respectively. In addition, such a 1% change would increase or decrease the aggregate 2010 service and interest cost components of the net periodic benefit cost by \$1.9 million or \$1.5 million, respectively.

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 2010/Q4
El Paso Electric Company			
NOTES TO FINANCIAL STATEMENTS (Continued)			

The Company's overall expected long-term rate of return on assets, on an after-tax basis, is 5.2% effective January 1, 2010. 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 65% equity securities, 30% fixed income and 5% alternative investments. The asset portfolio includes a diversified mix of funds investing in equity securities including large and small capital funds and international funds. The asset portfolio also includes fixed income securities, cash equivalents, and real estate. The expected returns for fund investments are based on historical risk premiums above the current fixed income rate, while the expected returns for the fixed income securities are based on the portfolio's yield to maturity.

FASB guidance on disclosure for other postretirement 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 for securities held in the underlying portfolios of the Other Postretirement Benefits Plan are primarily obtained from independent pricing services. These prices are based on observable market data for the same or similar securities.
- 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.
- Level 3 – Unobservable inputs using data that is not corroborated by market data. The fair value of the limited real estate partnership is reported at the net asset value of the investment.

The fair value of the Company's Other Postretirement Benefits Plan assets at December 31, 2010 and 2009, 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):

<u>Description of Securities</u>	<u>Fair Value as of December 31, 2010</u>	<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
Cash and Cash Equivalents	\$ 4,122	\$ 4,122	\$ 0	\$ 0
Municipal Securities – Tax Exempt	11,348	0	11,348	0
Common Stock	16,735	16,735	0	0
Limited Partnership Interest in Real Estate (a)	1,455	0	0	1,455
Total Plan Investments	<u>\$ 33,660</u>	<u>\$ 20,857</u>	<u>\$ 11,348</u>	<u>\$ 1,455</u>

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2010/Q4
El Paso Electric Company			
NOTES TO FINANCIAL STATEMENTS (Continued)			

<u>Description of Securities</u>	<u>Fair Value as of December 31, 2009</u>	<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
Cash and Cash Equivalents	\$ 2,566	\$ 2,566	\$ 0	\$ 0
Municipal Securities – Tax Exempt	10,928	0	10,928	0
Common Stock	14,300	14,300	0	0
Limited Partnership Interest in Real Estate (a)	<u>1,554</u>	<u>0</u>	<u>0</u>	<u>1,554</u>
Total Plan Investments	<u>\$ 29,348</u>	<u>\$ 16,866</u>	<u>\$ 10,928</u>	<u>\$ 1,554</u>

(a) 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 net asset value of the partnership which reflects the appraised value of the land.

The fair value of the investment in the Limited Partnership Interest in Real Estate as of December 31, 2010 resulted in an unrealized loss of \$0.1 million for the twelve months ended December 31, 2010. The table below reflects the changes during the period (in thousands):

	<u>Fair Value of Investments in Real Estate</u>
Balance at December 31, 2008	\$ 1,675
Unrealized loss in fair value	<u>(121)</u>
Balance at December 31, 2009	1,554
Unrealized loss in fair value	<u>(99)</u>
Balance at December 31, 2010	<u>\$ 1,455</u>

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 mutual funds that pursue risk minimization strategies and by diversifying its investments to limit its risks during falling markets. The investment managers have 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 expects to contribute \$2.2 million to its other postretirement benefits plan in 2011.

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) / /	2010/Q4
NOTES TO FINANCIAL STATEMENTS (Continued)			

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

2011	\$ 2,944
2012	3,388
2013	3,826
2014	4,278
2015	4,767
2016-2020	30,031

401(k) Defined Contribution Plans

The Company sponsors 401(k) defined contribution plans covering substantially all employees. Historically, the Company has provided a 50 percent matching contribution up to 6 percent of the employee's compensation subject to certain other limits and exclusions. Annual matching contributions made to the savings plans for the years 2010 and 2009 were \$1.7 million and \$1.6 million, respectively.

Annual Short-Term Incentive Plan

The Annual Short-Term Incentive Plan (the "Incentive Plan") provides for the payment of cash awards to eligible Company employees, including each of its named executive officers. Payment of awards is based on the achievement of performance measures reviewed and approved by the Company's Board of Directors' Compensation Committee. Generally, these performance measures are based on meeting certain financial, operational and individual performance criteria. The financial performance goals are based on earnings per share and the operational performance goals are based on safety, regulatory compliance, and customer satisfaction. If a specified level of earnings per share is not attained, no amounts will be paid under the Incentive Plan. The Company reached the required levels of earnings per share, safety, and regulatory compliance goals for an incentive payment of \$7.4 million in 2010. In 2009, the Company reached the required levels of earnings per share, customer satisfaction, and safety goals for an incentive payment of \$8.6 million. The Company has renewed the Incentive Plan in 2011 with similar goals.

M. Franchises and Significant Customers

El Paso Franchise

The Company has a franchise agreement with El Paso, the largest city it serves, through July 31, 2030. The franchise agreement, entered into in July 2005, included a franchise fee of 3.25% of revenues. Effective August 2010, the franchise fee was increased to 4%. El Paso is to place the additional fee of 0.75% in a restricted fund to be used solely for economic development and renewable energy purposes. The franchise agreement allows the Company to utilize public rights-of-way necessary to serve its retail customers within El Paso.

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 2010/Q4
El Paso Electric Company			
NOTES TO FINANCIAL STATEMENTS (Continued)			

Las Cruces Franchise

In February 2000, the Company and Las Cruces entered into a seven-year franchise agreement with a franchise fee of 2% of revenues for the provision of electric distribution service. Las Cruces exercised its right to extend the franchise for an additional two-year term which ended April 30, 2009 and waived its option to purchase the Company's distribution system pursuant to the terms of the February 2000 settlement agreement. The Company is currently operating under an implied franchise by satisfying all obligations under the expired franchise.

Military Installations

The Company currently serves Holloman Air Force Base ("Holloman"), White Sands Missile Range ("White Sands") and Fort Bliss. The Company's sales to the military bases represent approximately 4% of annual retail revenues. The Company signed a contract with Ft. Bliss in October 2008 under which Ft. Bliss takes retail electric service from the Company. The contract with Ft. Bliss expired in 2010 and the Company is serving Ft. Bliss under the applicable Texas tariffs. In April 1999, the Army and the Company entered into a ten-year contract to provide retail electric service to White Sands. The contract with White Sands expired in 2009 and 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 and 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.

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 2010/Q4
El Paso Electric Company			
NOTES TO FINANCIAL STATEMENTS (Continued)			

Long-Term Debt and Financing and Capital Lease Obligations. The fair values of the Company's long-term debt and financing 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,			
	2010		2009	
	Carrying Amount	Estimated Fair Value	Carrying Amount	Estimated Fair Value
Pollution Control Bonds	\$ 193,135	\$ 192,924	\$ 193,135	\$ 197,680
Senior Notes	546,610	574,700	546,562	545,475
Nuclear Fuel Capital Leases (1):				
RGRT Senior Notes	110,000	110,371	0	0
RCF	6,585	6,585	106,998	106,998
Total	<u>\$ 856,330</u>	<u>\$ 884,580</u>	<u>\$ 846,695</u>	<u>\$ 850,153</u>

(1) Nuclear fuel capital leases as of December 31, 2010 are funded through the \$110 million RGRT Senior Notes and the RCF. See Note H. The interest rate on the Company's nuclear fuel capital leases through the RCF is reset every quarter to reflect 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 2011, approximately \$0.4 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, 2010, 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, 2010, the variable, market-based pricing provisions of existing gas contracts are such that these derivative instruments have no significant fair value.

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 2010/Q4
El Paso Electric Company			
NOTES TO FINANCIAL STATEMENTS (Continued)			

Marketable Securities. The Company's marketable securities, included in decommissioning trust funds in the regulatory-basis balance sheets, are reported at fair value which was \$153.9 million and \$135.4 million at December 31, 2010 and 2009, 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):

	December 31, 2010					
	Less than 12 Months		12 Months or Longer		Total	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
Description of Securities (1):						
Federal Agency Mortgage						
Backed Securities	\$ 2,290	\$ (51)	\$ 441	\$ (27)	\$ 2,731	\$ (78)
U.S. Government Bonds	9,583	(124)	0	0	9,583	(124)
Municipal Obligations	13,145	(278)	3,763	(145)	16,908	(423)
Corporate Obligations	<u>1,855</u>	<u>(18)</u>	<u>0</u>	<u>0</u>	<u>1,855</u>	<u>(18)</u>
Total debt securities	26,873	(471)	4,204	(172)	31,077	(643)
Common stock	<u>6,943</u>	<u>(774)</u>	<u>4,303</u>	<u>(420)</u>	<u>11,246</u>	<u>(1,194)</u>
Total temporarily impaired securities	\$ 33,816	\$ (1,245)	\$ 8,507	\$ (592)	\$ 42,323	\$ (1,837)

(1) Includes approximately 96 securities.

	December 31, 2009					
	Less than 12 Months		12 Months or Longer		Total	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
Description of Securities (2):						
Federal Agency Mortgage						
Backed Securities	\$ 6,975	\$ (70)	\$ 38	\$ (2)	\$ 7,013	\$ (72)
U.S. Government Bonds	9,355	(248)	0	0	9,355	(248)
Municipal Obligations	3,235	(53)	5,067	(159)	8,302	(212)
Corporate Obligations	<u>2,039</u>	<u>(20)</u>	<u>856</u>	<u>(27)</u>	<u>2,895</u>	<u>(47)</u>
Total debt securities	21,604	(391)	5,961	(188)	27,565	(579)
Common stock	<u>11,735</u>	<u>(790)</u>	<u>3,718</u>	<u>(686)</u>	<u>15,453</u>	<u>(1,476)</u>
Total temporarily impaired securities	\$ 33,339	\$ (1,181)	\$ 9,679	\$ (874)	\$ 43,018	\$ (2,055)

(2) Includes approximately 106 securities.

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 2010/Q4
El Paso Electric Company			
NOTES TO FINANCIAL STATEMENTS (Continued)			

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 original 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 will not have a requirement to expend monies held in trust before 2024 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):

Description of Securities:	<u>December 31, 2010</u>		<u>December 31, 2009</u>	
	<u>Fair Value</u>	<u>Unrealized Gains</u>	<u>Fair Value</u>	<u>Unrealized Gains</u>
Federal Agency Mortgage Backed Securities	\$ 18,472	\$ 793	\$ 13,050	\$ 567
U.S. Government Bonds	10,450	183	4,537	58
Municipal Obligations	15,633	592	21,121	852
Corporate Obligations	<u>7,223</u>	<u>362</u>	<u>4,313</u>	<u>222</u>
Total debt securities	<u>51,778</u>	<u>1,930</u>	<u>43,021</u>	<u>1,699</u>
Common stock	56,770	14,142	45,317	7,808
Temporary investments	<u>3,007</u>	<u>0</u>	<u>4,016</u>	<u>0</u>
Total	<u>\$111,555</u>	<u>\$ 16,072</u>	<u>\$ 92,354</u>	<u>\$ 9,507</u>

The Company's marketable securities include investments in municipal, corporate and federal debt obligations. Substantially all of the Company's mortgage backed securities, based on contractual maturity, are due in 10 years or more. The mortgage backed securities have an estimated weighted average maturity which generally range from 3 to 7 years and reflects anticipated future prepayments. The contractual year for maturity for all other available-for-sale securities as of December 31, 2010 is as follows (in thousands):

	<u>Total</u>	<u>2011</u>	<u>2012 through 2015</u>	<u>2016 through 2020</u>	<u>2021 and Beyond</u>
Municipal Debt Obligations	\$ 32,541	\$ 2,314	\$ 11,338	\$ 11,911	\$ 6,978
Corporate Debt Obligations	9,077	0	4,023	3,306	1,748
U.S. Government Bonds	20,033	2,360	8,157	6,556	2,960

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) / /	2010/Q4
NOTES TO FINANCIAL STATEMENTS (Continued)			

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, 2010 and 2009 the Company recognized other than temporary impairment losses on its available-for-sale securities as follows (in thousands):

	<u>2010</u>	<u>2009</u>
Gross unrealized holding losses included in pre-tax income	\$ (263)	\$ (5,594)

The Company's marketable securities in its decommissioning trust funds are sold from time to time, and the Company uses the specific identification basis on which 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, 2010 and 2009 and the related effects on pre-tax income are as follows (in thousands):

	<u>2010</u>	<u>2009</u>
Proceeds from sales of available-for-sale securities	<u>\$ 61,656</u>	<u>\$ 79,935</u>
Gross realized gains included in pre-tax income	\$ 1,030	\$ 3,614
Gross realized losses included in pre-tax income	(889)	(238)
Gross unrealized losses included in pre-tax income	<u>(263)</u>	<u>(5,594)</u>
Net losses in pre-tax income	<u>\$ (122)</u>	<u>\$ (2,218)</u>
Net unrealized holding gains included in accumulated other comprehensive income	\$ 6,665	\$ 12,816
Net losses reclassified out of accumulated other comprehensive income	<u>122</u>	<u>2,218</u>
Net gains in other comprehensive income	<u>\$ 6,787</u>	<u>\$ 15,034</u>

Fair Value Measurements. FASB guidance requires the Company to provide expanded quantitative disclosures for financial assets and liabilities recorded on the balance sheet at fair value. Financial assets carried at fair value include the Company's decommissioning trust investments and investments in debt securities. 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 and U.S. treasury securities that are in a highly liquid and active market.

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 2010/Q4
El Paso Electric Company			
NOTES TO FINANCIAL STATEMENTS (Continued)			

- 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 other than U.S. Treasury securities. The fair value of these financial instruments is based on evaluated prices that reflect observable market information, such as actual trade information of similar securities, adjusted for observable differences.
- Level 3 – Unobservable inputs using data that is not corroborated by market data and primarily based on internal Company analysis using models and various other analyses. Financial assets utilizing Level 3 inputs include the Company's investments in debt securities.

As of December 31, 2010, the Company had \$4.0 million invested in debt securities which consisted of two \$2.0 million investments in auction rate securities maturing in 2042 and 2044. The Company classifies these securities as trading securities which are included in other investments on the Company's regulatory-basis balance sheets. These auction rate securities are collateralized with student loans which are re-insured by the Department of Education as part of the Federal Family Education Loan Program ("FFELP") and have credit ratings of "A" by Standard & Poor's and "A2" by Moody's. The principal on the securities can be realized at maturity, sold in a successful auction, or sold in the secondary market. Interest rates on the auction rate securities are reset every 28 days. At December 31, 2010 upon a failed auction, the maximum interest rate for \$2.0 million of these debt securities was based upon the lesser of the interest paid on the student loan portfolio, less service costs, or one-month LIBOR plus 2.5%. At December 31, 2010, the default interest rate was 2.76% based on one-month LIBOR plus 2.5%. The maximum interest rate for the remaining \$2.0 million of debt securities was based upon the lesser of (i) the net loan rate (the interest paid on the student loan portfolio less service costs); (ii) 91-day Treasury bills plus 1.5%; (iii) one-month LIBOR plus 1.5%; (iv) 18%; or (v) highest rate legally payable. At December 31, 2010, the default interest rate was 1.45% based on the net loan rate.

The auction process historically provided a liquid market to sell the securities to meet cash requirements. These auction rate securities had successful auctions through January 2008. However, since February 2008, auctions for these securities have not been successful, resulting in the inability to liquidate these investments. The Company's valuation as of December 31, 2010 is based upon the average of a discounted cash flow model valuation and a market comparables method.

The discounted cash flow model valuation is based on expected cash flows using the maximum expected interest rates discounted by an expected yield reflecting illiquidity and credit risk. In order to more accurately forecast cash flows, Treasury and LIBOR yield curves were created using swap rates and data provided on the U.S. Department of the Treasury website and the British Banker's Association website. After thorough analysis, future cash flows were projected based on interest rate models over a term, which was based on an estimate of the weighted average life of the student loan portfolio within the issuing trusts. The applied discount yield was based on the applicable forward LIBOR rate and a yield spread of 390 and 400 basis points based on each security's (i) credit risk, (ii) illiquidity, (iii) subordinated status, (iv) interest rate limitations, and (v) FFELP guarantees.

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 2010/Q4
El Paso Electric Company			
NOTES TO FINANCIAL STATEMENTS (Continued)			

The market comparables method is based upon sales and purchases of auction rate securities in secondary market transactions. The secondary market discounts of 24% to 32% are based on discounts indicated in secondary market transactions involving comparable student loan auction rate securities. The average of the values provided by the discounted cash flow calculation and the market comparables method are used to arrive at the concluded value of the securities.

The securities in the Company's decommissioning trust funds are valued using prices and other relevant information generated by market transactions involving identical or comparable securities. FASB guidance identifies this valuation technique as the "market approach" with observable inputs. The Company analyzes available-for-sale securities to determine if losses are other than temporary.

The fair value of the Company's decommissioning trust funds and investments in debt securities, at December 31, 2010 and 2009, and the level within the three levels of the fair value hierarchy defined by FASB guidance are presented in the table below (in thousands):

<u>Description of Securities</u>	<u>Fair Value as of December 31, 2010</u>	<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
Trading Securities:				
Investments in Debt Securities	\$ 2,909	\$ 0	\$ 0	\$ 2,909
Available for sale:				
U.S. Government Bonds	\$ 20,033	\$ 20,033	\$ 0	\$ 0
Federal Agency Mortgage Backed Securities	21,204	0	21,204	0
Municipal Bonds	32,541	0	32,541	0
Corporate Asset Backed Obligations	9,077	0	9,077	0
Subtotal, Debt Securities	<u>82,855</u>	<u>20,033</u>	<u>62,822</u>	<u>0</u>
Common Stock	68,016	68,016	0	0
Cash and Cash Equivalents	3,007	3,007	0	0
Total available for sale	<u>\$ 153,878</u>	<u>\$ 91,056</u>	<u>\$ 62,822</u>	<u>\$ 0</u>

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2010/Q4
El Paso Electric Company			

NOTES TO FINANCIAL STATEMENTS (Continued)

<u>Description of Securities</u>	<u>Fair Value as of December 31, 2009</u>	<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
Trading Securities:				
Investments in Debt Securities	\$ 2,510	\$ 0	\$ 0	\$ 2,510
Available for sale:				
U.S. Government Bonds	\$ 13,892	\$ 13,892	\$ 0	\$ 0
Federal Agency Mortgage Backed Securities	20,063	0	20,063	0
Municipal Bonds	29,424	0	29,424	0
Corporate Asset Backed Obligations	7,207	0	7,207	0
Subtotal, Debt Securities	<u>70,586</u>	<u>13,892</u>	<u>56,694</u>	<u>0</u>
Common Stock	60,770	60,770	0	0
Cash and Cash Equivalents	4,016	4,016	0	0
Total available for sale	<u>\$ 135,372</u>	<u>\$ 78,678</u>	<u>\$ 56,694</u>	<u>\$ 0</u>

The change in the fair value of the investments in debt securities resulted in a credit to income of \$0.4 million and \$0.2 million for the twelve months ended December 31, 2010 and 2009, respectively. These amounts are reflected in the Company's regulatory-basis statement of operations as an adjustment to other deductions. Below is a reconciliation of the beginning and ending balance of the fair value in investment in debt securities (in thousands):

	<u>2010</u>	<u>2009</u>
Balance at January 1	\$ 2,510	\$ 2,264
Unrealized gain in fair value recognized in income	<u>399</u>	<u>246</u>
Balance at December 31	<u>\$ 2,909</u>	<u>\$ 2,510</u>

O. Supplemental Statements of Cash Flows Disclosures

	<u>Years Ended December 31,</u>	
	<u>2010</u>	<u>2009</u>
	<u>(In thousands)</u>	
Cash paid for:		
Interest on long-term debt and financing obligations	\$ 47,783	\$ 46,836
Income taxes	7,343	8,596
Other interest	0	4
Non-cash financing activities:		
Grants of restricted shares of common stock	2,098	1,592
Issuance of performance shares	662	0

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

- 1. Report in columns (b),(c),(d) and (e) the amounts of accumulated other comprehensive income items, on a net-of-tax basis, where appropriate.
- 2. Report in columns (f) and (g) the amounts of other categories of other cash flow hedges.
- 3. For each category of hedges that have been accounted for as "fair value hedges", report the accounts affected and the related amounts in a footnote.
- 4. Report data on a year-to-date basis.

Line No.	Item (a)	Unrealized Gains and Losses on Available-for-Sale Securities (b)	Minimum Pension Liability adjustment (net amount) (c)	Foreign Currency Hedges (d)	Other Adjustments (e)
1	Balance of Account 219 at Beginning of Preceding Year	(6,159,935)			(16,634,521)
2	Preceding Qtr/Yr to Date Reclassifications from Acct 219 to Net Income	1,774,366			668,054
3	Preceding Quarter/Year to Date Changes in Fair Value	10,252,420			(32,653,747)
4	Total (lines 2 and 3)	12,026,786			(31,985,693)
5	Balance of Account 219 at End of Preceding Quarter/Year	5,866,851			(48,620,214)
6	Balance of Account 219 at Beginning of Current Year	5,866,851			(48,620,214)
7	Current Qtr/Yr to Date Reclassifications from Acct 219 to Net Income	97,627			12,680,106
8	Current Quarter/Year to Date Changes in Fair Value	5,331,593			
9	Total (lines 7 and 8)	5,429,220			12,680,106
10	Balance of Account 219 at End of Current Quarter/Year	11,296,071			(35,940,108)

Name of Respondent
El Paso Electric Company

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

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

Year/Period of Report
End of 2010/Q4

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

Line No.	Other Cash Flow Hedges Interest Rate Swaps (f)	Other Cash Flow Hedges [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		(14,020,826)	(36,815,282)		
2		205,773	2,648,193		
3			(22,401,327)		
4		205,773	(19,753,134)	67,855,774	48,102,640
5		(13,815,053)	(56,568,416)		
6		(13,815,053)	(56,568,416)		
7		219,844	12,997,577		
8			5,331,593		
9		219,844	18,329,170	92,275,027	110,604,197
10		(13,595,209)	(38,239,246)		

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 2010/Q4
El Paso Electric Company			
FOOTNOTE DATA			

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 \$0.4 million of this accumulated other comprehensive income item will be reclassified to interest expense.

Schedule Page: 122(a)(b) Line No.: 2 Column: e

In accordance with the FERC Guidance Letter related to FASB guidance for employers' accounting for defined 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 components of net periodic benefit cost of the period.

Schedule Page: 122(a)(b) Line No.: 3 Column: e

In accordance with the FERC Guidance Letter related to FASB guidance for employers' accounting for defined pension and other postretirement plans, this amount includes adjustments related to the funded status of defined postretirement benefit plans.

Schedule Page: 122(a)(b) Line No.: 7 Column: e

In accordance with the FERC Guidance Letter related to FASB guidance for employers' accounting for defined 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 components of net periodic benefit cost of the period.

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)	2,933,460,491	2,933,460,491
4	Property Under Capital Leases		
5	Plant Purchased or Sold		
6	Completed Construction not Classified	462,124,554	462,124,554
7	Experimental Plant Unclassified		
8	Total (3 thru 7)	3,395,585,045	3,395,585,045
9	Leased to Others		
10	Held for Future Use		
11	Construction Work in Progress	285,086,445	285,086,445
12	Acquisition Adjustments		
13	Total Utility Plant (8 thru 12)	3,680,671,490	3,680,671,490
14	Accum Prov for Depr, Amort, & Depl	1,921,791,108	1,921,791,108
15	Net Utility Plant (13 less 14)	1,758,880,382	1,758,880,382
16	Detail of Accum Prov for Depr, Amort & Depl		
17	In Service:		
18	Depreciation	1,896,356,865	1,896,356,865
19	Amort & Depl of Producing Nat Gas Land/Land Right		
20	Amort of Underground Storage Land/Land Rights		
21	Amort of Other Utility Plant	25,434,243	25,434,243
22	Total In Service (18 thru 21)	1,921,791,108	1,921,791,108
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)	1,921,791,108	1,921,791,108

Name of Respondent

El Paso Electric Company

This Report Is:

(1) An Original

(2) A Resubmission

Date of Report

(Mo, Da, Yr)

/ /

Year/Period of Report

End of 2010/Q4

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

Gas (d)	Other (Specify) (e)	Other (Specify) (f)	Other (Specify) (g)	Common (h)	Line No.
					1
					2
					3
					4
					5
					6
					7
					8
					9
					10
					11
					12
					13
					14
					15
					16
					17
					18
					19
					20
					21
					22
					23
					24
					25
					26
					27
					28
					29
					30
					31
					32
					33

NUCLEAR FUEL MATERIALS (Account 120.1 through 120.6 and 157)

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

Line No.	Description of item (a)	Balance Beginning of Year (b)	Changes during Year
			Additions (c)
1	Nuclear Fuel in process of Refinement, Conv, Enrichment & Fab (120.1)		
2	Fabrication		
3	Nuclear Materials		
4	Allowance for Funds Used during Construction		
5	(Other Overhead Construction Costs, provide details in footnote)		
6	SUBTOTAL (Total 2 thru 5)		
7	Nuclear Fuel Materials and Assemblies		
8	In Stock (120.2)		
9	In Reactor (120.3)		
10	SUBTOTAL (Total 8 & 9)		
11	Spent Nuclear Fuel (120.4)		
12	Nuclear Fuel Under Capital Leases (120.6)	136,170,954	36,482,397
13	(Less) Accum Prov for Amortization of Nuclear Fuel Assem (120.5)	33,550,999	-1,497,881
14	TOTAL Nuclear Fuel Stock (Total 6, 10, 11, 12, less 13)	102,619,955	
15	Estimated net Salvage Value of Nuclear Materials in line 9		
16	Estimated net Salvage Value of Nuclear Materials in line 11		
17	Est Net Salvage Value of Nuclear Materials in Chemical Processing		
18	Nuclear Materials held for Sale (157)		
19	Uranium		
20	Plutonium		
21	Other (provide details in footnote):		
22	TOTAL Nuclear Materials held for Sale (Total 19, 20, and 21)		

Name of Respondent

El Paso Electric Company

This Report Is:

(1) An Original

(2) A Resubmission

Date of Report

(Mo, Da, Yr)

/ /

Year/Period of Report

End of 2010/Q4

NUCLEAR FUEL MATERIALS (Account 120.1 through 120.6 and 157)

Changes during Year		Balance End of Year (f)	Line No.
Amortization (d)	Other Reductions (Explain in a footnote) (e)		
			1
			2
			3
			4
			5
			6
			7
			8
			9
			10
			11
	20,744,710	151,908,641	12
-32,898,570	20,744,710	44,206,978	13
		107,701,663	14
			15
			16
			17
			18
			19
			20
			21
			22

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 2010/Q4
FOOTNOTE DATA			

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

Retirement of fully amortized nuclear fuel in connection with the 2010 Units 1 and 3 reloads.

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 2010 Units 1 and 3 reloads.

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

Prior August 17, 2010, all of the Company's nuclear fuel was financed using a credit facility, which provided the Company with up to \$120 million for the financing of nuclear fuel. This financing was accomplished through a trust that borrowed under the facility to acquire and process the nuclear fuel. The nuclear fuel assets and liabilities of the trust are reported on the Company's regulatory-basis balance sheets. On August 17, 2010, the trust entered into a Note Purchase Agreement for \$110 million aggregate principal amount of senior notes which proceeds were used to repay amounts borrowed under the credit facility. At December 31, 2010, the Company had accrued \$1.9 million of interest related to these senior notes. On September 23, 2010, the Company and the trust entered into a new credit facility, which provides the Company with up to \$200 million for, among other things, the financing of nuclear fuel. As of December 31, 2010, approximately \$4.7 million had been drawn for nuclear fuel purchases under the new credit facility. During 2010, the Company capitalized approximately \$2.6 million of costs, including interest on trust borrowings, issuance costs and accrued interest on the senior notes, credit facility commitment fees, 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.

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

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

Line No.	Account (a)	Balance Beginning of Year (b)	Additions (c)
1	1. INTANGIBLE PLANT		
2	(301) Organization		
3	(302) Franchises and Consents		
4	(303) Miscellaneous Intangible Plant	74,567,289	27,737,219
5	TOTAL Intangible Plant (Enter Total of lines 2, 3, and 4)	74,567,289	27,737,219
6	2. PRODUCTION PLANT		
7	A. Steam Production Plant		
8	(310) Land and Land Rights	111,351	180,118
9	(311) Structures and Improvements	23,250,660	-1,254,912
10	(312) Boiler Plant Equipment	111,212,371	3,876,477
11	(313) Engines and Engine-Driven Generators	18,810,943	1,025,326
12	(314) Turbogenerator Units	137,662,673	1,924,384
13	(315) Accessory Electric Equipment	21,383,643	745,612
14	(316) Misc. Power Plant Equipment	40,417,580	1,834,931
15	(317) Asset Retirement Costs for Steam Production	160,004	
16	TOTAL Steam Production Plant (Enter Total of lines 8 thru 15)	353,009,225	8,331,936
17	B. Nuclear Production Plant		
18	(320) Land and Land Rights	1,846,320	501,383
19	(321) Structures and Improvements	439,089,864	5,096,375
20	(322) Reactor Plant Equipment	715,712,797	35,352,032
21	(323) Turbogenerator Units	220,690,816	6,043,208
22	(324) Accessory Electric Equipment	169,816,887	883,366
23	(325) Misc. Power Plant Equipment	78,134,030	2,873,103
24	(326) Asset Retirement Costs for Nuclear Production	1,341,529	
25	TOTAL Nuclear Production Plant (Enter Total of lines 18 thru 24)	1,626,632,243	50,749,467
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	692,604	12,163
39	(342) Fuel Holders, Products, and Accessories	480,893	
40	(343) Prime Movers		
41	(344) Generators	11,182,847	
42	(345) Accessory Electric Equipment	451,417	
43	(346) Misc. Power Plant Equipment	4,033,083	
44	(347) Asset Retirement Costs for Other Production	15,479	
45	TOTAL Other Prod. Plant (Enter Total of lines 37 thru 44)	16,866,323	12,163
46	TOTAL Prod. Plant (Enter Total of lines 16, 25, 35, and 45)	1,996,507,791	59,093,566

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	11,828,747	
49	(352) Structures and Improvements	7,237,774	148,032
50	(353) Station Equipment	132,624,123	673,702
51	(354) Towers and Fixtures	24,693,447	10,493
52	(355) Poles and Fixtures	80,771,963	354,632
53	(356) Overhead Conductors and Devices	74,267,388	210,694
54	(357) Underground Conduit		
55	(358) Underground Conductors and Devices		
56	(359) Roads and Trails	1,124,916	
57	(359.1) Asset Retirement Costs for Transmission Plant		
58	TOTAL Transmission Plant (Enter Total of lines 48 thru 57)	332,548,358	1,397,553
59	4. DISTRIBUTION PLANT		
60	(360) Land and Land Rights	1,492,489	1,289,600
61	(361) Structures and Improvements	3,773,489	53,761
62	(362) Station Equipment	131,288,101	5,771,480
63	(363) Storage Battery Equipment		
64	(364) Poles, Towers, and Fixtures	108,254,847	7,874,564
65	(365) Overhead Conductors and Devices	64,844,344	3,329,191
66	(366) Underground Conduit	100,327,821	2,564,282
67	(367) Underground Conductors and Devices	96,435,768	2,340,914
68	(368) Line Transformers	132,673,871	21,787,769
69	(369) Services	38,046,564	1,164,111
70	(370) Meters	33,879,146	2,119,090
71	(371) Installations on Customer Premises	9,542,239	661,724
72	(372) Leased Property on Customer Premises		
73	(373) Street Lighting and Signal Systems	9,673,137	87,930
74	(374) Asset Retirement Costs for Distribution Plant		
75	TOTAL Distribution Plant (Enter Total of lines 60 thru 74)	730,231,816	49,044,416
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	36,772,982	2,370,347
88	(391) Office Furniture and Equipment	24,663,448	2,728,300
89	(392) Transportation Equipment	29,677,332	1,819,313
90	(393) Stores Equipment	239,072	
91	(394) Tools, Shop and Garage Equipment	2,568,056	78,792
92	(395) Laboratory Equipment	3,099,855	182,829
93	(396) Power Operated Equipment	5,741,642	58,550
94	(397) Communication Equipment	30,935,434	22,379
95	(398) Miscellaneous Equipment	2,629,998	61,086
96	SUBTOTAL (Enter Total of lines 86 thru 95)	137,227,030	7,321,596
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)	137,227,030	7,321,596
100	TOTAL (Accounts 101 and 106)	3,271,082,284	144,594,350
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)	3,271,082,284	144,594,350

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
238,512			102,065,996		4
238,512			102,065,996		5
					6
					7
			291,469		8
3,150		572,442	22,565,040		9
7,000			115,081,848		10
60,000		-3,292,059	16,484,210		11
149,800		3,292,059	142,729,316		12
15,750			22,113,505		13
43,618			42,208,893		14
	-377,000		-216,996		15
279,318	-377,000	572,442	361,257,285		16
					17
			2,347,703		18
1,043,506			443,142,733		19
11,076,070			739,988,759		20
1,603,012			225,131,012		21
763,929			169,936,324		22
533,008			80,474,125		23
			1,341,529		24
15,019,525			1,662,362,185		25
					26
					27
					28
					29
					30
					31
					32
					33
					34
					35
					36
			10,000		37
			704,767		38
			480,893		39
					40
			11,182,847		41
			451,417		42
			4,033,083		43
			15,479		44
			16,878,486		45
15,298,843	-377,000	572,442	2,040,497,956		46

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
3,686			11,825,061	48
		-572,442	6,813,364	49
474,121			132,823,704	50
			24,703,940	51
			81,126,595	52
			74,478,082	53
				54
				55
			1,124,916	56
				57
477,807		-572,442	332,895,662	58
				59
			2,782,089	60
			3,827,250	61
167,042			136,892,539	62
				63
167,579			115,961,832	64
63,153			68,110,382	65
6,483			102,885,620	66
20,898			98,755,784	67
307,645			154,153,995	68
			39,210,675	69
109,089			35,889,147	70
4,590			10,199,373	71
				72
1,051			9,760,016	73
				74
847,530			778,428,702	75
				76
				77
				78
				79
				80
				81
				82
				83
				84
				85
			899,211	86
460,453			38,682,876	87
			27,391,748	88
2,262,578			29,234,067	89
			239,072	90
			2,646,848	91
			3,282,684	92
128,866			5,671,326	93
			30,957,813	94
			2,691,084	95
2,851,897			141,696,729	96
				97
				98
2,851,897			141,696,729	99
19,714,589	-377,000		3,395,585,045	100
				101
				102
				103
19,714,589	-377,000		3,395,585,045	104

Name of Respondent
El Paso Electric Company

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

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

Year/Period of Report
End of 2010/Q4

ELECTRIC PLANT LEASED TO OTHERS (Account 104)

Line No.	Name of Lessee (Designate associated companies with a double asterisk) (a)	Description of Property Leased (b)	Commission Authorization (c)	Expiration Date of Lease (d)	Balance at End of Year (e)
1	None				
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
18					
19					
20					
21					
22					
23					
24					
25					
26					
27					
28					
29					
30					
31					
32					
33					
34					
35					
36					
37					
38					
39					
40					
41					
42					
43					
44					
45					
46					
47	TOTAL				

Name of Respondent
El Paso Electric Company

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

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

Year/Period of Report
End of 2010/Q4

ELECTRIC PLANT HELD FOR FUTURE USE (Account 105)

1. Report separately each property held for future use at end of the year having an original cost of \$250,000 or more. Group other items of property held for future use.
2. For property having an original cost of \$250,000 or more previously used in utility operations, now held for future use, give in column (a), in addition to other required information, the date that utility use of such property was discontinued, and the date the original cost was transferred to Account 105.

Line No.	Description and Location Of Property (a)	Date Originally Included in This Account (b)	Date Expected to be used in Utility Service (c)	Balance at End of Year (d)
1	Land and Rights:			
2	None			
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				
15				
16				
17				
18				
19				
20				
21	Other Property:			
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			0

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	GENERATION EXPANSION NEWMAN U5 (PHASE 2)	137,781,209
2	PALO VERDE CAPITAL IMPROVEMENTS	48,702,150
3	ZERO LIQUID DISCHARGE - NEWMAN	13,451,703
4	PICANTE SUBSTATION	7,689,498
5	FIBER OPTIC SYSTEM UPGRADE	5,940,650
6	RESIDENTIAL CONSTRUCTION - TX	4,443,325
7	COMMERCIAL CONSTRUCTION - TX	4,221,133
8	RIO GRANDE UNIT 9	3,902,942
9	PELLICANO SUBSTATION	3,619,641
10	DISTRIBUTION BETTERMENT - TX	2,885,911
11	CABLE REPLACEMENT PROGRAM	2,477,826
12	INFORMATION TECHNOLOGY PROJECTS	2,468,047
13	NEWMAN 115 KV BREAKER REPLACEMENT & UPGRADE	2,302,869
14	NEWMAN PICANTE TRANSMISSION LINE	2,149,193
15	FACILITIES SERVICES STRUCTURAL IMPROVEMENTS	2,134,470
16	NEWMAN PIPELINE TAP	1,871,183
17	SANTA TERESA - MONTROYA 115 KV TRANSMISSION EXPANSION	1,750,421
18	AUSTIN SUBSTATION REGULATOR REPLACEMENT	1,750,207
19	FARMER-ALAMO STRUCTURE REPLACEMENT	1,562,845
20	DURAZNO SUBSTATION	1,510,570
21	POWER PLANT TAX MODULES & UPGRADES	1,450,403
22	PICACHO TRANSFORMER UPGRADE	1,282,370
23	COMMERCIAL CONSTRUCTION - NM	1,247,120
24	SUNSET SUBSTATION UPGRADES	1,147,007
25	FOUR CORNERS CAPITAL IMPROVEMENT	1,105,180
26	GLOBAL REACH - PICANTE TRANSMISSION	1,014,330
27	MINOR PROJECTS	25,224,242
28		
29		
30		
31		
32		
33		
34		
35		
36		
37		
38		
39		
40		
41		
42		
43	TOTAL	285,086,445

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	1,847,052,638	1,847,052,638		
2	Depreciation Provisions for Year, Charged to				
3	(403) Depreciation Expense	68,584,312	68,584,312		
4	(403.1) Depreciation Expense for Asset Retirement Costs	-330,388	-330,388		
5	(413) Exp. of Elec. Plt. Leas. to Others				
6	Transportation Expenses-Clearing				
7	Other Clearing Accounts				
8	Other Accounts (Specify, details in footnote):	1,983,306	1,983,306		
9					
10	TOTAL Deprec. Prov for Year (Enter Total of lines 3 thru 9)	70,237,230	70,237,230		
11	Net Charges for Plant Retired:				
12	Book Cost of Plant Retired	19,671,850	19,671,850		
13	Cost of Removal	2,025,294	2,025,294		
14	Salvage (Credit)	764,141	764,141		
15	TOTAL Net Chrgs. for Plant Ret. (Enter Total of lines 12 thru 14)	20,933,003	20,933,003		
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)	1,896,356,865	1,896,356,865		

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

20	Steam Production	206,462,290	206,462,290		
21	Nuclear Production	1,163,012,851	1,163,012,851		
22	Hydraulic Production-Conventional				
23	Hydraulic Production-Pumped Storage				
24	Other Production	8,997,224	8,997,224		
25	Transmission	184,408,356	184,408,356		
26	Distribution	257,277,924	257,277,924		
27	Regional Transmission and Market Operation				
28	General	76,198,220	76,198,220		
29	TOTAL (Enter Total of lines 20 thru 28)	1,896,356,865	1,896,356,865		

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 2010/Q4
FOOTNOTE DATA			

Schedule Page: 219 Line No.: 8 Column: b
 Represents Palo Verde depreciation expense adjustment charged to FERC account 182-399,
 related to NM Rate Case 06-00258-UT and 09-00171-UT.

INVESTMENTS IN SUBSIDIARY COMPANIES (Account 123.1)

1. Report below investments in Accounts 123.1, investments in Subsidiary Companies.
 2. Provide a subheading for each company and List there under the information called for below. Sub - TOTAL by company and give a TOTAL in columns (e),(f),(g) and (h)
 (a) Investment in Securities - List and describe each security owned. For bonds give also principal amount, date of issue, maturity and interest rate.
 (b) Investment Advances - Report separately the amounts of loans or investment advances which are subject to repayment, but which are not subject to current settlement. With respect to each advance show whether the advance is a note or open account. List each note giving date of issuance, maturity date, and specifying whether note is a renewal.
 3. Report separately the equity in undistributed subsidiary earnings since acquisition. The TOTAL in column (e) should equal the amount entered for Account 418.1.

Line No.	Description of Investment (a)	Date Acquired (b)	Date Of Maturity (c)	Amount of Investment at Beginning of Year (d)
1	MiraSol Energy Services, Inc.			
2	Capital Stock:			
3	Common Stock - 1,000 shares authorized, issued and outstanding			
4	No par value	03/01/01		1,000
5				
6	Additional Paid-in Capital	03/01/01		3,957,318
7				
8	Accumulated Deficit			-3,624,809
9				
10				
11				
12				
13				
14				
15				
16				
17				
18				
19				
20				
21				
22				
23				
24				
25				
26				
27				
28				
29				
30				
31				
32				
33				
34				
35				
36				
37				
38				
39				
40				
41				
42	Total Cost of Account 123.1 \$	1,764	TOTAL	333,509

INVESTMENTS IN SUBSIDIARY COMPANIES (Account 123.1) (Continued)

4. For any securities, notes, or accounts that were pledged designate such securities, notes, or accounts in a footnote, and state the name of pledgee and purpose of the pledge.
5. If Commission approval was required for any advance made or security acquired, designate such fact in a footnote and give name of Commission, date of authorization, and case or docket number.
6. Report column (f) interest and dividend revenues from investments, including such revenues from securities disposed of during the year.
7. In column (h) report for each investment disposed of during the year, the gain or loss represented by the difference between cost of the investment (or the other amount at which carried in the books of account if difference from cost) and the selling price thereof, not including interest adjustment includible in column (f).
8. Report on Line 42, column (a) the TOTAL cost of Account 123.1

Equity in Subsidiary Earnings of Year (e)	Revenues for Year (f)	Amount of Investment at End of Year (g)	Gain or Loss from Investment Disposed of (h)	Line No.
				1
				2
				3
		1,000		4
				5
	-104,755	3,852,563		6
				7
-226,990		-3,851,799		8
				9
				10
				11
				12
				13
				14
				15
				16
				17
				18
				19
				20
				21
				22
				23
				24
				25
				26
				27
				28
				29
				30
				31
				32
				33
				34
				35
				36
				37
				38
				39
				40
				41
-226,990	-104,755	1,764		42

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 2010/Q4
FOOTNOTE DATA			

Schedule Page: 224 Line No.: 6 Column: f
 Represents net additions to paid in capital during the year.

MATERIALS AND SUPPLIES

1. For Account 154, report the amount of plant materials and operating supplies under the primary functional classifications as indicated in column (a); estimates of amounts by function are acceptable. In column (d), designate the department or departments which use the class of material.

2. Give an explanation of important inventory adjustments during the year (in a footnote) showing general classes of material and supplies and the various accounts (operating expenses, clearing accounts, plant, etc.) affected debited or credited. Show separately debit or credits to stores expense clearing, if applicable.

Line No.	Account (a)	Balance Beginning of Year (b)	Balance End of Year (c)	Department or Departments which Use Material (d)
1	Fuel Stock (Account 151)	1,806,879	1,582,462	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)	24,975,013	23,107,016	Production
8	Transmission Plant (Estimated)	3,777,715	3,823,927	Transmission
9	Distribution Plant (Estimated)	6,416,602	5,976,042	Distribution
10	Regional Transmission and Market Operation Plant (Estimated)			
11	Assigned to - Other (provide details in footnote)	1,491,580	1,572,043	Various
12	TOTAL Account 154 (Enter Total of lines 5 thru 11)	36,660,910	34,479,028	
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)	116	518	
17				
18				
19				
20	TOTAL Materials and Supplies (Per Balance Sheet)	38,467,905	36,062,008	

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 2010/Q4
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.

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		2011	
		No. (b)	Amt. (c)	No. (d)	Amt. (e)
1	Balance-Beginning of Year	9,700.00		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					
21	Cost of Sales/Transfers:				
22					
23					
24					
25					
26					
27					
28	Total				
29	Balance-End of Year	10,059.00		359.00	
30					
31	Sales:				
32	Net Sales Proceeds(Assoc. Co.)				
33	Net Sales Proceeds (Other)				
34	Gains				
35	Losses				
	Allowances Withheld (Acct 158.2)				
36	Balance-Beginning of Year				
37	Add: Withheld by EPA				
38	Deduct: Returned by EPA				
39	Cost of Sales				
40	Balance-End of Year				
41					
42	Sales:				
43	Net Sales Proceeds (Assoc. Co.)				
44	Net Sales Proceeds (Other)				
45	Gains				
46	Losses				

Allowances (Accounts 158.1 and 158.2) (Continued)

- 6. Report on Lines 5 allowances returned by the EPA. Report on Line 39 the EPA's sales of the withheld allowances. Report on Lines 43-46 the net sales proceeds and gains/losses resulting from the EPA's sale or auction of the withheld allowances.
- 7. Report on Lines 8-14 the names of vendors/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.

2012		2013		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		20,470.00		1
								2
								3
						359.00		4
								5
								6
								7
								8
								9
								10
								11
								12
								13
								14
								15
								16
								17
								18
								19
								20
								21
								22
								23
								24
								25
								26
								27
								28
359.00		359.00		9,693.00		20,829.00		29
								30
								31
								32
								33
								34
								35
								36
								37
								38
								39
								40
								41
								42
								43
								44
								45
								46

Name of Respondent El Paso Electric Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2010/Q4
FOOTNOTE DATA			

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

Represents allowances banked by the Company through December 31, 2010 including a true-up adjustment of 5,645.

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

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

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 2014 and beyond.

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

The Company has not purchased any allowances; however, at December 31, 2010 SO2 allowances were trading at \$4.50 per ton (allowance).

Schedule Page: 228 Line No.: 4 Column: b

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

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		2011	
		No. (b)	Amt. (c)	No. (d)	Amt. (e)
1	Balance-Beginning of Year	-784.00	-533,120	885.00	
2					
3	Acquired During Year:				
4	Issued (Less Withheld Allow)	965.00			
5	Returned by EPA				
6					
7					
8	Purchases/Transfers:				
9	Evolution Markets	1,700.00	944,000		
10					
11					
12					
13					
14					
15	Total	1,700.00	944,000		
16					
17	Relinquished During Year:				
18	Charges to Account 509	904.00	289,280		
19	Other:				
20	Adjustments	1,027.00	51,094		
21	Cost of Sales/Transfers:				
22					
23					
24					
25					
26					
27					
28	Total				
29	Balance-End of Year	-50.00	70,506	885.00	
30					
31	Sales:				
32	Net Sales Proceeds(Assoc. Co.)				
33	Net Sales Proceeds (Other)				
34	Gains				
35	Losses				
	Allowances Withheld (Acct 158.2)				
36	Balance-Beginning of Year				
37	Add: Withheld by EPA				
38	Deduct: Returned by EPA				
39	Cost of Sales				
40	Balance-End of Year				
41					
42	Sales:				
43	Net Sales Proceeds (Assoc. Co.)				
44	Net Sales Proceeds (Other)				
45	Gains				
46	Losses				

Allowances (Accounts 158.1 and 158.2) (Continued)

- 6. Report on Lines 5 allowances returned by the EPA. Report on Line 39 the EPA's sales of the withheld allowances. Report on Lines 43-46 the net sales proceeds and gains/losses resulting from the EPA's sale or auction of the withheld allowances.
- 7. Report on Lines 8-14 the names of vendors/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.

2012		2013		Future Years		Totals		Line No.
No. (f)	Amt. (g)	No. (h)	Amt. (i)	No. (j)	Amt. (k)	No. (l)	Amt. (m)	
885.00		885.00		885.00		2,756.00	-533,120	1
								2
								3
						965.00		4
								5
								6
								7
								8
						1,700.00	944,000	9
								10
								11
								12
								13
								14
						1,700.00	944,000	15
								16
								17
						904.00	289,280	18
								19
						1,027.00	51,094	20
								21
								22
								23
								24
								25
								26
								27
								28
885.00		885.00		885.00		3,490.00	70,506	29
								30
								31
								32
								33
								34
								35
								36
								37
								38
								39
								40
								41
								42
								43
								44
								45
								46

Name of Respondent El Paso Electric Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2010/Q4
FOOTNOTE DATA			

Schedule Page: 229 Line No.: 1 Column: b

The beginning balance was adjusted by 930 NOx allowances to reflect the application of the EPA issued allowances for 2009 as emissions.

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

Represents the NOx allowances expected to be purchased for the 2010 compliance year.

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

Represents the accrual related to the NOx allowances expected to be purchased for the 2010 compliance year.

Schedule Page: 229 Line No.: 20 Column: b

Includes an adjustment of (i) 62 NOx allowances to true-up to the 2009 actual shortage and (ii) 965 NOx allowances to reflect the application of the EPA issued allowances for 2010 as emissions.

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

Represents the NOx allowance cost adjustment to true-up to the 2009 actual shortage.

Name of Respondent

El Paso Electric Company

This Report Is:

(1) An Original

(2) A Resubmission

Date of Report

(Mo, Da, Yr)

/ /

Year/Period of Report

End of 2010/Q4

EXTRAORDINARY PROPERTY LOSSES (Account 182.1)

Line No.	Description of Extraordinary Loss [Include in the description the date of Commission Authorization to use Acc 182.1 and period of amortization (mo, yr to mo, yr).] (a)	Total Amount of Loss (b)	Losses Recognised During Year (c)	WRITTEN OFF DURING YEAR		Balance at End of Year (f)
				Account Charged (d)	Amount (e)	
1						
2						
3						
4						
5						
6						
7						
8						
9						
10						
11						
12						
13						
14						
15						
16						
17						
18						
19						
20	TOTAL					

Name of Respondent
El Paso Electric Company

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

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

Year/Period of Report
End of 2010/Q4

UNRECOVERED PLANT AND REGULATORY STUDY COSTS (182.2)

Line No.	Description of Unrecovered Plant and Regulatory Study Costs [Include in the description of costs, the date of Commission Authorization to use Acc 182.2 and period of amortization (mo, yr to mo, yr)] (a)	Total Amount of Charges (b)	Costs Recognised During Year (c)	WRITTEN OFF DURING YEAR		Balance at End of Year (f)
				Account Charged (d)	Amount (e)	
21	None					
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						
48						
49	TOTAL					

Name of Respondent
El Paso Electric Company

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

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

Year/Period of Report
End of 2010/Q4

Transmission Service and Generation Interconnection Study Costs

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

Line No.	Description (a)	Costs Incurred During Period (b)	Account Charged (c)	Reimbursements Received During the Period (d)	Account Credited With Reimbursement (e)
1	Transmission Studies				
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
18					
19					
20					
21	Generation Studies				
22					
23					
24					
25					
26					
27					
28					
29					
30					
31					
32					
33					
34					
35					
36					
37					
38					
39					
40					

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	95,134,102	11,874,799	various	4,771,731	102,237,170
2						
3	Rio Grande Resources Trust:					
4	Nuclear Fuel Postload Daily Finance Charge	1,695,339	1,534,525	518	1,064,143	2,165,721
5						
6	Coal Reclamation	9,380,527	1,500,000	501/431	598,338	10,282,189
7						
8	Texas Rate Case Cost	1,473,329	2,917,024	928	1,092,286	3,298,067
9						
10	Texas Military Base Discount and Recovery		1,537,521	142	776,246	761,275
11						
12	Texas Energy Efficiency	4,016,923	2,741,792	142	1,299,168	5,459,547
13						
14	New Mexico Renewable Energy Cost:					
15	Renewable Procurement Plan	575,786	10,645	407.3	232,097	354,334
16	Renewable Energy Credits	3,415,235	637,923	407.3	1,984,192	2,068,966
17						
18	New Mexico Energy Efficiency Program	642,001	1,404,602	142	1,725,185	321,418
19						
20	New Mexico:					
21	2006 Rate Case Cost	94,764		928	94,764	
22	2009 Rate Case Cost	813,465		928	307,954	505,511
23	2010 Rate Case Cost		205,478	928	205,478	
24	2010 FPPCAC Audit		1,127			1,127
25	Transition Cost	(10)	10			
26	Palo Verde Deferred Depreciation	2,789,281	1,983,304			4,772,585
27						
28	FERC Net Undercollection of Fuel Revenues		68,505	440's	68,505	
29						
30						
31						
32						
33						
34						
35						
36						
37						
38						
39						
40						
41						
42						
43						
44	TOTAL	120,030,742	26,417,255		14,220,087	132,227,910

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 2010/Q4
El Paso Electric Company			
FOOTNOTE DATA			

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

Amortization period ranges from 5 to 40 years.

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

Amortization is based on a prorata relationship with nuclear fuel amortization.

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

Represents total company final coal mine reclamation liability. Final coal mine reclamation represents the cost to reclaim the land disturbed during the coal mining that was not previously reclaimed while the mine was in operation. Current ongoing reclamation of land is passed through as reconcilable fuel costs. An updated 2010 Marston Study increased the liability by \$1,500,000. 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 remaining life 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 PUC Docket No. 34695 and was amortized monthly based on a stipulated amount, subject to adjustment, through December 2010. Final reclamation cost was bifurcated from PUC Docket No. 37690 to PUC Docket No. 38361 to allow for separate litigation. The Final Order in PUC Docket No. 38361 issued January 27, 2011 approved the recovery of final coal reclamation costs as a fuel component to be amortized over a 113 month period beginning March 2007 through July 2016. The Company recorded a cumulative adjustment for the period March 2007 through December 2010 in January 2011. In the Company's FERC jurisdiction final coal reclamation costs will not be recovered until actual final reclamation is paid in the last two years of the mining contract.

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

This balance is related to rate case costs approved in Docket No. 37690 and will be amortized over a 2 year period beginning July 2010.

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

In accordance with Final Order in Docket No. 37690, a Military Base Rate Discount is available to federal military bases. 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.

Schedule Page: 232 Line No.: 12 Column: b

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.: 15 Column: b

In accordance with the Final Order in Case No. 09-00171-UT, the Company recovers its renewable energy procurement costs related to renewable energy certificates as a component of base rates and began amortizing such costs over a 2 year period in January 2010.

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

Represents the cost of Renewable Energy Credits purchased by the Company to comply with the Renewable Energy Act ("REA"). The REA authorizes the recovery of reasonable costs of compliance with the REA through the rate making process. The Company requested recovery of these costs as a component of base rates in Case No. 09-00171-UT and began amortizing such costs over a 2 year period in January 2010.

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

In accordance with the Final Order in Case No. 06-00065-UT, the Company started collecting Energy Efficiency Program costs, effective May 2009, through a tariff rider approved by the NMPRC via New Mexico Rate 17. The rate is updated annually.

Schedule Page: 232 Line No.: 21 Column: b

This balance related to rate case costs approved in Case No. 06-00258-UT and was amortized over a 3 year period beginning July 2007.

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

Represents rate case costs related to Case No. 09-00171-UT and is being amortized over a 3 year period beginning January 2010.

Schedule Page: 232 Line No.: 23 Column: 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 2010/Q4
FOOTNOTE DATA			

Represents costs incurred related to a potential 2010 New Mexico Rate Case which were written off as no rate case was filed.

Schedule Page: 232 Line No.: 24 Column: c

Represents costs incurred for a Fuel 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.: 25 Column: b

This balance relates to transition costs approved for recovery in Case No. 06-00258-UT and was amortized over a 30 month period beginning July 2007.

Schedule Page: 232 Line No.: 26 Column: b

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 currently collected from New Mexico customers. The Company will recover these costs as a component of base rates in the future.

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	Accrued Unclassified					
2	Construction Payroll	-11,307	11,307			
3						
4	Facility & Impact Study	-181,359	1,109,855	131	807,835	120,661
5						
6	Miscellaneous	5,375	219	921	5,375	219
7						
8	Reimbursable Transmission &					
9	Distribution Projects	-99,307	536,701	416	682,316	-244,922
10						
11	El Paso Water Utilities Land					
12	Lease	2,015,802	327,511	507	419,952	1,923,361
13						
14	Palo Verde Water Lease		1,097,191			1,097,191
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						
42						
43						
44						
45						
46						
47	Misc. Work in Progress	377,291				-8,277
48	Deferred Regulatory Comm. Expenses (See pages 350 - 351)					
49	TOTAL	2,106,495				2,888,233

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 2010/Q4
FOOTNOTE DATA			

Schedule Page: 233 Line No.: 12 Column: b

Account 186 balance adjusted for 2009 due to the reclassification of \$2,015,802 from account 165 to conform with the 2010 presentation related to prepayments for land leased for buffer zone near our Newman Power Plant. The lease terminates in 2032.

Schedule Page: 233 Line No.: 12 Column: c

Annual cash payment for land leased adjacent to our Newman Plant.

Schedule Page: 233 Line No.: 14 Column: c

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.

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		289,634,796	247,543,740
3			
4			
5			
6			
7	Other		
8	TOTAL Electric (Enter Total of lines 2 thru 7)	289,634,796	247,543,740
9	Gas		
10			
11			
12			
13			
14			
15	Other		
16	TOTAL Gas (Enter Total of lines 10 thru 15)		
17	Other (Specify)	1,539,039	4,462,598
18	TOTAL (Acct 190) (Total of lines 8, 16 and 17)	291,173,835	252,006,338

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 2010/Q4
FOOTNOTE DATA			

Schedule Page: 234 Line No.: 1 Column:

	<u>Balance at Beginning of Year</u>	<u>Balance at End of Year</u>
ELECTRIC		
Deferred tax assets:		
Capitalized revenues and other capitalized costs	97,293,847	93,282,453
Accumulated deferred investment tax credits	10,236,824	14,007,234
Benefits of federal tax loss carryforwards	433,516	-
Alternative minimum tax credit carryforward	27,833,625	18,370,146
Regulatory liabilities related to income taxes	21,482,779	20,433,457
Pensions and Benefits	68,064,809	58,025,858
Asset Retirement Obligation	29,392,800	33,257,357
Deferred Fuel	6,306,410	6,583,859
Other	<u>28,590,186</u>	<u>3,583,376</u>
Net deferred tax assets	<u>289,634,796</u>	<u>247,543,740</u>
OTHER (Specify)		
Deferred tax assets:		
Capitalized revenues and other capitalized costs	1,158,332	3,085,105
Regulatory liabilities related to income taxes	174,397	-
Other	<u>206,310</u>	<u>1,377,493</u>
Net deferred tax assets	<u>1,539,039</u>	<u>4,462,598</u>
Total Account 190	<u>291,173,835</u>	<u>252,006,338</u>

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, 2010, 694,075			
12	unissued shares of Common Stock of the			
13	Company were reserved for future			
14	allocations. 402,783 shares are reserved			
15	under the 1999 Long-Term Incentive Plan			
16	and 291,292 shares are reserved under			
17	the 2007 Long-term Incentive Plan.			
18				
19				
20				
21				
22				
23				
24				
25				
26				
27				
28	Note: For additional information see the			
29	El Paso Electric Company 2010 Form 10-K			
30	filed with the SEC February 28, 2011.			
31				
32				
33				
34				
35				
36				
37				
38				
39				
40				
41				
42				

CAPITAL STOCKS (Account 201 and 204) (Continued)

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

OUTSTANDING PER BALANCE SHEET (Total amount outstanding without reduction for amounts held by respondent)		HELD BY RESPONDENT				Line No.
Shares (e)	Amount (f)	AS REACQUIRED STOCK (Account 217)		IN SINKING AND OTHER FUNDS		
		Shares (g)	Cost (h)	Shares (i)	Amount (j)	
						1
						2
65,265,060	65,195,470	22,693,995	337,638,723			3
65,265,060	65,195,470	22,693,995	337,638,723			4
						5
						6
						7
						8
						9
						10
						11
						12
						13
						14
						15
						16
						17
						18
						19
						20
						21
						22
						23
						24
						25
						26
						27
						28
						29
						30
						31
						32
						33
						34
						35
						36
						37
						38
						39
						40
						41
						42

Name of Respondent
El Paso Electric Company

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

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

Year/Period of Report
End of 2010/Q4

OTHER PAID-IN CAPITAL (Accounts 208-211, inc.)

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

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

Line No.	Item (a)	Amount (b)
1	211. Other Paid-in Capital	
2	Deferred Compensation:	
3	Performance Awards	1,945,675
4	Stock Options	215,938
5		
6		
7		
8		
9		
10		
11		
12		
13		
14		
15		
16		
17		
18		
19		
20		
21		
22		
23		
24		
25		
26		
27		
28		
29		
30		
31		
32		
33		
34		
35		
36		
37		
38		
39		
40	TOTAL	2,161,613

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 2010/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 2008, 2009, and 2010 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.

Schedule Page: 253 Line No.: 4 Column: b

In accordance with FASB guidance for accounting for stock-based compensation, the Company began expensing the fair value of outstanding awards for which the requisite service had not been rendered as of January 1, 2006. No compensation cost was recognized in 2010, and there is no remaining unrecognized compensation costs related to stock options.

Name of Respondent

El Paso Electric Company

This Report Is:

(1) An Original

(2) A Resubmission

Date of Report

(Mo, Da, Yr)

/ /

Year/Period of Report

End of 2010/Q4

CAPITAL STOCK EXPENSE (Account 214)

1. Report the balance at end of the year of discount on capital stock for each class and series of capital stock.
2. If any change occurred during the year in the balance in respect to any class or series of stock, attach a statement giving particulars (details) of the change. State the reason for any charge-off of capital stock expense and specify the account charged.

Line No.	Class and Series of Stock (a)	Balance at End of Year (b)
1	214. Capital Stock Expense	340,939
2		
3		
4		
5		
6		
7		
8		
9		
10		
11		
12		
13		
14		
15		
16		
17		
18		
19		
20		
21		
22	TOTAL	340,939

LONG-TERM DEBT (Account 221, 222, 223 and 224)

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

Line No.	Class and Series of Obligation, Coupon Rate (For new issue, give commission Authorization numbers and dates) (a)	Principal Amount Of Debt issued (b)	Total expense, Premium or Discount (c)
1	Account 221		
2			
3	2009 Series A Palo Verde Pollution Control Bonds	63,500,000	1,168,950
4	2009 Series B Palo Verde Pollution Control Bonds	37,100,000	811,106
5	2005 Series A Palo Verde Pollution Control Bonds	59,235,000	1,249,815
6	2002 Series A Four Corners Pollution Control Bonds	33,300,000	1,075,004
7			
8	Subtotal	193,135,000	4,304,875
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	Treasury Rate Lock Agreements		
21			
22	Subtotal	550,000,000	10,546,921
23			
24	Interest on obligations under capital lease (Rio Grande Resources Trust II):		
25	\$110 million RGRT Senior Notes		
26	Revolving Credit Facility		
27			
28			
29			
30			
31			
32			
33	TOTAL	743,135,000	14,851,796

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
08/01/05	08/01/40	08/01/05	08/01/40	59,235,000	2,986,548	5
08/01/05	06/01/32	08/01/05	06/01/32	33,300,000	1,457,835	6
						7
				193,135,000	11,737,883	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
					338,221	20
						21
				550,000,000	35,588,221	22
						23
						24
					1,881,025	25
					669,789	26
						27
						28
						29
						30
						31
						32
				743,135,000	49,876,918	33

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 2010/Q4
El Paso Electric Company			
FOOTNOTE DATA			

Schedule Page: 256 Line No.: 24 Column: a

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

Schedule Page: 256 Line No.: 25 Column: b

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

Schedule Page: 256 Line No.: 26 Column: b

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

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)	92,275,027
2		
3		
4	Taxable Income Not Reported on Books	
5	(see page 261 footnote)	14,631,163
6		
7		
8		
9	Deductions Recorded on Books Not Deducted for Return	
10	(see page 261 footnote)	30,610,454
11		
12		
13		
14	Income Recorded on Books Not Included in Return	
15	(see page 261 footnote)	-18,894,960
16		
17	Federal tax Expense (benefit) (see details below)	44,838,171
18		
19	Deductions on Return Not Charged Against Book Income	
20	(see page 261 footnote)	-103,597,408
21		
22		
23		
24		
25		
26		
27	Federal Tax Net Income	59,862,447
28	Show Computation of Tax:	
29		
30		
31	Tax computed at statutory rate (see page 261 footnote)	49,822,448
32	ITC Amortization Net of Deferred Taxes	-973,956
33	Amortization of Excess Deferred Taxes	-773,220
34	Permanent Differences	-3,804,250
35	OPEB Medicare Subsidy	4,787,000
36	State Income Taxes (Federal Effect)	-1,578,971
37	Amortization of Regulatory Assets	-509,736
38	Allowance for Equity Funds Used During Construction	-2,254,364
39	Other	123,220
40		
41		
42	Total Federal Income Tax Expense	44,838,171
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 2010/Q4
FOOTNOTE DATA			

Schedule Page: 261 Line No.: 42 Column: b

Taxable Income Not Reported on Books

< Page 261, Line 5, Column b >

Contributions in aid of construction	1,445,498
Capitalized Construction Interest	13,180,145
Las Cruces Settlement	5,520
Taxable Income Not Reported on Books	14,631,163

Deductions Recorded on Books not Deducted for Return

< Page 261, Line 10, Column b >

Meals and Entertainment	122,083
Lobbying	354,759
Capitalized A&G	5,081,448
Legal Expense Accrual	(223,942)
Employee Benefit Plans	6,435,908
Environmental Cleanup Costs	69,600
Deferred State Taxes and Reserves	1,335,371
Subsidiary Losses	226,990
Deferred Fuel	1,202,523
Vacation Accrual	328,096
FERC Annual Fee	36,894
Special Termination Agreements	1,351,455
FASB 34 Capitalized Interest	4,173
Coal Reclamation	598,338
Steam Generator Repairs	(99)
FAS 143 Asset & Liability	8,014,596
Water Utility Lease	92,441
Uncollectible Accounts receivable	1,762,357
Taxes Other Than Income	2,904,357
Prepaid Expenses	581,133
Other	30,486
Interest Expense	301,487
Deductions Recorded on Books Not Deducted for Return	30,610,454

Income Recorded on Books Not Deducted for Return

< Page 261, Line 15, Column b >

Decommissioning Trust Interest Net of Fees	(4,215,101)
Unbilled Revenue	3,151,826
AFUDC	(17,503,274)
Life Insurance	(328,411)
Valuation Reserve	0
Income Reported on Books Not Included in Return	(18,894,960)

Deductions on Return Not Charged Against Book Income

< Page 261, Line 20, Column b >

Debt Costs	(708,733)
Employee Benefit Plan	(2,380,209)
Environmental Cost Accrual	(615,112)

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 2010/Q4
El Paso Electric Company			
FOOTNOTE DATA			

Nuclear Fuel Amort	(6,576,793)
Depreciation and Amortization Differences	(60,260,837)
Section 174 R&D	(4,000,000)
Decommissioning Costs	(8,058,907)
Repair Allowance	(14,496,817)
Manufacturing Credit	(6,500,000)
Deductions on Return not Charged Against Book Income	(103,597,408)

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

Net Income	92,275,027
Federal taxes included in subsidiary earnings	226,990
Federal and State Income Tax Expense	49,847,833
Pre-Tax Income	142,349,850
Tax Rate	35%
Tax Computed at Statutory Rate	49,822,448

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	-77,019	20,893,373	10,871,715	1,000,000	
3	Prior Years	2,577,418	1,480,876	1,025,421	1,160,238	
4	FUTA			57,212	57,212	
5	Insurance Contributions	13,606		4,420,430	4,434,036	
6	Subtotal	2,514,005	22,374,249	16,374,778	6,651,486	
7						
8	State County & Local - TX					
9	Ad Valorem	5,412,272		6,170,100	5,486,065	
10	Gross Receipts	2,001,510		10,265,316	10,394,102	
11	Unemployment			210,202	210,202	
12	Franchise Tax \ Margin Tax	1,990,056	8,608	2,045,366	1,986,811	
13	Use Tax	330,920	80,081	1,989,047	1,900,864	
14	Regulatory Commission	487,624		983,051	960,987	
15	Franchise Fees (OSR)	3,362,747	10,335	18,598,186	16,262,055	
16	Subtotal	13,585,129	99,024	40,261,268	37,201,086	
17						
18	State County & Local - NM					
19	Ad Valorem	1,400,932	1,516	2,939,946	2,870,300	
20	Income	-942,115		583,365	310,629	
21	Unemployment			7,684	7,684	
22	Compensating	42,387		643,866	445,364	
23	Regulatory Commission	832,852		939,163	858,693	
24	Franchise Fees (OSR)	189,759	177,024	3,198,664	3,382,753	
25	L.C. Fran. Pumping Facility					
26	Payroll Taxes			173,065	173,065	
27	Worker's Comp Fee					
28						
29						
30	Other Taxes	4,688		-13,550	-8,136	
31	Subtotal	1,528,503	178,540	8,472,203	8,040,352	
32						
33						
34	State County & Local - AZ					
35	Ad Valorem	3,074,033		6,568,137	6,270,286	
36	Income	1,537,389	3,347,081	1,635,612	2,564,614	
37	Palo Verde Payroll Taxes			2,992,816	2,992,816	
38	Sales & Use Tax					
39	Subtotal	4,611,422	3,347,081	11,196,565	11,827,716	
40						
41	TOTAL	22,239,059	25,998,894	76,304,814	63,720,640	

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
-800,336	10,298,341	12,241,466			-1,369,751	2
961,725		660,937			364,484	3
		57,212				4
		4,420,430				5
161,389	10,298,341	17,380,045			-1,005,267	6
						7
						8
6,096,307		6,170,100				9
1,872,725		10,265,316				10
		210,202				11
2,040,004		2,047,999			-2,633	12
339,020					1,989,047	13
509,688		983,051				14
5,698,337	9,796	18,598,186				15
16,556,081	9,796	38,274,854			1,986,414	16
						17
						18
1,470,516	1,454	2,939,946				19
-669,379		592,356			-8,991	20
		7,684				21
240,889		9,577			634,289	22
913,322		939,163				23
160,012	331,365	193,874			3,004,790	24
						25
		173,065				26
						27
						28
						29
-726		-12,825			-725	30
2,114,634	332,819	4,842,840			3,629,363	31
						32
						33
						34
3,371,884		6,568,137				35
669,756	3,408,449	1,641,835			-6,223	36
		2,992,816				37
						38
4,041,640	3,408,449	11,202,788			-6,223	39
						40
22,873,744	14,049,405	71,700,527			4,604,287	41

ACCUMULATED DEFERRED INVESTMENT TAX CREDITS (Account 255)

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

Line No.	Account Subdivisions (a)	Balance at Beginning of Year (b)	Deferred for Year		Allocations to Current Year's Income		Adjustments (g)
			Account No. (c)	Amount (d)	Account No. (e)	Amount (f)	
1	Electric Utility						
2	3%	6,386			411.4	4,385	
3	4%	35,179			411.4	35,179	
4	7%						
5	10%	27,850,862			411.4 / 420.0	1,117,832	
6	30%				411.4	43,524	
7							
8	TOTAL	27,892,427				1,200,920	
9	Other (List separately and show 3%, 4%, 7%, 10% and TOTAL)						
10					411.4	1,305,668	
11					420.0	-104,748	
12							
13							
14							
15							
16							
17							
18							
19							
20							
21							
22							
23							
24							
25							
26							
27							
28							
30							
31							
32							
33							
34							
35							
36							
37							
38							
39							
40							
41							
42							
43							
44							
45							
46							
47							
48							

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

Balance at End of Year (h)	Average Period of Allocation to Income (i)	ADJUSTMENT EXPLANATION	Line No.
			1
2,001			2
			3
			4
26,733,030			5
-43,524			6
			7
26,691,507			8
			9
-1,305,668			10
104,748			11
			12
			13
			14
			15
			16
			17
			18
			19
			20
			21
			22
			23
			24
			25
			26
			27
			28
			30
			31
			32
			33
			34
			35
			36
			37
			38
			39
			40
			41
			42
			43
			44
			45
			46
			47
			48

OTHER DEFERRED CREDITS (Account 253)

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

Line No.	Description and Other Deferred Credits (a)	Balance at Beginning of Year (b)	DEBITS		Credits (e)	Balance at End of Year (f)
			Contra Account (c)	Amount (d)		
1	Coal Reclamation	10,200,000			1,500,000	11,700,000
2						
3	Transmission Access					
4	PNM	320,277				320,277
5						
6	OPEB					
7	Palo Verde	852,684	131	284,229		568,455
8	Four Courners	731,934	131	22,898		709,036
9						
10	Environmental Accrual	1,193,441	131/935	809,345		384,096
11						
12	Texas Docket 23530 Settlement	2,462,354	131	63,809	14,858	2,413,403
13						
14	Other	946,715	440s/131	1,013,272	167,062	100,505
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						
42						
43						
44						
45						
46						
47	TOTAL	16,707,405		2,193,553	1,681,920	16,195,772

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 2010/Q4
FOOTNOTE DATA			

Schedule Page: 269 Line No.: 1 Column: e
 Represents an increase to the coal reclamation liability as a result of an updated 2010 Marston Study.

ACCUMULATED DEFERRED INCOME TAXES - ACCELERATED AMORTIZATION PROPERTY (Account 281)

1. Report the information called for below concerning the respondent's accounting for deferred income taxes relating to amortizable property.
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	Accelerated Amortization (Account 281)			
2	Electric			
3	Defense Facilities			
4	Pollution Control Facilities			
5	Other (provide details in footnote):			
6				
7				
8	TOTAL Electric (Enter Total of lines 3 thru 7)			
9	Gas			
10	Defense Facilities			
11	Pollution Control Facilities			
12	Other (provide details in footnote):			
13				
14				
15	TOTAL Gas (Enter Total of lines 10 thru 14)			
16				
17	TOTAL (Acct 281) (Total of 8, 15 and 16)			
18	Classification of TOTAL			
19	Federal Income Tax			
20	State Income Tax			
21	Local Income Tax			

NOTES

Name of Respondent

El Paso Electric Company

This Report Is:

(1) An Original

(2) A Resubmission

Date of Report

(Mo, Da, Yr)

/ /

Year/Period of Report

End of 2010/Q4

ACCUMULATED DEFERRED INCOME TAXES _ ACCELERATED AMORTIZATION PROPERTY (Account 281) (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
							2
							3
							4
							5
							6
							7
							8
							9
							10
							11
							12
							13
							14
							15
							16
							17
							18
							19
							20
							21

NOTES (Continued)

ACCUMULATED DEFERRED INCOME TAXES - OTHER PROPERTY (Account 282)

1. Report the information called for below concerning the respondent's accounting for deferred income taxes relating 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	433,256,245	42,123,775	38,004,158
3	Gas			
4				
5	TOTAL (Enter Total of lines 2 thru 4)	433,256,245	42,123,775	38,004,158
6				
7				
8				
9	TOTAL Account 282 (Enter Total of lines 5 thru 8)	433,256,245	42,123,775	38,004,158
10	Classification of TOTAL			
11	Federal Income Tax	433,256,245	42,123,775	38,004,158
12	State Income Tax			
13	Local Income Tax			

NOTES

Name of Respondent
El Paso Electric Company

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

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

Year/Period of Report
End of 2010/Q4

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
-1,531,307	-3,789,335					439,633,890	2
							3
							4
-1,531,307	-3,789,335					439,633,890	5
							6
							7
							8
-1,531,307	-3,789,335					439,633,890	9
							10
-1,531,307	-3,789,335					439,633,890	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 2010/Q4
FOOTNOTE DATA			

Schedule Page: 274 Line No.: 5 Column: b

	Balance at Beginning of Year	Balance at End of Year
Electric:		
Allowance For Borrowed Funds	\$ 29,772,428	\$ 31,727,914
Allowance For Equity Funds	37,442,409	44,950,954
Liberalized Depreciation & Other Basis Differences	320,476,836	327,360,459
Decommissioning	29,603,564	34,114,018
Taxes, Pensions & Other	15,961,008	1,480,545
Total - Electric Other	\$ 433,256,245	\$ 439,633,890

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				
4	Deferred Tax	38,516,968		
5				
6	Deferred State Taxes	18,971,689	-6,201,532	968,671
7				
8	Other Debt/TOTF	13,472,411	575,543	327,607
9	TOTAL Electric (Total of lines 3 thru 8)	70,961,068	-5,625,989	1,296,278
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)	70,961,068	-5,625,989	1,296,278
20	Classification of TOTAL			
21	Federal Income Tax	51,989,379	575,543	327,607
22	State Income Tax	18,971,689	-6,201,532	968,671
23	Local Income Tax			

NOTES

ACCUMULATED DEFERRED INCOME TAXES - OTHER (Account 283) (Continued)

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

CHANGES DURING YEAR		ADJUSTMENTS				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
							3
		254.3	1,342,677	182.3	13,393,871	50,568,162	4
							5
		254.3	11,776,406	182.3	10,502,592	10,527,672	6
							7
		254.3	363,506	182.3	1,158,463	14,515,304	8
			13,482,589		25,054,926	75,611,138	9
							10
							11
							12
							13
							14
							15
							16
							17
							18
			13,482,589		25,054,926	75,611,138	19
							20
			1,706,183		14,552,334	65,083,466	21
			11,776,406		10,502,592	10,527,672	22
							23

NOTES (Continued)

OTHER REGULATORY LIABILITIES (Account 254)

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

Line No.	Description and Purpose of Other Regulatory Liabilities (a)	Balance at 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	60,569,005	various	2,961,943	2,256,680	59,863,742
2						
3	Net Overcollection of Fuel Revenues:					
4	Texas	15,662,792	182.3	1,457,007		14,205,785
5	New Mexico	2,190,635			2,542,262	4,732,897
6	FERC	164,909	182.3	128,105		36,804
7						
8						
9						
10						
11						
12						
13						
14						
15						
16						
17						
18						
19						
20						
21						
22						
23						
24						
25						
26						
27						
28						
29						
30						
31						
32						
33						
34						
35						
36						
37						
38						
39						
40						
41	TOTAL	78,587,341		4,547,055	4,798,942	78,839,228

ELECTRIC OPERATING REVENUES (Account 400)

1. The following instructions generally apply to the annual version of these pages. Do not report quarterly data in columns (c), (e), (f), and (g). Unbilled revenues and MWH related to unbilled revenues need not be reported separately as required in the annual version of these pages.
2. Report below operating revenues for each prescribed account, and manufactured gas revenues in total.
3. Report number of customers, columns (f) and (g), on the basis of meters, in addition to the number of flat rate accounts; except that where separate meter readings are added for billing purposes, one customer should be counted for each group of meters added. The -average number of customers means the average of twelve figures at the close of each month.
4. If increases or decreases from previous period (columns (c),(e), and (g)), are not derived from previously reported figures, explain any inconsistencies in a footnote.
5. Disclose amounts of \$250,000 or greater in a footnote for accounts 451, 456, and 457.2.

Line No.	Title of Account (a)	Operating Revenues Year to Date Quarterly/Annual (b)	Operating Revenues Previous year (no Quarterly) (c)
1	Sales of Electricity		
2	(440) Residential Sales	289,547,215	263,192,815
3	(442) Commercial and Industrial Sales		
4	Small (or Comm.) (See Instr. 4)	252,411,047	238,050,394
5	Large (or Ind.) (See Instr. 4)	71,273,263	60,922,995
6	(444) Public Street and Highway Lighting	5,437,255	5,230,804
7	(445) Other Sales to Public Authorities	123,347,332	113,027,188
8	(446) Sales to Railroads and Railways		
9	(448) Interdepartmental Sales		
10	TOTAL Sales to Ultimate Consumers	742,016,112	680,424,196
11	(447) Sales for Resale	108,608,473	119,476,049
12	TOTAL Sales of Electricity	850,624,585	799,900,245
13	(Less) (449.1) Provision for Rate Refunds		
14	TOTAL Revenues Net of Prov. for Refunds	850,624,585	799,900,245
15	Other Operating Revenues		
16	(450) Forfeited Discounts	224,157	1,150,226
17	(451) Miscellaneous Service Revenues	1,886,818	2,174,239
18	(453) Sales of Water and Water Power		
19	(454) Rent from Electric Property	2,208,137	2,426,265
20	(455) Interdepartmental Rents		
21	(456) Other Electric Revenues	298,454	422,513
22	(456.1) Revenues from Transmission of Electricity of Others	21,973,254	21,826,631
23	(457.1) Regional Control Service Revenues		
24	(457.2) Miscellaneous Revenues		
25			
26	TOTAL Other Operating Revenues	26,590,820	27,999,874
27	TOTAL Electric Operating Revenues	877,215,405	827,900,119

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
2,508,834	2,361,650	331,869	326,002	2
				3
2,295,537	2,251,399	36,536	36,040	4
1,087,413	1,024,186	49	49	5
43,190	47,978	229	232	6
1,499,199	1,434,470	4,472	4,708	7
				8
				9
7,434,173	7,119,683	373,155	367,031	10
3,461,680	3,568,013	25	28	11
10,895,853	10,687,696	373,180	367,059	12
				13
10,895,853	10,687,696	373,180	367,059	14

Line 12, column (b) includes \$ -1,570,000 of unbilled revenues.
 Line 12, column (d) includes -1,146 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 2010/Q4
FOOTNOTE DATA			

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

Includes 585,311 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 515,098 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 585,311 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 515,098 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 585,311 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 515,098 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 2010</u>
Non Pay Reconnect Charges	309,549
Field Collection Charges	60,936
Name Change/Cut in Charge	922,562
New Service Charges	149,468
Overhead/Underground Connection Charges	146,157
Texas Energy Efficiency Bonus	83,849
Misc Other	214,297
Total	<u>1,886,818</u>

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

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

	<u>December 2009</u>
Non Pay Reconnect Charges	646,712
Field Collection Charges	250,859
Name Change/Cut in Charge	979,935
Misc Other	296,733
Total	<u>2,174,239</u>

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

Includes \$298,454 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 \$402,513 related to the Company's 15.8% share of Palo Verde other electric revenues from APS.

REGIONAL TRANSMISSION SERVICE REVENUES (Account 457.1)

1. The respondent shall report below the revenue collected for each service (i.e., control area administration, market administration, etc.) performed pursuant to a Commission approved tariff. All amounts separately billed must be detailed below.

Line No.	Description of Service (a)	Balance at End of Quarter 1 (b)	Balance at End of Quarter 2 (c)	Balance at End of Quarter 3 (d)	Balance at End of Year (e)
1					
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
18					
19					
20					
21					
22					
23					
24					
25					
26					
27					
28					
29					
30					
31					
32					
33					
34					
35					
36					
37					
38					
39					
40					
41					
42					
43					
44					
45					
46	TOTAL				

SALES OF ELECTRICITY BY RATE SCHEDULES

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

Line No.	Number and Title of Rate schedule (a)	MWh Sold (b)	Revenue (c)	Average Number of Customers (d)	KWh of Sales Per Customer (e)	Revenue Per KWh Sold (f)
1	(440)					
2	RESIDENTIAL SALES-TX					
3	01 Residential Service	1,863,357	217,644,123	251,669	7,404	0.1168
4	28 Private Area Lighting Service	2,154	350,476	256	8,414	0.1627
5	Deferred Fuel		-10,388,773			
6	Unbilled Revenue	-11,624	-736,000			0.0633
7	Deferred Fuel Refund		3,828,253			
8	Renewable Energy Credit		-35,070			
9						
10	RESIDENTIAL SALES-NM					
11	01 Residential Service	657,487	79,733,355	79,601	8,260	0.1213
12	12 Private Area Lighting Service	2,659	611,465	343	7,752	0.2300
13	Deferred Fuel		-971,426			
14	Unbilled Revenue	-5,199	-468,000			0.0900
15	Renewable Energy Credit		-21,188			
16	Total (440)	2,508,834	289,547,215	331,869	7,560	0.1154
17						
18	(442)					
19	C & I SALES SMALL-TX					
20	01 Residential Service	1	388			0.3880
21	02 Small Commercial Service	318,373	47,567,685	22,266	14,299	0.1494
22	07 Outdoor Recreational Lighting	373	41,518	17	21,941	0.1113
23	22 Irrigation Service	1,644	212,434	47	34,979	0.1292
24	24 General Service	1,266,437	134,413,481	4,733	267,576	0.1061
25	25 Large Power Service	194,567	18,340,252	46	4,229,717	0.0943
26	28 Private Area Lighting Service	13,945	1,875,352	412	33,847	0.1345
27	34 Cotton Gin Service	1,786	150,081	2	893,000	0.0840
28	Deferred Fuel		-10,367,724			
29	Unbilled Revenue	-1,533	-1,036,000			0.6758
30	Deferred Fuel Refund		3,741,567			
31	Renewable Energy Credit		-553			
32						
33						
34						
35						
36						
37						
38						
39						
40						
41	TOTAL Billed	7,435,319	743,586,112	373,155	19,926	0.1000
42	Total Unbilled Rev.(See Instr. 6)	-1,146	-1,570,000	0	0	1.3700
43	TOTAL	7,434,173	742,016,112	373,155	19,922	0.0998

SALES OF ELECTRICITY BY RATE SCHEDULES

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

Line No.	Number and Title of Rate schedule (a)	MWh Sold (b)	Revenue (c)	Average Number of Customers (d)	KWh of Sales Per Customer (e)	Revenue Per KWh Sold (f)
1						
2						
3	C & I SALES SMALL-NM					
4	03 Small Commercial Service	185,841	25,642,995	7,905	23,509	0.1380
5	04 General Service	242,481	25,065,968	411	589,978	0.1034
6	05 Irrigation Service	34,089	3,849,977	587	58,073	0.1129
7	07 City and County Service	12	1,260	1	12,000	0.1050
8	08 Municipal Water Pumping	2,421	232,951	23	105,261	0.0962
9	09 Large Power Service	23,710	2,422,003	5	4,742,000	0.1022
10	11 Municipal Street Lighting	4	1,173	1	4,000	0.2933
11	12 Private Area Lighting Service	1,969	445,329	62	31,758	0.2262
12	19 Seasonal Agr. Processing Svc.	2,343	311,846	5	468,600	0.1331
13	25 Outdoor Recreational Lighting	97	14,206	11	8,818	0.1465
14	29 Interrupt. Svc. for Lg Power	7,820	393,654	2	3,910,000	0.0503
15	Deferred Fuel		-801,570			
16	Unbilled Revenue	-843	-107,000			0.1269
17	Renewable Energy Credit		-226			
18						
19						
20	C & I SALES LARGE-TX					
21	15 Electrolytic Refining	72,518	4,235,155	1	72,518,000	0.0584
22	24 General Service	5,844	388,060	1	5,844,000	0.0664
23	25 Large Power Service	329,622	28,271,595	32	10,300,688	0.0858
24	26 Petroleum Refinery Service	284,149	13,030,845	1	284,149,000	0.0459
25	28 Private Area Lighting Service	198	26,215			0.1324
26	30 Electric Furnace	117,182	5,905,665	1	117,182,000	0.0504
27	38 Interrupt. Svc. for Lg Power	202,887	17,802,191	6	33,814,500	0.0877
28	Deferred Fuel		-5,749,743			
29	Unbilled Revenue	9,041	591,000			0.0654
30	Deferred Fuel Refund		1,934,855			
31						
32	C & I SALES LARGE-NM					
33	04 General Service	172	18,445	1	172,000	0.1072
34	09 Large Power Service	22,082	1,986,550	3	7,360,667	0.0900
35	29 Interrupt. Svc. for Lg Power	43,112	2,920,127	3	14,370,667	0.0677
36	Deferred Fuel		-109,697			
37	Unbilled Revenue	606	22,000			0.0363
38	Total (442)	3,382,950	323,684,310	36,585	92,468	0.0957
39						
40						
41	TOTAL Billed	7,435,319	743,586,112	373,155	19,926	0.1000
42	Total Unbilled Rev.(See Instr. 6)	-1,146	-1,570,000	0	0	1.3700
43	TOTAL	7,434,173	742,016,112	373,155	19,922	0.0998

SALES OF ELECTRICITY BY RATE SCHEDULES

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

Line No.	Number and Title of Rate schedule (a)	MWh Sold (b)	Revenue (c)	Average Number of Customers (d)	KWh of Sales Per Customer (e)	Revenue Per KWh Sold (f)
1	(444)					
2	PUBLIC ST. & HIGHWAY LIGHT-TX					
3	08 Gov't Street Lights and Signal	40,460	5,054,984	211	191,754	0.1249
4	Deferred Fuel		-257,895			
5	Unbilled Revenue	-515	-2,000			0.0039
6	Deferred Fuel Refund		97,655			
7						
8	PUBLIC ST. & HIGHWAY LIGHT-NM					
9	11 Municipal Street Lighting	3,257	552,150	18	180,944	0.1695
10	Deferred Fuel		-6,639			
11	Unbilled Revenue	-12	-1,000			0.0833
12	Total (444)	43,190	5,437,255	229	188,603	0.1259
13						
14	(445)					
15	OTHER SALES PUB AUTH-TX					
16	01 Residential Service	2,813	320,325	352	7,991	0.1139
17	02 Small Commercial Service	13,787	1,982,172	942	14,636	0.1438
18	07 Outdoor Recreational Lighting	4,924	520,111	163	30,209	0.1056
19	11 Municipal Pumping Service	144,503	10,924,180	335	431,352	0.0756
20	22 Irrigation	1,422	169,921	10	142,200	0.1195
21	24 General Service	103,925	10,861,150	286	363,374	0.1045
22	25 Large Power Service	69,837	5,179,369	8	8,729,625	0.0742
23	28 Private Area Lighting	9,299	1,152,174	121	76,851	0.1239
24	31 Military Reservation Service	271,563	17,167,386	1	271,563,000	0.0632
25	38 Interruptible Service Large Po	54,243	2,106,184	1	54,243,000	0.0388
26	41 City and County Service	317,159	36,718,232	970	326,968	0.1158
27	43 University Service	61,201	3,932,798	3	20,400,333	0.0643
28	45 Supplemental Power	18,171	1,535,078	1	18,171,000	0.0845
29	Deferred Fuel		-6,230,129			
30	Unbilled Revenue	7,050	132,000			0.0187
31	University Discount		-391,061			
32	Deferred Fuel Refund		2,182,644			
33						
34	OTHER SALES PUB AUTH-NM					
35	01 Residential Service	153	19,384	27	5,667	0.1267
36	03 Small Commercial Service	4,442	645,996	193	23,016	0.1454
37	04 General Service	19,010	1,949,351	29	655,517	0.1025
38	05 Irrigation Service	80	9,320	3	26,667	0.1165
39	07 City and County Service	74,650	8,558,405	844	88,448	0.1146
40	08 Municipal Pumping Service	26,884	2,515,189	126	213,365	0.0936
41	TOTAL Billed	7,435,319	743,586,112	373,155	19,926	0.1000
42	Total Unbilled Rev.(See Instr. 6)	-1,146	-1,570,000	0	0	1.3700
43	TOTAL	7,434,173	742,016,112	373,155	19,922	0.0998

SALES OF ELECTRICITY BY RATE SCHEDULES

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

Line No.	Number and Title of Rate schedule (a)	MWh Sold (b)	Revenue (c)	Average Number of Customers (d)	KWh of Sales Per Customer (e)	Revenue Per KWh Sold (f)
1	09 Large Power Service	56,413	4,805,315	5	11,282,600	0.0852
2	10 Military Research & Dev. Power	188,287	13,462,374	2	94,143,500	0.0715
3	12 Private Area Lighting	345	74,767	30	11,500	0.2167
4	25 Outdoor Recreational Lighting	468	61,119	19	24,632	0.1306
5	26 State University Service	46,687	3,687,440	1	46,687,000	0.0790
6	Deferred Fuel		-652,930			
7	Unbilled Revenue	1,883	35,000			0.0186
8	Renewable Energy Credit		-85,932			
9	Total (445)	1,499,199	123,347,332	4,472	335,241	0.0823
10						
11						
12						
13						
14						
15						
16						
17						
18						
19						
20						
21						
22						
23						
24						
25						
26						
27						
28						
29						
30						
31						
32						
33						
34						
35						
36						
37						
38						
39						
40						
41	TOTAL Billed	7,435,319	743,586,112	373,155	19,926	0.1000
42	Total Unbilled Rev.(See Instr. 6)	-1,146	-1,570,000	0	0	1.3700
43	TOTAL	7,434,173	742,016,112	373,155	19,922	0.0998

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 2010/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	\$ 54,550,704
28	Private Area Lighting Service	60,362
	Deferred fuel	(10,388,773)
	Fuel Refund	3,828,253
	Total - Texas	<u>48,050,546</u>

NEW MEXICO

01	Residential Service	(4,157,044)
12	Private Area Lighting Service	(17,393)
	Deferred Fuel	(971,426)
	Total - New Mexico	<u>(5,145,863)</u>

Total (440) \$ 42,904,683

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

There were less than 72 duplicate customers for all rate schedules combined in 2010.

Schedule Page: 304 Line No.: 18 Column: c

Estimated Fuel Clause Revenues by Rate Schedule

(442) COMMERCIAL AND INDUSTRIAL SALES

SMALL - TEXAS

01	Residential Service	\$ 31
02	Small Commercial Service	10,116,870
07	Outdoor Recreational Lighting	11,294
22	Irrigation Service	47,892
24	General Service	36,494,241
25	Large Power Service	5,462,861
28	Private Area Lighting Service	386,076
34	Cotton Gin Service	44,688
	Deferred Fuel	(10,367,724)
	Fuel Refund	3,741,567
	Total - Texas	<u>45,937,796</u>

SMALL - NEW MEXICO

03	Small Commercial Service	(1,182,189)
04	General Service	(1,502,156)
05	Irrigation Service	(178,696)
07	City and County Service	(82)
08	Municipal Water Pumping	(14,566)
09	Large Power Service	(109,942)
11	Municipal Street Lighting	(26)
12	Private Area Lighting Service	(12,946)
19	Seasonal Agr. Processing Svc.	(27,627)
25	Outdoor Recreational Lighting	(589)
29	Interruptible Service Large Power	(88,847)
	Deferred Fuel	(801,570)
	Total - New Mexico	<u>(3,919,236)</u>

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) / /	2010/Q4
FOOTNOTE DATA			

LARGE - TEXAS

15	Electrolytic Refining	2,229,123
24	General Service	231,570
25	Large Power Service	9,683,080
26	Petroleum Refinery Service	4,531,571
28	Private area Lighting Service	6,447
30	Electric Furnace	3,847,289
38	Interruptible Svc. for Large Power	8,386,915
	Deferred Fuel	(5,749,743)
	Fuel Refund	1,934,855
	Total - Texas	<u>25,101,107</u>

LARGE - NEW MEXICO

04	General Service	(791)
09	Large Power Service	(227,315)
29	Interruptible Service Large Power	(189,085)
	Deferred Fuel	(109,697)
	Total - New Mexico	<u>(526,888)</u>

Total (442) \$ 66,592,779

Schedule Page: 304.2 Line No.: 1 Column: c

Estimated Fuel Clause Revenues by Rate Schedule

(444) PUBLIC STREET AND HIGHWAY LIGHTING

TEXAS

08	Municipal St. Lights & Signals	\$ 1,178,162
	Deferred Fuel	(257,895)
	Fuel Refund	97,655
	Total - Texas	<u>1,017,922</u>

NEW MEXICO

11	Municipal St. Lights & Signals	(21,525)
	Deferred Fuel	(6,639)
	Total - New Mexico	<u>(28,164)</u>

Total (444) \$ 989,758

Schedule Page: 304.2 Line No.: 14 Column: c

Estimated Fuel Clause Revenues by Rate Schedule

(445) OTHER SALES TO PUBLIC AUTHORITIES

TEXAS

01	Residential Service	\$ 73,690
02	Small Commercial Service	393,847
07	Outdoor Rec. Lighting Service	132,810
11	Municipal Pumping Service	3,572,445
22	Irrigation	38,639
24	General Service	2,654,703
25	Large Power Service	1,719,760
28	Private Area Lighting	234,793
31	Military Reservation Service	9,803,482
38	Interruptible Service for Large	1,431,114
41	City and County Service	8,447,763

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) / /	2010/Q4
FOOTNOTE DATA			

43	University Service	1,569,961
45	Supplemental Power	524,631
	Deferred Fuel	(6,230,129)
	Fuel Refund	2,182,644
	Total - Texas	<u>26,550,153</u>

NEW MEXICO

01	Residential Service	(947)
03	Small Commercial Service	(27,205)
04	General Service	(102,783)
05	Irrigation Service	(408)
07	City and County Service	(475,674)
08	Municipal Pumping	(167,307)
09	Large Power Service	(357,894)
10	Military Research & Dev. Power	(1,136,048)
12	Private Area Lighting	(2,265)
25	Outdoor Rec. Lighting Service	(2,881)
26	State University Service	(279,484)
	Deferred Fuel	(652,930)
	Total - New Mexico	<u>(3,205,826)</u>
	Total (445)	<u>\$ 23,344,327</u>

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	RQ	18	7.1	12.1	10.7
2	Arizona Electric Power Cooperative, Inc	SF	1			
3	Arizona Public Service Company	SF	1			
4	Barclays Bank PLC	SF	1			
5	BNP Paribas Energy Trading GP	SF	1			
6	BP Energy Company	SF	1			
7	Cargill Power Markets, LLC	SF	1			
8	Citigroup Energy Inc.	SF	1			
9	City of Burbank Water and Power	SF	1			
10	Conoco Phillips Company	SF	1			
11	Constellation Energy Commodities Group	SF	1			
12	Credit Suisse Energy, LLC	SF	1			
13	Dynegy Power Marketing, Inc.	SF	1			
14	EDF Trading North America, LLC	SF	1			
	Subtotal RQ			0	0	0
	Subtotal non-RQ			0	0	0
	Total			0	0	0

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	Evolution Markets	AD	1			
2	Freeport-MCMoran Copper & Gold Energy	LU	2			
3	Gila River Power, L.P.	OS	1			
4	Gila River Power, L.P.	SF	1			
5	Iberdrola Renewables, Inc.	SF	1			
6	Imperial Irrigation District	IF	1	140.0	140.0	140.0
7	Imperial Irrigation District	SF	1			
8	Imperial Irrigation District	OS	1			
9	J.P. Morgan Ventures Energy Corp	SF	1			
10	J.P. Morgan Ventures Energy Corp	AD	1			
11	Los Alamos County	OS	1			
12	Los Alamos County	SF	1			
13	Los Angeles Department of Water and Pow	SF	1			
14	Macquarie Cook Power Inc.	SF	1			
	Subtotal RQ			0	0	0
	Subtotal non-RQ			0	0	0
	Total			0	0	0

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	Morgan Stanley Capital Group, Inc.	SF	1			
2	PacifiCorp	SF	1			
3	Powerex Corp.	SF	1			
4	Powerex Corp.	AD	1			
5	Public Service Company of Colorado	SF	1			
6	Public Service Company of New Mexico	OS	1			
7	Public Service Company of New Mexico	SF	1			
8	Salt River Project Agricultural Improv	SF	1			
9	Sempra Energy Trading LLC	SF	1			
10	Shell Energy North America (US), LP.	SF	1			
11	Southern California Edison	SF	1			
12	Southwestern Public Service Company	SF	1			
13	TransAlta Energy Marketing (U.S.), Inc.	SF	1			
14	Tri-State G & T Association, Inc	SF	1			
	Subtotal RQ			0	0	0
	Subtotal non-RQ			0	0	0
	Total			0	0	0

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	Tri-State G & T Association, Inc	OS	1			
2	Tucson Electric Power Marketing	OS	1			
3	Tucson Electric Power Marketing	SF	1			
4	UNS Electric, Inc.	SF	1			
5	Arizona Electric Power Cooperative, Inc	SF	1			
6	Arizona Public Service Company	SF	1			
7	HGMA	SF	1			
8	LS Power LLC	SF	1			
9	Panda Gila River	SF	1			
10	Public Service Company of New Mexico	SF	1			
11	Salt River Project	SF	1			
12	Tucson Electric Power Company	SF	1			
13	Tri-State	SF	1			
14						
	Subtotal RQ			0	0	0
	Subtotal non-RQ			0	0	0
	Total			0	0	0

SALES FOR RESALE (Account 447) (Continued)

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

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

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

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

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

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

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

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

9. The data in column (g) through (k) must be subtotaled based on the RQ/Non-RQ grouping (see instruction 4), and then totaled on the Last -line of the schedule. The "Subtotal - RQ" amount in column (g) must be reported as Requirements Sales For Resale on Page 401, line 23. The "Subtotal - Non-RQ" amount in column (g) must be reported as Non-Requirements Sales For Resale on Page 401, 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)		
53,637	1,683,010	1,479,956	128,105	3,291,071	1
5,485		229,910		229,910	2
20,305		746,677		746,677	3
153,821		4,944,687		4,944,687	4
23,050		642,249		642,249	5
24,600		736,800		736,800	6
107,552		4,166,083		4,166,083	7
302,436		9,926,068		9,926,068	8
9,200		274,070		274,070	9
150		8,700		8,700	10
31,745		1,046,951		1,046,951	11
25,200		923,650		923,650	12
84,407		2,317,844		2,317,844	13
3,440		123,880		123,880	14
53,637	1,683,010	1,479,956	128,105	3,291,071	
3,408,043	5,684,000	99,039,527	593,875	105,317,402	
3,461,680	7,367,010	100,519,483	721,980	108,608,473	

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)		
			55,760	55,760	1
585,311		1,199,888		1,199,888	2
			5,765	5,765	3
65,125		2,573,312		2,573,312	4
7,200		261,200		261,200	5
227,412	5,684,000	9,161,746		14,845,746	6
7,886		272,914		272,914	7
24,734		987,269		987,269	8
22,896		561,585		561,585	9
			-16	-16	10
			467,215	467,215	11
239		13,669		13,669	12
5,314		144,450		144,450	13
103,970		3,554,691		3,554,691	14
53,637	1,683,010	1,479,956	128,105	3,291,071	
3,408,043	5,684,000	99,039,527	593,875	105,317,402	
3,461,680	7,367,010	100,519,483	721,980	108,608,473	

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)		
270,978		9,183,164		9,183,164	1
25,485		950,250		950,250	2
69,677		1,853,730		1,853,730	3
-5			250	250	4
5,000		204,930		204,930	5
			44,095	44,095	6
33,701		1,166,957		1,166,957	7
537,955		19,840,244		19,840,244	8
25,020		727,570		727,570	9
492,006		16,486,183		16,486,183	10
200		4,350		4,350	11
26,318		1,024,370		1,024,370	12
44,060		1,460,530		1,460,530	13
9,477		343,063		343,063	14
53,637	1,683,010	1,479,956	128,105	3,291,071	
3,408,043	5,684,000	99,039,527	593,875	105,317,402	
3,461,680	7,367,010	100,519,483	721,980	108,608,473	

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)		
			5,575	5,575	1
			12,607	12,607	2
22,349		789,666		789,666	3
985		35,595		35,595	4
121		5,061	423	5,484	5
47		2,284	73	2,357	6
202		8,682		8,682	7
52		2,354		2,354	8
561		26,867	2,128	28,995	9
943		40,239		40,239	10
627		28,461		28,461	11
487		22,342		22,342	12
319		14,342		14,342	13
					14
53,637	1,683,010	1,479,956	128,105	3,291,071	
3,408,043	5,684,000	99,039,527	593,875	105,317,402	
3,461,680	7,367,010	100,519,483	721,980	108,608,473	

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 2010/Q4
FOOTNOTE DATA			

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

Schedule Page: 310 Line No.: 2 Column: c
1: WSPP Agreement-Rate Schedule FERC No. 6.

Schedule Page: 310.1 Line No.: 1 Column: b
Prior year adjustment.

Schedule Page: 310.1 Line No.: 1 Column: j
Prior year adjustment.

Schedule Page: 310.1 Line No.: 3 Column: b
Spinning reserves.

Schedule Page: 310.1 Line No.: 3 Column: j
Spinning reserves.

Schedule Page: 310.1 Line No.: 10 Column: b
Prior year adjustment.

Schedule Page: 310.1 Line No.: 11 Column: b
Spinning reserves.

Schedule Page: 310.1 Line No.: 11 Column: j
Spinning reserves.

Schedule Page: 310.2 Line No.: 4 Column: b
Prior year adjustment.

Schedule Page: 310.2 Line No.: 6 Column: b
Spinning reserves.

Schedule Page: 310.2 Line No.: 6 Column: j
Spinning reserves.

Schedule Page: 310.3 Line No.: 1 Column: b
Spinning reserves.

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

Schedule Page: 310.3 Line No.: 2 Column: b
Spinning reserves.

Schedule Page: 310.3 Line No.: 2 Column: j
Spinning reserves.

Schedule Page: 310.3 Line No.: 5 Column: j
Other charges are for SRSG penalty received.

Schedule Page: 310.3 Line No.: 6 Column: j
Other charges are for SRSG penalty received.

Schedule Page: 310.3 Line No.: 9 Column: j
Other charges are for SRSG penalty received.

ELECTRIC OPERATION AND MAINTENANCE EXPENSES

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

Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)
1	1. POWER PRODUCTION EXPENSES		
2	A. Steam Power Generation		
3	Operation		
4	(500) Operation Supervision and Engineering	1,951,850	1,695,303
5	(501) Fuel	163,130,861	155,616,742
6	(502) Steam Expenses	3,707,097	3,616,344
7	(503) Steam from Other Sources		
8	(Less) (504) Steam Transferred-Cr.		
9	(505) Electric Expenses	2,296,351	1,992,733
10	(506) Miscellaneous Steam Power Expenses	6,400,323	5,564,362
11	(507) Rents	1,455,764	1,381,456
12	(509) Allowances	340,375	533,120
13	TOTAL Operation (Enter Total of Lines 4 thru 12)	179,282,621	170,400,060
14	Maintenance		
15	(510) Maintenance Supervision and Engineering	1,592,910	1,333,538
16	(511) Maintenance of Structures	1,325,505	1,231,172
17	(512) Maintenance of Boiler Plant	6,373,202	4,673,242
18	(513) Maintenance of Electric Plant	6,486,955	8,210,839
19	(514) Maintenance of Miscellaneous Steam Plant	1,600,636	1,918,024
20	TOTAL Maintenance (Enter Total of Lines 15 thru 19)	17,379,208	17,366,815
21	TOTAL Power Production Expenses-Steam Power (Entr Tot lines 13 & 20)	196,661,829	187,766,875
22	B. Nuclear Power Generation		
23	Operation		
24	(517) Operation Supervision and Engineering	12,420,240	7,711,950
25	(518) Fuel	35,326,817	29,148,224
26	(519) Coolants and Water	5,477,286	5,104,511
27	(520) Steam Expenses	5,863,040	5,732,533
28	(521) Steam from Other Sources		
29	(Less) (522) Steam Transferred-Cr.		
30	(523) Electric Expenses	6,063,558	5,488,431
31	(524) Miscellaneous Nuclear Power Expenses	18,709,589	24,740,290
32	(525) Rents	82,494	23,237
33	TOTAL Operation (Enter Total of lines 24 thru 32)	83,943,024	77,949,176
34	Maintenance		
35	(528) Maintenance Supervision and Engineering	5,692,233	6,594,299
36	(529) Maintenance of Structures	1,783,923	1,887,343
37	(530) Maintenance of Reactor Plant Equipment	8,155,071	9,343,086
38	(531) Maintenance of Electric Plant	8,066,853	8,677,349
39	(532) Maintenance of Miscellaneous Nuclear Plant	3,391,791	3,621,162
40	TOTAL Maintenance (Enter Total of lines 35 thru 39)	27,089,871	30,123,239
41	TOTAL Power Production Expenses-Nuc. Power (Entr tot lines 33 & 40)	111,032,895	108,072,415
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)		

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	30,808	39,725
63	(547) Fuel	1,447,506	1,163,895
64	(548) Generation Expenses	10,211	-60,536
65	(549) Miscellaneous Other Power Generation Expenses	14,337	11,040
66	(550) Rents	6,403	6,161
67	TOTAL Operation (Enter Total of lines 62 thru 66)	1,509,265	1,160,285
68	Maintenance		
69	(551) Maintenance Supervision and Engineering	1,158	1,597
70	(552) Maintenance of Structures	9,366	8,006
71	(553) Maintenance of Generating and Electric Plant	325,962	239,713
72	(554) Maintenance of Miscellaneous Other Power Generation Plant	27,294	34,265
73	TOTAL Maintenance (Enter Total of lines 69 thru 72)	363,780	283,581
74	TOTAL Power Production Expenses-Other Power (Enter Tot of 67 & 73)	1,873,045	1,443,866
75	E. Other Power Supply Expenses		
76	(555) Purchased Power	91,916,351	108,603,384
77	(556) System Control and Load Dispatching	1,285,368	1,355,563
78	(557) Other Expenses	730,956	
79	TOTAL Other Power Supply Exp (Enter Total of lines 76 thru 78)	93,932,675	109,958,947
80	TOTAL Power Production Expenses (Total of lines 21, 41, 59, 74 & 79)	403,500,444	407,242,103
81	2. TRANSMISSION EXPENSES		
82	Operation		
83	(560) Operation Supervision and Engineering	733,120	772,948
84	(561) Load Dispatching		
85	(561.1) Load Dispatch-Reliability	101,333	82,609
86	(561.2) Load Dispatch-Monitor and Operate Transmission System	488,705	460,108
87	(561.3) Load Dispatch-Transmission Service and Scheduling	473,797	461,393
88	(561.4) Scheduling, System Control and Dispatch Services	656,471	647,501
89	(561.5) Reliability, Planning and Standards Development	620,128	651,676
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	120,676	111,219
94	(563) Overhead Lines Expenses	128,083	251,516
95	(564) Underground Lines Expenses		
96	(565) Transmission of Electricity by Others	5,804,002	7,771,202
97	(566) Miscellaneous Transmission Expenses	4,268,906	2,913,321
98	(567) Rents	129,206	341,715
99	TOTAL Operation (Enter Total of lines 83 thru 98)	13,524,427	14,465,208
100	Maintenance		
101	(568) Maintenance Supervision and Engineering	20,573	17,893
102	(569) Maintenance of Structures	38,420	21,478
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	701,699	865,493
108	(571) Maintenance of Overhead Lines	1,321,038	1,434,547
109	(572) Maintenance of Underground Lines		
110	(573) Maintenance of Miscellaneous Transmission Plant	231,339	409,300
111	TOTAL Maintenance (Total of lines 101 thru 110)	2,313,069	2,748,711
112	TOTAL Transmission Expenses (Total of lines 99 and 111)	15,837,496	17,213,919

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	694,645	701,706
135	(581) Load Dispatching		
136	(582) Station Expenses	1,106,540	1,341,946
137	(583) Overhead Line Expenses	868,271	886,193
138	(584) Underground Line Expenses	262,509	499,594
139	(585) Street Lighting and Signal System Expenses	1,021,441	964,292
140	(586) Meter Expenses	2,607,494	2,535,665
141	(587) Customer Installations Expenses	563,567	526,604
142	(588) Miscellaneous Expenses	6,607,196	6,259,080
143	(589) Rents	341,135	335,696
144	TOTAL Operation (Enter Total of lines 134 thru 143)	14,072,798	14,050,776
145	Maintenance		
146	(590) Maintenance Supervision and Engineering	41,036	28,855
147	(591) Maintenance of Structures	880	4,969
148	(592) Maintenance of Station Equipment	696,917	937,526
149	(593) Maintenance of Overhead Lines	3,620,685	3,168,976
150	(594) Maintenance of Underground Lines	433,181	273,843
151	(595) Maintenance of Line Transformers	1,289	37,477
152	(596) Maintenance of Street Lighting and Signal Systems	138,332	146,661
153	(597) Maintenance of Meters	23,362	25,126
154	(598) Maintenance of Miscellaneous Distribution Plant	341,296	392,337
155	TOTAL Maintenance (Total of lines 146 thru 154)	5,296,978	5,015,770
156	TOTAL Distribution Expenses (Total of lines 144 and 155)	19,369,776	19,066,546
157	5. CUSTOMER ACCOUNTS EXPENSES		
158	Operation		
159	(901) Supervision	139,017	235,617
160	(902) Meter Reading Expenses	2,649,404	2,162,329
161	(903) Customer Records and Collection Expenses	10,799,693	8,651,619
162	(904) Uncollectible Accounts	4,816,852	2,971,170
163	(905) Miscellaneous Customer Accounts Expenses	1,164,138	672,114
164	TOTAL Customer Accounts Expenses (Total of lines 159 thru 163)	19,569,104	14,692,849

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	456,361	878,966
169	(909) Informational and Instructional Expenses		
170	(910) Miscellaneous Customer Service and Informational Expenses		
171	TOTAL Customer Service and Information Expenses (Total 167 thru 170)	456,361	878,966
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	21,682,771	24,379,893
182	(921) Office Supplies and Expenses	4,508,317	3,796,849
183	(Less) (922) Administrative Expenses Transferred-Credit		
184	(923) Outside Services Employed	13,273,000	13,542,710
185	(924) Property Insurance	1,682,583	3,179,172
186	(925) Injuries and Damages	4,079,658	4,194,840
187	(926) Employee Pensions and Benefits	35,404,788	32,706,891
188	(927) Franchise Requirements		
189	(928) Regulatory Commission Expenses	5,834,762	4,395,615
190	(929) (Less) Duplicate Charges-Cr.		
191	(930.1) General Advertising Expenses	1,452,228	1,522,356
192	(930.2) Miscellaneous General Expenses	14,340,344	13,064,506
193	(931) Rents	473,958	698,358
194	TOTAL Operation (Enter Total of lines 181 thru 193)	102,732,409	101,481,190
195	Maintenance		
196	(935) Maintenance of General Plant	4,380,092	4,067,886
197	TOTAL Administrative & General Expenses (Total of lines 194 and 196)	107,112,501	105,549,076
198	TOTAL Elec Op and Maint Expns (Total 80,112,131,156,164,171,178,197)	565,845,682	564,643,459

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 Public Service Company	SF	1			
2	Arizona Public Service Company	AD	1			
3	Barclays Bank PLC	SF	1			
4	Black Hills Power, Inc.	SF	1			
5	BNP Paribas Energy Trading GP	SF	1			
6	BP Energy Co.	SF	1			
7	Cargill Power Markets, LLC	SF	1			
8	Cargill Power Markets, LLC	AD	1			
9	Citigroup Energy Inc.	SF	1			
10	Citigroup Energy Inc.	OS	1			
11	City of Burbank Water & Power	SF	1			
12	Conoco Phillips Company	SF	1			
13	Constellation Energy Commodities Group	SF	1			
14	Credit Suisse Energy, LLC	SF	1			
	Total					

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	Credit Suisse Energy, LLC	IF	1			
2	Credit Suisse Energy, LLC	OS	1	100	100	100
3	DB Energy Trading, LLC	SF	1			
4	EDF Trading North America, LLC	SF	1			
5	Four Peaks Energy Inc.	OS	1			
6	Freeport-McMoran Copper & Gold Energy	LU	2			
7	Gila River Power, L.P.	SF	1			
8	Gila River Power, L.P.	OS	1			
9	Iberdrola Renewables, Inc	SF	1			
10	Imperial Irrigation District	SF	1			
11	J.P. Morgan Ventures Energy Corp	SF	1			
12	Los Alamos County	SF	1			
13	Los Angeles Dept of Water and Power	SF	1			
14	Los Angeles Dept of Water and Power	OS	1			
	Total					

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	Macquarie Cook Power Inc.	SF	1			
2	Mirant Energy Trading, LLC	SF	1			
3	Morgan Stanley Capital Group, Inc.	SF	1			
4	PacifiCorp	SF	1			
5	PowerEx Corp.	SF	1			
6	PowerEx Corp.	AD	1			
7	PPL EnergyPlus, LLC	SF	1			
8	Public Service Company of Colorado	SF	1			
9	Public Service Company of New Mexico	SF	1			
10	Public Service Company of New Mexico	OS	1			
11	Salt River Project Agricultural Improv	SF	1			
12	Salt River Project Agricultural Improv	OS	1			
13	Sempra Energy Trading, LLC.	SF	1			
14	Shell Energy North America (US), L.P.	SF	1	40	40	40
	Total					

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	Shell Energy North America (US), L.P.	OS	1			
2	Shell Energy North America (US), L.P.	AD	1			
3	Southwest Environmental Center	OS	1			
4	Southwestern Public Service Company	SF	1			
5	Southwestern Public Service Company	AD	1			
6	Southwestern Public Service Company	AD	1			
7	Southwestern Public Service Company	AD	1			
8	Transalta Energy Marketing (US) Inc.	SF	1			
9	Tri-State G & T Power Association Inc	SF	1	40	40	40
10	Tri-State G & T Power Association Inc	OS	1			
11	Tucson Electric Power Marketing	SF	1			
12	Tucson Electric Power Marketing	OS	1			
13	NM Net Mtr PP	OS	16			
14	NM Net Mtr RECs	OS	33/34			
	Total					

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 Cooperative	SF	1			
2	Arizona Public Service Company	SF	1			
3	HGMA	SF	1			
4	Panda Gila River	SF	1			
5	Salt River Project	SF	1			
6	Tucson Electric Power Company	SF	1			
7	TRI-STATE	SF	1			
8	Western Area Power Administration	SF	1			
9	Arizona Electric Power Cooperative	EX	1			
10	Arizona Public Service Company	EX	53			
11	Arizona Public Service Co. (Start-Up)	EX	53			
12	Public Service Company of New Mexico	EX	23			
13	Coral Power	EX	1			
14	Salt River Project	EX	48			
	Total					

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	Tri-State G&T Association, Inc.	EX	80			
2	Tucson Electric Power Company	EX	38			
3	Western Area Power Administration	EX	1			
4	Inadvertent					
5						
6						
7						
8						
9						
10						
11						
12						
13						
14						
	Total					

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

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

4. In column (c), identify the FERC Rate Schedule Number or Tariff, or, for non-FERC jurisdictional sellers, include an appropriate designation for the contract. On separate lines, list all FERC rate schedules, tariffs or contract designations under which service, as identified in column (b), is provided.

5. For requirements RQ purchases and any type of service involving demand charges imposed on a 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)	
34,198				1,253,825		1,253,825	1
					705	705	2
61,137				2,040,792		2,040,792	3
271				9,525		9,525	4
18,050				414,352		414,352	5
800				28,300		28,300	6
95,277				2,978,350		2,978,350	7
6					300	300	8
263,873				9,299,990		9,299,990	9
					31,200	31,200	10
775				29,644		29,644	11
50				1,800		1,800	12
10,085				463,707		463,707	13
800				34,000		34,000	14
2,960,892	76,097	30,809	6,736,000	83,275,954	1,904,397	91,916,351	

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)	
192,000				7,667,998		7,667,998	1
			3,700,000			3,700,000	2
71,406				2,203,245		2,203,245	3
79,415				2,377,610		2,377,610	4
2,957				103,465	41,001	144,466	5
585,311							6
101,990				3,981,930		3,981,930	7
					12,925	12,925	8
14,800				600,820		600,820	9
1,798				56,155		56,155	10
19,748				741,743		741,743	11
11				308		308	12
3,855				160,260		160,260	13
					92,503	92,503	14
2,960,892	76,097	30,809	6,736,000	83,275,954	1,904,397	91,916,351	

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)	
21,276				637,815		637,815	1
800				34,700		34,700	2
172,587				6,255,650		6,255,650	3
12,407				513,122		513,122	4
18,859				920,728		920,728	5
65					4,326	4,326	6
600				21,080		21,080	7
2,844				30,985		30,985	8
30,661				989,585		989,585	9
					675	675	10
504,455				19,334,379		19,334,379	11
					3,000	3,000	12
47,744				1,954,363		1,954,363	13
481,107			1,536,000	15,616,425		17,152,425	14
2,960,892	76,097	30,809	6,736,000	83,275,954	1,904,397	91,916,351	

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)	
35,080					1,728,367	1,728,367	1
-6					-300	-300	2
10				1,234		1,234	3
723				21,476		21,476	4
					-2,258	-2,258	5
					-475,500	-475,500	6
					8,844	8,844	7
16,435				636,986		636,986	8
21,157			1,500,000	794,713		2,294,713	9
5,800					334,120	334,120	10
28,897				1,039,669		1,039,669	11
					1,200	1,200	12
96					2,382	2,382	13
					124,241	124,241	14
2,960,892	76,097	30,809	6,736,000	83,275,954	1,904,397	91,916,351	

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)	
90				3,561		3,561	1
126				3,928		3,928	2
14				812	-3,334	-2,522	3
85				3,457		3,457	4
219				7,312		7,312	5
58				2,459		2,459	6
68				3,696		3,696	7
22							8
	807						9
		19					10
		711					11
	22,327						12
	234						13
		15,983					14
2,960,892	76,097	30,809	6,736,000	83,275,954	1,904,397	91,916,351	

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)	
	18,576						1
	28,082						2
	236						3
	5,835	14,096					4
							5
							6
							7
							8
							9
							10
							11
							12
							13
							14
2,960,892	76,097	30,809	6,736,000	83,275,954	1,904,397	91,916,351	

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 2010/Q4
FOOTNOTE DATA			

Schedule Page: 326 Line No.: 1 Column: c
1=WSPP Agreement - Rate Schedule FERC No. 6.

Schedule Page: 326 Line No.: 2 Column: b
Prior year adjustment.

Schedule Page: 326 Line No.: 8 Column: b
Prior year adjustment.

Schedule Page: 326 Line No.: 10 Column: b
Spinning reserve purchases.

Schedule Page: 326 Line No.: 10 Column: I
Spinning reserve purchases.

Schedule Page: 326.1 Line No.: 5 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: 326.1 Line No.: 5 Column: I
Payment of charges related to New Mexico Public Regulatory Commission (NMPRC) Final Order No. 09-00259-UT.

Schedule Page: 326.1 Line No.: 6 Column: g
The 585,311 MWhs relate to purchases from Freeport-McMoran Copper & Gold Energy Services LLC ("Freeport"), formerly known as Phelps Dodge Energy Services LLC, related to El Paso Electric's Power Purchase and Sales Agreement with Freeport dated December 16, 2005.

Schedule Page: 326.1 Line No.: 8 Column: b
Spinning reserve purchases.

Schedule Page: 326.1 Line No.: 8 Column: I
Spinning reserve purchases.

Schedule Page: 326.1 Line No.: 14 Column: b
Spinning reserve purchases.

Schedule Page: 326.1 Line No.: 14 Column: I
Spinning reserve purchases.

Schedule Page: 326.2 Line No.: 6 Column: b
Prior year adjustment.

Schedule Page: 326.2 Line No.: 10 Column: b
Spinning reserve purchases.

Schedule Page: 326.2 Line No.: 10 Column: I
Spinning reserve purchases.

Schedule Page: 326.2 Line No.: 12 Column: b
Spinning reserve purchases.

Schedule Page: 326.2 Line No.: 12 Column: I
Spinning reserve purchases.

Schedule Page: 326.3 Line No.: 1 Column: b
Energy conversion services agreement between Shell Energy North America (U.S.), L.P. and El Paso Electric Company dated January 1, 2010 and expired December 31, 2010.

Schedule Page: 326.3 Line No.: 1 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: 326.3 Line No.: 2 Column: b
Prior year adjustment.

Schedule Page: 326.3 Line No.: 3 Column: b
Renewable Purchase Power Agreement between Southwest Environmental Center and El Paso Electric Company. Contract is a minimum twenty year term beginning in 2008.

Schedule Page: 326.3 Line No.: 5 Column: b
Prior Period Adjustment

Schedule Page: 326.3 Line No.: 6 Column: 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 2010/Q4
FOOTNOTE DATA			

Prior period adjustment related to the reclassification of Texas renewable energy credits without power for various vendors from account #555 purchased power to account #557 other expenses in accordance with the Final Order in Texas Docket No. 37690.

Schedule Page: 326.3 Line No.: 6 Column: l

Prior period adjustment related to the reclassification of Texas renewable energy credits without power for various vendors from account #555 purchased power to account #557 other expenses in accordance with the Final Order in Texas Docket No. 37690.

Schedule Page: 326.3 Line No.: 7 Column: b

Prior Period Adjustment

Schedule Page: 326.3 Line No.: 10 Column: b

Energy conversion services agreement between Tristate G & T Association Inc and El Paso Electric Company dated April 23, 2010 and expired September 1, 2010.

Schedule Page: 326.3 Line No.: 10 Column: l

Includes startup and energy conversion fees related to the energy conversion services agreement between Tristate G & T Association Inc and El Paso Electric Company. Also includes gas purchased from various vendors by El Paso Electric and delivered to Pyramid Unit 2 for energy conversion.

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

Spinning reserve purchases.

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

Spinning reserve purchases.

Schedule Page: 326.3 Line No.: 13 Column: c

New Mexico Rate No. 16

Schedule Page: 326.3 Line No.: 13 Column: l

Represents amount paid to various New Mexico customers for excess renewable energy generated by customers and bought by the Company.

Schedule Page: 326.3 Line No.: 14 Column: c

New Mexico Rate No. 33 for small systems; New Mexico Rate No. 34 for medium systems.

Schedule Page: 326.3 Line No.: 14 Column: l

Represents amount paid for renewable energy certificates related to renewable energy generated by various New Mexico customers.

Schedule Page: 326.4 Line No.: 3 Column: l

Prior period adjustment.

Schedule Page: 326.4 Line No.: 8 Column: k

There are no monetary charges associated with this transaction. Transaction settles in-kind exchange of energy.

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

1. Report all transmission of electricity, i.e., wheeling, provided for other electric utilities, cooperatives, other public authorities, qualifying facilities, non-traditional utility suppliers and ultimate customers for the quarter.

2. Use a separate line of data for each distinct type of transmission service involving the entities listed in column (a), (b) and (c).

3. Report in column (a) the company or public authority that paid for the transmission service. Report in column (b) the company or public authority that the energy was received from and in column (c) the company or public authority that the energy was delivered to. Provide the full name of each company or public authority. Do not abbreviate or truncate name or use acronyms. Explain in a footnote any ownership interest in or affiliation the respondent has with the entities listed in columns (a), (b) or (c)

4. In column (d) enter a Statistical Classification code based on the original contractual terms and conditions of the service as follows: FNO - Firm Network Service for Others, FNS - Firm Network Transmission Service for Self, LFP - "Long-Term Firm Point to Point Transmission Service, OLF - Other Long-Term Firm Transmission Service, SFP - Short-Term Firm Point to Point Transmission Reservation, NF - non-firm transmission service, OS - Other Transmission Service and AD - Out-of-Period Adjustments. Use this code for any accounting adjustments or "true-ups" for service provided in prior reporting periods. Provide an explanation in a footnote for each adjustment. See General Instruction for definitions of codes.

Line No.	Payment By (Company of Public Authority) (Footnote Affiliation) (a)	Energy Received From (Company of Public Authority) (Footnote Affiliation) (b)	Energy Delivered To (Company of Public Authority) (Footnote Affiliation) (c)	Statistical Classification (d)
1	El Paso Electric Marketing	Salt River Project	Salt River Project	NF
2	El Paso Electric Marketing	Salt River Project	Salt River Project	NF
3	El Paso Electric Marketing	Public Service Company of New Mex	El Paso Electric Marketing	NF
4	El Paso Electric Marketing	Salt River Project	Arizona Public Service Company	NF
5	El Paso Electric Marketing	Salt River Project	Arizona Public Service Company	SFP
6	Rio Grande Electric Co-Op	El Paso Electric Marketing	El Paso Electric Marketing	FNO
7	Arizona Electric Power Cooperative	Salt River Project	Arizona Public Service Company	LFP
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	LFP
10	Arizona Electric Power Cooperative	Salt River Project	Arizona Public Service Company	AD
11	Arizona Electric Power Cooperative	Salt River Project	Arizona Public Service Company	AD
12	Arizona Electric Power Cooperative	Salt River Project	Arizona Public Service Company	NF
13	Arizona Electric Power Cooperative	Salt River Project	Arizona Public Service Company	SFP
14	Barclays Bank PLC	Salt River Project	Arizona Public Service Company	AD
15	Barclays Bank PLC	Salt River Project	Arizona Public Service Company	NF
16	Cargill Power Markets LLC	Tucson Electric Power Company	Southwestern Public Service Compa	NF
17	Cargill Power Markets LLC	Public Service Company of New Mex	Southwestern Public Service Compa	NF
18	CitiGroup Energy Inc	Salt River Project	Arizona Public Service Company	AD
19	CitiGroup Energy Inc	Salt River Project	Arizona Public Service Company	NF
20	CitiGroup Energy Inc	Salt River Project	Arizona Public Service Company	SFP
21	CitiGroup Energy Inc	Arizona Public Service Company	Salt River Project	NF
22	ConocoPhillips Company	Salt River Project	Arizona Public Service Company	NF
23	Constellation Energy	Salt River Project	Arizona Public Service Company	NF
24	Coral Power	Salt River Project	Salt River Project	LFP
25	Coral Power	Salt River Project	Arizona Public Service Company	LFP
26	Coral Power	Salt River Project	Arizona Public Service Company	LFP
27	Coral Power	Salt River Project	Arizona Public Service Company	AD
28	Coral Power	Salt River Project	Arizona Public Service Company	NF
29	Coral Power	Arizona Public Service Company	Salt River Project	NF
30	Eagle Energy Partners	Salt River Project	Arizona Public Service Company	NF
31	J.P. Morgan Ventures Energy Corp	Salt River Project	Arizona Public Service Company	AD
32	J.P. Morgan Ventures Energy Corp	Salt River Project	Arizona Public Service Company	NF
33	J.P. Morgan Ventures Energy Corp	Salt River Project	Arizona Public Service Company	SFP
34	J.P. Morgan Ventures Energy Corp	Arizona Public Service Company	Salt River Project	NF
	TOTAL			

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	Morgan Stanley	Salt River Project	Arizona Public Service Company	AD
2	Morgan Stanley	Salt River Project	Arizona Public Service Company	NF
3	Nevada Power Company	Salt River Project	Arizona Public Service Company	NF
4	PacifiCorp	Salt River Project	Arizona Public Service Company	NF
5	Panda Gila River	Salt River Project	Salt River Project	NF
6	Panda Gila River	Salt River Project	Salt River Project	LFP
7	Panda Gila River	Salt River Project	Salt River Project	AD
8	Panda Gila River	Salt River Project	Salt River Project	NF
9	Panda Gila River	Salt River Project	Salt River Project	SFP
10	Panda Gila River	Salt River Project	Arizona Public Service Company	NF
11	Panda Gila River	Salt River Project	Salt River Project	NF
12	Panda Gila River	Salt River Project	Salt River Project	SFP
13	Panda Gila River	Salt River Project	Salt River Project	NF
14	Panda Gila River	Salt River Project	Arizona Public Service Company	AD
15	Panda Gila River	Salt River Project	Arizona Public Service Company	NF
16	Panda Gila River	Salt River Project	Arizona Public Service Company	SFP
17	Panda Gila River	Tucson Electric Power Company	Southwestern Public Service Compa	NF
18	Panda Gila River	Arizona Public Service Company	Salt River Project	NF
19	Powerex	Salt River Project	Arizona Public Service Company	LFP
20	Powerex	Salt River Project	Arizona Public Service Company	AD
21	Powerex	Salt River Project	Arizona Public Service Company	NF
22	Powerex	Salt River Project	Arizona Public Service Company	SFP
23	Powerex	Tucson Electric Power Company	Southwestern Public Service Compa	NF
24	Powerex	Arizona Public Service Company	Salt River Project	AD
25	Powerex	Arizona Public Service Company	Salt River Project	NF
26	Powerex	Arizona Public Service Company	Salt River Project	SFP
27	Public Service Company of New Mexico	Public Service Company of New Mex	Public Service Company of New Mex	NF
28	Public Service Company of New Mexico	Public Service Company of New Mex	Public Service Company of New Mex	SFP
29	Public Service Company of New Mexico	Public Service Company of New Mex	Tucson Electric Power Company	LFP
30	Public Service Company of New Mexico	Public Service Company of New Mex	Tucson Electric Power Company	SFP
31	Public Service Company of New Mexico	Public Service Company of New Mex	Public Service Company of New Mex	LFP
32	Public Service Company of New Mexico	Public Service Company of New Mex	Public Service Company of New Mex	LFP
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
	TOTAL			

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

1. Report all transmission of electricity, i.e., wheeling, provided for other electric utilities, cooperatives, other public authorities, qualifying facilities, non-traditional utility suppliers and ultimate customers for the quarter.

2. Use a separate line of data for each distinct type of transmission service involving the entities listed in column (a), (b) and (c).

3. Report in column (a) the company or public authority that paid for the transmission service. Report in column (b) the company or public authority that the energy was received from and in column (c) the company or public authority that the energy was delivered to. Provide the full name of each company or public authority. Do not abbreviate or truncate name or use acronyms. Explain in a footnote any ownership interest in or affiliation the respondent has with the entities listed in columns (a), (b) or (c)

4. In column (d) enter a Statistical Classification code based on the original contractual terms and conditions of the service as follows: FNO - Firm Network Service for Others, FNS - Firm Network Transmission Service for Self, LFP - "Long-Term Firm Point to Point Transmission Service, OLF - Other Long-Term Firm Transmission Service, SFP - Short-Term Firm Point to Point Transmission Reservation, NF - non-firm transmission service, OS - Other Transmission Service and AD - Out-of-Period Adjustments. Use this code for any accounting adjustments or "true-ups" for service provided in prior reporting periods. Provide an explanation in a footnote for each adjustment. See General Instruction for definitions of codes.

Line No.	Payment By (Company of Public Authority) (Footnote Affiliation) (a)	Energy Received From (Company of Public Authority) (Footnote Affiliation) (b)	Energy Delivered To (Company of Public Authority) (Footnote Affiliation) (c)	Statistical Classification (d)
1	Public Service Company of New Mexico	Public Service Company of New Mex	Public Service Company of New Mex	NF
2	Public Service Company of New Mexico	Public Service Company of New Mex	Public Service Company of New Mex	NF
3	Public Service Company of New Mexico	Public Service Company of New Mex	Public Service Company of New Mex	SFP
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	Tucson Electric Power Company	NF
6	Public Service Company of New Mexico	Public Service Company of New Mex	Tucson Electric Power Company	LFP
7	Public Service Company of New Mexico	Public Service Company of New Mex	Tucson Electric Power Company	AD
8	Public Service Company of New Mexico	Public Service Company of New Mex	Tucson Electric Power Company	NF
9	Public Service Company of New Mexico	Public Service Company of New Mex	Tucson Electric Power Company	SFP
10	Public Service Company of New Mexico	Public Service Company of New Mex	Public Service Company of New Mex	LFP
11	Public Service Company of New Mexico	Public Service Company of New Mex	Public Service Company of New Mex	NF
12	Public Service Company of New Mexico	Public Service Company of New Mex	Public Service Company of New Mex	NF
13	Public Service Company of New Mexico	Arizona Public Service Company	Salt River Project	NF
14	Sempra Energy Trading	Salt River Project	Arizona Public Service Company	AD
15	Sempra Energy Trading	Salt River Project	Arizona Public Service Company	NF
16	Sempra Energy Trading	Salt River Project	Arizona Public Service Company	SFP
17	Southwestern Public Service Company	Tucson Electric Power Company	Southwestern Public Service Compa	NF
18	Southwestern Public Service Company	Public Service Company of New Mex	Southwestern Public Service Compa	NF
19	Transalta	Salt River Project	Arizona Public Service Company	AD
20	Transalta	Salt River Project	Arizona Public Service Company	NF
21	Transalta	Arizona Public Service Company	Salt River Project	NF
22	Tristate Generating and Transmission Coop	Tucson Electric Power Company	Public Service Company of New Mex	AD
23	Tristate Generating and Transmission Coop	Tucson Electric Power Company	Public Service Company of New Mex	AD
24	Tristate Generating and Transmission Coop	Tucson Electric Power Company	Public Service Company of New Mex	LFP
25	Tucson Electric Power	Public Service Company of New Mex	Tucson Electric Power Company	NF
26	Tucson Electric Power	Public Service Company of New Mex	Tucson Electric Power Company	NF
27	Tucson Electric Power	Public Service Company of New Mex	Tucson Electric Power Company	SFP
28	Tucson Electric Power	Salt River Project	Arizona Public Service Company	AD
29	Tucson Electric Power	Salt River Project	Arizona Public Service Company	NF
30	Tucson Electric Power	Salt River Project	Arizona Public Service Company	SFP
31	WestConnect	Salt River Project	Salt River Project	AD
32	WestConnect	Salt River Project	Salt River Project	NF
33	WestConnect	Salt River Project	Salt River Project	NF
34	WestConnect	Salt River Project	Arizona Public Service Company	NF
	TOTAL			

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

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

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

FERC Rate Schedule of Tariff Number (e)	Point of Receipt (Substation or Other Designation) (f)	Point of Delivery (Substation or Other Designation) (g)	Billing Demand (MW) (h)	TRANSFER OF ENERGY		Line No.
				MegaWatt Hours Received (i)	MegaWatt Hours Delivered (j)	
01	Jojoba	Kyrene		19	19	1
01	Jojoba	Palo Verde				2
01	Luna	EPE System				3
01	Palo Verde	Westwing		1,608	1,608	4
01	Palo Verde	Westwing		74	74	5
01	EPE System	Coyote/Farmer	7	55,908	55,908	6
01	Palo Verde	Westwing	50	143,928	143,928	7
01	Palo Verde	Westwing	35	60,227	60,227	8
01	Palo Verde	Westwing	17	6,358	6,358	9
01	Palo Verde	Westwing		-126	-126	10
01	Palo Verde	Westwing				11
01	Palo Verde	Westwing		1,381	1,381	12
01	Palo Verde	Westwing		40	40	13
01	Palo Verde	Westwing		-1	-1	14
01	Palo Verde	Westwing		8,501	8,501	15
01	Springerville	Eddy		465	465	16
01	Westmesa	Eddy		271	271	17
01	Palo Verde	Westwing		-3	-3	18
01	Palo Verde	Westwing		6,747	6,747	19
01	Palo Verde	Westwing		257	257	20
01	Westwing	Palo Verde		85	85	21
01	Palo Verde	Westwing		25	25	22
01	Palo Verde	Westwing		4,003	4,003	23
01	Palo Verde	Kyrene	133	215,194	215,194	24
01	Palo Verde	Westwing	100	498,573	498,573	25
01	Palo Verde	Westwing	25	87,898	87,898	26
01	Palo Verde	Westwing		-1,875	-1,875	27
01	Palo Verde	Westwing		2,637	2,637	28
01	Westwing	Palo Verde		886	886	29
01	Palo Verde	Westwing		65	65	30
01	Palo Verde	Westwing		-10	-10	31
01	Palo Verde	Westwing		2,630	2,630	32
01	Palo Verde	Westwing		402	402	33
01	Westwing	Palo Verde		90	90	34
			1,401	6,848,665	6,848,665	

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		-643	-643	1
01	Palo Verde	Westwing		112,319	112,319	2
01	Palo Verde	Westwing		537	537	3
01	Palo Verde	Westwing		201	201	4
01	Jojoba	Kyrene		7,108	7,108	5
01	Jojoba	Palo Verde	630	2,447,700	2,447,700	6
01	Jojoba	Palo Verde		-603	-603	7
01	Jojoba	Palo Verde		303,068	303,068	8
01	Jojoba	Palo Verde		61,199	61,199	9
01	Jojoba	Westwing		23,780	23,780	10
01	Palo Verde	Jojoba		1,253	1,253	11
01	Palo Verde	Jojoba		240	240	12
01	Palo Verde	Kyrene		803	803	13
01	Palo Verde	Westwing		-57	-57	14
01	Palo Verde	Westwing		78,969	78,969	15
01	Palo Verde	Westwing		2,586	2,586	16
01	Springerville	Eddy		365	365	17
01	Westwing	Palo Verde		926	926	18
01	Palo Verde	Westwing	32	164,042	164,042	19
01	Palo Verde	Westwing		-606	-606	20
01	Palo Verde	Westwing		251,473	251,473	21
01	Palo Verde	Westwing		3,523	3,523	22
01	Springerville	Eddy		156	156	23
01	Westwing	Palo Verde		-11	-11	24
01	Westwing	Palo Verde		19,977	19,977	25
01	Westwing	Palo Verde		88	88	26
01	Afton	Luna		276	276	27
01	Afton	Luna		7,757	7,757	28
01	Afton	Springerville	94	116,061	116,061	29
01	Afton	Springerville		858	858	30
01	Afton	Westmesa	111	171,236	171,236	31
01	Afton	Westmesa	30	8,690	8,690	32
01	Afton	Westmesa		2,913	2,913	33
01	Afton	Westmesa		3,233	3,233	34
			1,401	6,848,665	6,848,665	

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	Hidalgo	Luna				1
01	Las Cruces	Amrad		106	106	2
01	Las Cruces	Amrad		10,016	10,016	3
01	Luna	Afton		6	6	4
01	Luna	Greenlee				5
01	Luna	Springerville	60	160,175	160,175	6
01	Luna	Springerville				7
01	Luna	Springerville		130	130	8
01	Luna	Springerville		69,170	69,170	9
01	Westmesa	Amrad	25	225,259	225,259	10
01	Westmesa	Amrad		17	17	11
01	Westmesa	Las Cruces		618	618	12
01	Westwing	Palo Verde		10	10	13
01	Palo Verde	Westwing				14
01	Palo Verde	Westwing		3,847	3,847	15
01	Palo Verde	Westwing		4	4	16
01	Springerville	Eddy		93,452	93,452	17
01	Westmesa	Eddy		138	138	18
01	Palo Verde	Westwing		-2	-2	19
01	Palo Verde	Westwing		4,189	4,189	20
01	Westwing	Palo Verde				21
80	Springerville	Las Cruces/Hidalgo		98	98	22
80	Springerville	Las Cruces/Hidalgo		44	44	23
80	Springerville	Las Cruces/Hidalgo	50	420,836	420,836	24
01	Luna	Greenlee		819,762	819,762	25
01	Luna	Springerville		31,456	31,456	26
01	Luna	Springerville		47,531	47,531	27
01	Palo Verde	Westwing		-155	-155	28
01	Palo Verde	Westwing		44,779	44,779	29
01	Palo Verde	Westwing		25	25	30
01	Jojoba	Kyrene		-2	-2	31
01	Jojoba	Kyrene		776	776	32
01	Jojoba	Palo Verde		1,231	1,231	33
01	Jojoba	Westwing		18,445	18,445	34
			1,401	6,848,665	6,848,665	

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	Springerville		750	750	1
01	Palo Verde	Kyrene				2
01	Palo Verde	Kyrene		24	24	3
01	Westmesa	Eddy		130	130	4
01	Westmesa	Holloman	2	7,889	7,889	5
01	Palo Verde	Westwing		-3	-3	6
01	Palo Verde	Westwing		2,240	2,240	7
						8
						9
						10
						11
						12
						13
						14
						15
						16
						17
						18
						19
						20
						21
						22
						23
						24
						25
						26
						27
						28
						29
						30
						31
						32
						33
						34
			1,401	6,848,665	6,848,665	

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
179,604	113,586		293,190	6
245,252			245,252	7
171,604			171,604	8
83,352			83,352	9
				10
-100			-100	11
	1,076		1,076	12
	36		36	13
	-60		-60	14
	10,114		10,114	15
	5,909		5,909	16
	5,664		5,664	17
	-238		-238	18
	6,816		6,816	19
	259		259	20
	80		80	21
	25		25	22
	4,481		4,481	23
1,491,471			1,491,471	24
490,300			490,300	25
122,576			122,576	26
				27
	4,725		4,725	28
	851		851	29
	71		71	30
	-460		-460	31
	2,814		2,814	32
	308		308	33
	85		85	34
17,589,480	4,383,774	0	21,973,254	

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.
	-31,145		-31,145	1
	118,771		118,771	2
	593		593	3
	239		239	4
	10,323		10,323	5
5,372,923	143,188		5,516,111	6
	-28,986		-28,986	7
	609,189		609,189	8
	135,197		135,197	9
	67,078		67,078	10
	3,054		3,054	11
	312		312	12
	1,152		1,152	13
	-2,735		-2,735	14
	75,557		75,557	15
	3,183		3,183	16
	2,730		2,730	17
	985		985	18
148,516	31,723		180,239	19
	-28,711		-28,711	20
	258,034		258,034	21
	3,722		3,722	22
	1,460		1,460	23
	-510		-510	24
	20,414		20,414	25
	86		86	26
	1,518		1,518	27
	61,055		61,055	28
2,734,556			2,734,556	29
	10,661		10,661	30
2,026,230			2,026,230	31
606,276			606,276	32
	17,821		17,821	33
	31,063		31,063	34
17,589,480	4,383,774	0	21,973,254	

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.
	54		54	1
	832		832	2
	53,123		53,123	3
	44		44	4
	5,758		5,758	5
1,745,460			1,745,460	6
	567		567	7
	547		547	8
	1,885,987		1,885,987	9
727,276			727,276	10
	73		73	11
	2,943		2,943	12
	9		9	13
	-20		-20	14
	3,951		3,951	15
	3		3	16
	674,237		674,237	17
	1,032		1,032	18
	-631		-631	19
	5,223		5,223	20
	5		5	21
				22
				23
1,386,000			1,386,000	24
	1,625		1,625	25
	2,570		2,570	26
	1,386		1,386	27
				28
	34,441		34,441	29
	23		23	30
	-92		-92	31
	1,147		1,147	32
	1,527		1,527	33
	28,536		28,536	34
17,589,480	4,383,774	0	21,973,254	

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.
	2,775		2,775	1
	-4		-4	2
	39		39	3
	809		809	4
58,184			58,184	5
	-199		-199	6
	2,291		2,291	7
				8
				9
				10
				11
				12
				13
				14
				15
				16
				17
				18
				19
				20
				21
				22
				23
				24
				25
				26
				27
				28
				29
				30
				31
				32
				33
				34
17,589,480	4,383,774	0	21,973,254	

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 2010/Q4
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: d
Network Integration Transmission Service expiration March 31, 2012.
Schedule Page: 328 Line No.: 7 Column: d
Firm transmission contract, expiration January 1, 2021.
Schedule Page: 328 Line No.: 8 Column: d
Firm transmission contract, expiration January 1, 2021.
Schedule Page: 328 Line No.: 9 Column: d
Firm transmission contract, expiration January 1, 2021.
Schedule Page: 328 Line No.: 10 Column: d
Adjustments made due to re-allocation of Palo Verde energy losses for Prior Periods.
Schedule Page: 328 Line No.: 11 Column: d
Adjustment to correct March 2010 transactions.
Schedule Page: 328 Line No.: 14 Column: d
Adjustments made due to re-allocation of Palo Verde energy losses for Prior Periods.
Schedule Page: 328 Line No.: 18 Column: d
Adjustments made due to re-allocation of Palo Verde energy losses for Prior Periods.
Schedule Page: 328 Line No.: 24 Column: d
Firm transmission contract, expiration January 1, 2014. Service was partially redirected to hourly services.
Schedule Page: 328 Line No.: 25 Column: d
Firm transmission contract, expiration January 1, 2021.
Schedule Page: 328 Line No.: 26 Column: d
Firm transmission contract, expiration January 1, 2021.
Schedule Page: 328 Line No.: 27 Column: d
Adjustments made due to re-allocation of Palo Verde energy losses for Prior Periods.
Schedule Page: 328 Line No.: 31 Column: d
Adjustments made due to re-allocation of Palo Verde energy losses for Prior Periods.
Schedule Page: 328.1 Line No.: 1 Column: d
Adjustments made due to re-allocation of Palo Verde energy losses for Prior Periods.
Schedule Page: 328.1 Line No.: 6 Column: d
Firm transmission contract, expiration October 1, 2013. Service was partially redirected to hourly services.
Schedule Page: 328.1 Line No.: 7 Column: d
Adjustments made due to re-allocation of Palo Verde energy losses for Prior Periods.
Schedule Page: 328.1 Line No.: 14 Column: d
Adjustments made due to re-allocation of Palo Verde energy losses for Prior Periods.
Schedule Page: 328.1 Line No.: 19 Column: d
Firm transmission contract, expiration January 1, 2014. Service was partially redirected to hourly services.
Schedule Page: 328.1 Line No.: 20 Column: d
Adjustments made due to re-allocation of Palo Verde energy losses for Prior Periods.
Schedule Page: 328.1 Line No.: 24 Column: d
Adjustments made due to re-allocation of Palo Verde energy losses for Prior Periods.
Schedule Page: 328.1 Line No.: 29 Column: d

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 2010/Q4
FOOTNOTE DATA			

Firm transmission contract, expiration August 1, 2014.

Schedule Page: 328.1 Line No.: 31 Column: d

Generation dependent firm transmission contract, expiration January 1, 2014. However, service was partially redirected to daily and hourly contracts.

Schedule Page: 328.1 Line No.: 32 Column: d

Firm transmission contract, expiration January 1, 2014. However, service was partially redirected to daily and hourly contracts.

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

Firm transmission contract, expiration January 1, 2015.

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

Adjustment to correct March 2010 transactions.

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

Firm transmission contract, expiration July 1, 2013.

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

Adjustments made due to re-allocation of Palo Verde energy losses for Prior Periods.

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

Adjustments made due to re-allocation of Palo Verde energy losses for Prior Periods.

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

Adjustment for losses calculated at the wrong loss rate in Prior Periods.

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

Adjustment to correct March 2010 transactions.

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

Firm transmission, grandfathered contract, expiration January 1, 2026.

Schedule Page: 328.2 Line No.: 25 Column: i

To record actual MWh for transmission service provided from LUNA substation pending appeal of FERC decision (dated December 15, 2008/rehearing denied July 7, 2010). Now before the United States Court of Appeals for the District of Columbia Circuit. Dollars are for charges where TEP exceeded their 200 MWh limit.

Schedule Page: 328.2 Line No.: 25 Column: j

To record actual MWh for transmission service provided from LUNA substation pending appeal of FERC decision (dated December 15, 2008/rehearing denied July 7, 2010). Now before the United States Court of Appeals for the District of Columbia Circuit. Dollars are for charges where TEP exceeded their 200 MWh limit.

Schedule Page: 328.2 Line No.: 26 Column: i

To record actual MWh for transmission service provided from LUNA substation pending appeal of FERC decision (dated December 15, 2008/rehearing denied July 7, 2010). Now before the United States Court of Appeals for the District of Columbia Circuit. Dollars are for charges where TEP exceeded their 200 MWh limit.

Schedule Page: 328.2 Line No.: 26 Column: j

To record actual MWh for transmission service provided from LUNA substation pending appeal of FERC decision (dated December 15, 2008/rehearing denied July 7, 2010). Now before the United States Court of Appeals for the District of Columbia Circuit. Dollars are for charges where TEP exceeded their 200 MWh limit.

Schedule Page: 328.2 Line No.: 27 Column: i

To record actual MWh for transmission service provided from LUNA substation pending appeal of FERC decision (dated December 15, 2008/rehearing denied July 7, 2010). Now before the United States Court of Appeals for the District of Columbia Circuit. Dollars are for charges where TEP exceeded their 200 MWh limit.

Schedule Page: 328.2 Line No.: 27 Column: j

To record actual MWh for transmission service provided from LUNA substation pending appeal of FERC decision (dated December 15, 2008/rehearing denied July 7, 2010). Now before the United States Court of Appeals for the District of Columbia Circuit. Dollars are for charges where TEP exceeded their 200 MWh limit.

Schedule Page: 328.2 Line No.: 28 Column: d

Adjustments made due to re-allocation of Palo Verde energy losses for Prior Periods.

Schedule Page: 328.2 Line No.: 31 Column: d

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 2010/Q4
FOOTNOTE DATA			

Adjustments made due to re-allocation of Palo Verde energy losses for Prior Periods.

Schedule Page: 328.2 Line No.: 32 Column: a

Transaction for WestConnect Experimental Point-to-Point Regional Transmission Service.

Schedule Page: 328.2 Line No.: 33 Column: a

Transaction for WestConnect Experimental Point-to-Point Regional Transmission Service.

Schedule Page: 328.2 Line No.: 34 Column: a

Transaction for WestConnect Experimental Point-to-Point Regional Transmission Service.

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

Transaction for WestConnect Experimental Point-to-Point Regional Transmission Service.

Schedule Page: 328.3 Line No.: 2 Column: d

Adjustments made due to re-allocation of Palo Verde energy losses for Prior Periods.

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

Transaction for WestConnect Experimental Point-to-Point Regional Transmission Service.

Schedule Page: 328.3 Line No.: 4 Column: a

Transaction for WestConnect Experimental Point-to-Point Regional Transmission Service.

Schedule Page: 328.3 Line No.: 5 Column: d

Firm transmission contract, expiration October 1, 2024.

Schedule Page: 328.3 Line No.: 6 Column: d

Adjustments made due to re-allocation of Palo Verde energy losses for Prior Periods.

TRANSMISSION OF ELECTRICITY BY ISO/RTOs

1. Report in Column (a) the Transmission Owner receiving revenue for the transmission of electricity by the ISO/RTO.
2. Use a separate line of data for each distinct type of transmission service involving the entities listed in Column (a).
3. In Column (b) 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.
4. In column (c) 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 (b) was provided.
5. In column (d) report the revenue amounts as shown on bills or vouchers.
6. Report in column (e) the total revenues distributed to the entity listed in column (a).

Line No.	Payment Received by (Transmission Owner Name) (a)	Statistical Classification (b)	FERC Rate Schedule or Tariff Number (c)	Total Revenue by Rate Schedule or Tariff (d)	Total Revenue (e)
1					
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
18					
19					
20					
21					
22					
23					
24					
25					
26					
27					
28					
29					
30					
31					
32					
33					
34					
35					
36					
37					
38					
39					
40	TOTAL				

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	185	185		533		533
2	Arizona Public Service	NF	620	620		2,413		2,413
3	Public Serv. Co. of NM	OLF	48,941	48,941	521,950			521,950
4	Public Serv. Co. of NM	LFP	625,341	625,341	2,832,454			2,832,454
5	Public Serv. Co. of NM	SFP	115,916	115,916	376,273	345,316		721,589
6	Public Serv. Co. of NM	NF	9,364	9,364		38,255		38,255
7	Salt River Project	OLF	244,499	244,499	1,461,000			1,461,000
8	Salt River Project	SFP	2,022	2,022		8,126		8,126
9	Salt River Project	NF	719	719		2,745		2,745
10	Salt River Project	AD	69	69				
11	Salt River Project	AD	-69	-69				
12	Tristate G&T Assoc, Inc	SFP	24,960	24,960		196,386		196,386
13	Tucson Electric Power	OLF	370,584	370,584				
14	Tucson Electric Power	NF	2,565	2,565		18,914		18,914
15	Tucson Electric Power	AD				-363		-363
16								
	TOTAL		1,445,716	1,445,716	5,191,677	612,325		5,804,002

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 2010/Q4
FOOTNOTE DATA			

Schedule Page: 332 Line No.: 1 Column: c
Amounts shown based on transmission reservations.

Schedule Page: 332 Line No.: 1 Column: d
Amounts shown based on transmission reservations.

Schedule Page: 332 Line No.: 1 Column: f
Amounts shown include short term transmission reservations, related ancillary and losses.

Schedule Page: 332 Line No.: 2 Column: c
Amounts shown based on transmission reservations.

Schedule Page: 332 Line No.: 2 Column: d
Amounts shown based on transmission reservations.

Schedule Page: 332 Line No.: 2 Column: f
Amounts shown include short term transmission reservations, related ancillary and losses.

Schedule Page: 332 Line No.: 3 Column: b
Contract is an evergreen contract.

Schedule Page: 332 Line No.: 3 Column: c
Amounts shown based on actual energy flows.

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

Schedule Page: 332 Line No.: 4 Column: b
Contract expires June 30, 2017.

Schedule Page: 332 Line No.: 4 Column: c
Amounts shown based on actual energy flows.

Schedule Page: 332 Line No.: 4 Column: d
Amounts shown based on actual energy flows.

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

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

Schedule Page: 332 Line No.: 5 Column: f
Amounts shown include short term transmission reservations, related ancillary and losses.

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

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

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

Schedule Page: 332 Line No.: 7 Column: b
Contract expires concurrent with the ANPP Participation Agreement.

Schedule Page: 332 Line No.: 7 Column: c
Amounts shown based on actual energy flows.

Schedule Page: 332 Line No.: 7 Column: d
Amounts shown based on actual energy flows.

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

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

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

Schedule Page: 332 Line No.: 9 Column: c
Amounts shown based on transmission reservations.

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 2010/Q4
FOOTNOTE DATA			

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

Amounts shown based on transmission reservations.

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

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

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

Represents reclass of statistical class from SFP to OLF for 2009.

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

Represents reclass of statistical classes from OLF to SFP for 2009.

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: b

Service Schedule C terminates on the date of the 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.: 13 Column: c

Amounts shown based on actual energy flows.

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

Amounts shown based on actual energy flows.

Schedule Page: 332 Line No.: 13 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.: 14 Column: c

Amounts shown based on transmission reservations.

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

Amounts shown based on transmission reservations.

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

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

Schedule Page: 332 Line No.: 15 Column: b

Represents adjustment to December 2009 losses.

Schedule Page: 332 Line No.: 15 Column: f

Represents adjustment to December 2009 losses.

MISCELLANEOUS GENERAL EXPENSES (Account 930.2) (ELECTRIC)

Line No.	Description (a)	Amount (b)
1	Industry Association Dues	299,755
2	Nuclear Power Research Expenses	
3	Other Experimental and General Research Expenses	
4	Pub & Dist Info to Stkhldrs...expn servicing outstanding Securities	874,423
5	Oth Expn >=5,000 show purpose, recipient, amount. Group if < \$5,000	14,446
6	Palo Verde General Expenses	8,925,124
7	Director's Fees and Expenses	1,788,132
8	Director's Retirement Plan actuarial adjustment	838,000
9	Four Corners General Expenses	661,621
10	Economic Development	500,000
11	UTEP Renewable Energy Program	200,000
12	Guard Services	110,828
13	Union Expenses	58,833
14	Palo Verde Trans Line Costs	57,490
15	Other Board of Director Expenses	9,568
16	Relocating A&G Services to new location	2,124
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	TOTAL	14,340,344

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 2010/Q4
FOOTNOTE DATA			

Schedule Page: 335 Line No.: 5 Column: b
 Consists primarily of \$11,474 for expenses related to Human Resource functions including new employee orientation.

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			6,312,115		6,312,115
2	Steam Production Plant	12,296,639	2,682			12,299,321
3	Nuclear Production Plant	23,131,609	-333,485			22,798,124
4	Hydraulic Production Plant-Conventional					
5	Hydraulic Production Plant-Pumped Storage					
6	Other Production Plant	540,252	415			540,667
7	Transmission Plant	5,994,993				5,994,993
8	Distribution Plant	18,113,549				18,113,549
9	Regional Transmission and Market Operation					
10	General Plant	8,507,270				8,507,270
11	Common Plant-Electric					
12	TOTAL	68,584,312	-330,388	6,312,115		74,566,039

B. Basis for Amortization Charges

Asset	Term	Basis	Amort Exp	Method
Computer Software	5 - 10 Years	\$60,316,355	\$6,312,115	Straight Line

DEPRECIATION AND AMORTIZATION OF ELECTRIC PLANT (Continued)

C. Factors Used in Estimating Depreciation Charges

Line No.	Account No. (a)	Depreciable Plant Base (In Thousands) (b)	Estimated Avg. Service Life (c)	Net Salvage (Percent) (d)	Applied Depr. rates (Percent) (e)	Mortality Curve Type (f)	Average Remaining Life (g)
12	Production Plant						
13	Steam Production						
14							
15	Rio Grande Power Sta						
16	Unit 6						
17	311	1,577	55.00	-5.00	2.21	100-S1.5	4.20
18	312	2,945	55.00	-10.00	0.57	80-S2.5	4.20
19	314	3,522	55.00	-10.00	0.10	75-R4	4.30
20	315	725	55.00		0.31	65-S1.5	4.20
21	316	2,179	55.00		1.79	60-R3	4.20
22							
23	Unit 7						
24	311	1,227	55.00	-5.00	3.16	100-S1.5	5.20
25	312	4,373	55.00	-10.00	2.62	80-S2.5	5.20
26	314	3,995	55.00	-10.00	0.59	75-R4	5.20
27	315	561	55.00		0.91	65-S1.5	5.20
28	316	1,853	55.00		3.88	60-R3	5.20
29							
30	Unit 8						
31	311	1,812	49.00	-5.00	2.91	100-S1.5	14.10
32	312	12,306	49.00	-10.00	3.49	80-S2.5	14.10
33	314	10,153	49.00	-10.00	2.83	75-R4	14.10
34	315	2,850	49.00		3.57	65-S1.5	13.80
35	316	5,694	49.00		4.38	60-R3	14.10
36							
37	Newman Power Station						
38	Unit 1						
39	311	1,270	56.00	-5.00	1.77	100-S1.5	7.20
40	312	7,842	56.00	-10.00	6.34	80-S2.5	7.20
41	313	328	56.00	-10.00	0.90	45-R2.5	6.90
42	314	9,973	56.00	-10.00	5.11	75-R4	7.20
43	315	1,148	56.00		0.76	65-S1.5	7.10
44	316	2,082	56.00		6.12	60-R3	7.20
45							
46	Unit 2						
47	311	747	51.00	-5.00	4.31	100-S1.5	5.20
48	312	6,242	51.00	-10.00	6.28	80-S2.5	5.20
49	314	8,109	51.00	-10.00	8.01	75-R4	5.20
50	315	1,053	51.00		1.47	65-S1.5	5.20

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	Steam Prod Con't						
13	Newman Power Station						
14	316	2,829	51.00		8.43	60-R3	5.20
15							
16	Unit 3						
17	311	611	50.00	-5.00	4.00	100-S1.5	8.20
18	312	5,182	50.00	-10.00	3.89	80-S2.5	8.20
19	314	7,073	50.00	-10.00	3.35	75-R4	8.20
20	315	800	50.00		0.87	65-S1.5	7.80
21	316	5,645	50.00		6.52	60-R3	8.20
22							
23							
24	Unit 4						
25	311	6,706	40.00	-5.00	4.10	100-S1.5	7.20
26	312	11,290	40.00	-10.00	4.76	80-S2.5	7.20
27	313	16,157	40.00	-10.00	7.62	45-R2.5	7.00
28	314	31,544	40.00	-10.00	8.57	75-R4	7.20
29	315	6,333	40.00		3.34	65-S1.5	7.00
30	316	13,086	40.00		9.84	60-R3	7.20
31							
32	Unit 5						
33	311	5,942			2.18		
34	314	58,184			2.24		
35	315	6,500			2.29		
36	316	1,326			2.00		
37							
38	Four Corners Power St						
39	Unit 4						
40	311	1,387	47.00		3.81	100-S1.5	8.20
41	312	32,629	47.00		2.48	80-S2.5	8.20
42	314	5,754	47.00		5.74	75-R4	8.20
43	315	1,456	47.00		6.24	65-S1.5	8.20
44	316	3,437	47.00		7.54	60-R3	8.20
45							
46	Unit 5						
47	311	1,286	45.00		4.56	100-S1.5	8.20
48	312	32,273	45.00		3.97	80-S2.5	8.20
49	314	4,422	45.00		5.96	75-R4	8.20
50	315	688	45.00		4.91	65-S1.5	8.20

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	316	4,078	45.00		6.30	60-R3	8.20
13	Sub-Total Steam Prod	361,184					
14							
15	Nuclear Prod Plant						
16	Palo Verde Nuclear St						
17	Unit 1	437,844					
18	Unit 2	544,904					
19	Unit 3	493,844					
20	Common	132,688					
21	Water Rec Fac	100,546					
22	Sub-Total Nuclear Prod	1,709,826					
23							
24	Other Prod Plant						
25	Copper Power Station						
26	341	705	40.00		0.05	SQUARE	12.30
27	342	481	40.00			SQUARE	
28	344	9,208	40.00		6.65	SQUARE	12.30
29	345	452	40.00			SQUARE	
30	346	4,033	40.00		0.11	SQUARE	12.20
31							
32	Hueco Wind Turbine						
33	344	1,974	20.00		5.00		10.75
34							
35	Sub-Total Other Prod	16,853					
36							
37	Transmission Plant						
38	350	9,754	70.00		1.03	70-R4	51.40
39	352	6,813	55.00		2.66	55-S3	33.20
40	353	124,294	45.00	-5.00	1.43	45-R3	29.80
41	354	24,087	65.00	-25.00	2.02	65-R4	45.20
42	355	81,127	40.00	-20.00	3.40	40-S4	20.90
43	356	74,220	50.00		1.61	50-R5	29.70
44	359	1,125	50.00		3.05	50-R3	21.50
45							
46	Sub-Total Transmission	321,420					
47							
48	Distribution Plant						
49	360	2,180	70.00		1.00	70-R4	60.00
50	361	3,827	55.00		1.76	55-R4	36.30

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	Distribution Con't						
13	362	136,892	50.00	-15.00	2.03	50-R3	36.20
14	364	115,962	42.00	-20.00	2.77	42-R3	30.10
15	365	68,110	45.00	-15.00	2.32	45-R2.5	33.60
16	366	102,885	50.00	-5.00	2.13	50-R3	40.50
17	367	98,756	36.00	-5.00	2.90	36-R2.5	28.50
18	368	154,154	50.00	-5.00	1.96	50-R3	37.10
19	369	39,211	55.00	-30.00	2.15	55-S3	37.90
20	370	35,889	27.00	-20.00	4.64	27-R2	18.30
21	371	10,200	32.00	-10.00	2.90	32-R1.5	25.00
22	373	9,760	50.00	-10.00	2.08	50-R2.5	33.50
23							
24	Sub-Total Distribution	777,826					
25							
26	General Plant						
27	390	3,946	80.00		2.02	80-S1.5	31.40
28	390	21,750	80.00		2.04	80-S1.5	47.70
29	390	12,987	45.00		1.18	45-R1.5	41.30
30	391:						
31	Computer Equip	17,805	5.00		20.00		
32	Other	9,587	20.00		2.36	20-SQ	16.60
33	392	29,234	7.00		14.29		
34	393	239	25.00		1.98	25-SQ	13.60
35	394	2,647	25.00		3.01	25-SQ	15.40
36	395	3,283	15.00		0.54	15-SQ	13.20
37	396	5,671	20.00	15.00	3.43	20-R2	16.30
38	397	30,958	15.00		5.61	15-SQ	6.70
39	398	2,691	15.00		4.52	15-SQ	6.00
40							
41	Sub-Total General Pla	140,798					
42							
43							
44							
45							
46							
47							
48							
49							
50							

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	Rio Grande Pwr Station						
13	Unit 6						
14	311				2.10		
15	312				0.52		
16	314				0.09		
17	316				1.59		
18							
19	Unit 7						
20	311				3.01		
21	312				2.38		
22	314				0.53		
23	316				3.72		
24							
25	Unit 8						
26	311				2.77		
27	312				3.17		
28	314				2.57		
29	316				4.32		
30							
31	Newman Power Station						
32	Unit 1						
33	311				1.69		
34	312				5.77		
35	313				0.82		
36	314				4.64		
37							
38	Unit 2						
39	311				4.10		
40	312				5.71		
41	314				7.28		
42							
43	Unit 3						
44	311				3.81		
45	312				3.54		
46	314				3.04		
47							
48	Unit 4						
49	311				3.91		
50	312				4.33		

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	Newman U4 Continued						
13	313				6.92		
14	314				7.79		
15							
16	Transmission						
17	353				1.36		
18	354				1.62		
19	355				2.84		
20							
21	Distribution						
22	362				1.76		
23	364				1.87		
24	365				2.02		
25	366				2.03		
26	367				2.76		
27	368				1.81		
28	369				1.66		
29	370				3.87		
30	371				2.94		
31	373				2.03		
32							
33	General Plant						
34	394				3.37		
35							
36							
37							
38							
39							
40							
41							
42							
43							
44							
45							
46							
47							
48							
49							
50							

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 2010/Q4
FOOTNOTE DATA			

Schedule Page: 336.2 Line No.: 22 Column: e

Palo Verde plant is depreciated over a 40 year life, less the regulatory lag period. However, beginning in 2002, all capital additions at Palo Verde are being depreciated over the remaining license life of each unit.

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		354,708	354,708	
3	FERC Annual Fee		726,460	726,460	
4					
5	Public Utility Commission of Texas				
6	Texas 2009 Rate Case Costs		1,135,962	1,135,962	1,473,329
7	Texas General and Other		177,171	177,171	
8					
9	New Mexico Public Regulation Commission				
10	New Mexico 2006 Rate Case Costs		94,764	94,764	94,764
11	New Mexico 2009 Rate Case Costs		252,645	252,645	813,465
12	New Mexico Transition Costs				-10
13	2010 FPPCAC Audit		6,537	6,537	
14	New Mexico 2010 Rate Case Costs		212,186	212,186	
15	New Mexico Procurement Plan		96,538	96,538	
16	New Mexico General and Other		22,424	22,424	
17					
18	Nuclear Regulatory Commission				
19	PVNGS Unit 1 Fees		908,074	908,074	
20	PVNGS Unit 2 Fees		916,699	916,699	
21	PVNGS Unit 3 Fees		897,757	897,757	
22					
23	Other		32,837	32,837	
24					
25					
26					
27					
28					
29					
30					
31					
32					
33					
34					
35					
36					
37					
38					
39					
40					
41					
42					
43					
44					
45					
46	TOTAL		5,834,762	5,834,762	2,381,548

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
	928	354,708					2
	928	726,460					3
							4
							5
	928	1,135,962	2,917,024	182.3	-1,092,286	3,298,067	6
	928	177,171					7
							8
							9
	928	94,764		182.3	-94,764		10
	928	252,645		182.3	-307,954	505,511	11
	928			182.3	10		12
	928	6,537	1,127			1,127	13
	928	212,186					14
	928	96,538					15
	928	22,424					16
							17
							18
	928	908,074					19
	928	916,699					20
	928	897,757					21
							22
	928	32,837					23
							24
							25
							26
							27
							28
							29
							30
							31
							32
							33
							34
							35
							36
							37
							38
							39
							40
							41
							42
							43
							44
							45
		5,834,762	2,918,151		-1,494,994	3,804,705	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 2010/Q4
FOOTNOTE DATA			

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

Represents Texas rate case costs related to Docket No. 37690 which the Company filed with the PUCT in December 2009. These costs are being amortized over two years beginning in July 2010.

Schedule Page: 350 Line No.: 10 Column: a

Represents New Mexico rate case costs approved in Case No. 06-00258 UT. These costs were amortized over a three year period beginning in July 2007.

Schedule Page: 350 Line No.: 11 Column: a

Represents New Mexico rate case costs approved in Case No. 09-00171 UT which the Company filed with the NMPRC in May 2009. These costs are being amortized over a three year period beginning in January 2010.

Schedule Page: 350 Line No.: 12 Column: a

Represents New Mexico transition costs approved for recovery in Case No. 06-00258 UT. These costs were amortized over a 30 month period beginning in July 2007.

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.

RESEARCH, DEVELOPMENT, AND DEMONSTRATION ACTIVITIES

1. Describe and show below costs incurred and accounts charged during the year for technological research, development, and demonstration (R, D & D) project initiated, continued or concluded during the year. Report also support given to others during the year for jointly-sponsored projects. (Identify recipient regardless of affiliation.) For any R, D & D work carried with others, show separately the respondent's cost for the year and cost chargeable to others (See definition of research, development, and demonstration in Uniform System of Accounts).
2. Indicate in column (a) the applicable classification, as shown below:

Classifications:

- | | |
|--|--|
| A. Electric R, D & D Performed Internally: | a. Overhead |
| (1) Generation | b. Underground |
| a. hydroelectric | (3) Distribution |
| i. Recreation fish and wildlife | (4) Regional Transmission and Market Operation |
| ii Other hydroelectric | (5) Environment (other than equipment) |
| b. Fossil-fuel steam | (6) Other (Classify and include items in excess of \$50,000.) |
| c. Internal combustion or gas turbine | (7) Total Cost Incurred |
| d. Nuclear | B. Electric, R, D & D Performed Externally: |
| e. Unconventional generation | (1) Research Support to the electrical Research Council or the Electric Power Research Institute |
| f. Siting and heat rejection | |
| (2) Transmission | |

Line No.	Classification (a)	Description (b)
1		
2		
3		
4		
5		
6		
7		
8		
9		
10		
11		
12		
13		
14		
15		
16		
17		
18		
19		
20		
21		
22		
23		
24		
25		
26		
27		
28		
29		
30		
31		
32		
33		
34		
35		
36		
37		
38		

RESEARCH, DEVELOPMENT, AND DEMONSTRATION ACTIVITIES (Continued)

- (2) Research Support to Edison Electric Institute
- (3) Research Support to Nuclear Power Groups
- (4) Research Support to Others (Classify)
- (5) Total Cost Incurred

3. Include in column (c) all R, D & D items performed internally and in column (d) those items performed outside the company costing \$50,000 or more, briefly describing the specific area of R, D & D (such as safety, corrosion control, pollution, automation, measurement, insulation, type of appliance, etc.). Group items under \$50,000 by classifications and indicate the number of items grouped. Under Other, (A (6) and B (4)) classify items by type of R, D & D activity.

4. Show in column (e) the account number charged with expenses during the year or the account to which amounts were capitalized during the year, listing Account 107, Construction Work in Progress, first. Show in column (f) the amounts related to the account charged in column (e)

5. Show in column (g) the total unamortized accumulating of costs of projects. This total must equal the balance in Account 188, Research, Development, and Demonstration Expenditures, Outstanding at the end of the year.

6. If costs have not been segregated for R, D & D activities or projects, submit estimates for columns (c), (d), and (f) with such amounts identified by "Est."

7. Report separately research and related testing facilities operated by the respondent.

Costs Incurred Internally Current Year (c)	Costs Incurred Externally Current Year (d)	AMOUNTS CHARGED IN CURRENT YEAR		Unamortized Accumulation (g)	Line No.
		Account (e)	Amount (f)		
					1
					2
					3
					4
					5
					6
					7
					8
					9
					10
					11
					12
					13
					14
					15
					16
					17
					18
					19
					20
					21
					22
					23
					24
					25
					26
					27
					28
					29
					30
					31
					32
					33
					34
					35
					36
					37
					38

DISTRIBUTION OF SALARIES AND WAGES

Report below the distribution of total salaries and wages for the year. Segregate amounts originally charged to clearing accounts to Utility Departments, Construction, Plant Removals, and Other Accounts, and enter such amounts in the appropriate lines and columns provided. In determining this segregation of salaries and wages originally charged to clearing accounts, a method of approximation giving substantially correct results may be used.

Line No.	Classification (a)	Direct Payroll Distribution (b)	Allocation of Payroll charged for Clearing Accounts (c)	Total (d)
1	Electric			
2	Operation			
3	Production	7,787,180		
4	Transmission	5,355,463		
5	Regional Market			
6	Distribution	8,657,858		
7	Customer Accounts	9,098,992		
8	Customer Service and Informational			
9	Sales			
10	Administrative and General	22,905,860		
11	TOTAL Operation (Enter Total of lines 3 thru 10)	53,805,353		
12	Maintenance			
13	Production	4,758,506		
14	Transmission	683,508		
15	Regional Market			
16	Distribution	1,648,517		
17	Administrative and General	188,572		
18	TOTAL Maintenance (Total of lines 13 thru 17)	7,279,103		
19	Total Operation and Maintenance			
20	Production (Enter Total of lines 3 and 13)	12,545,686		
21	Transmission (Enter Total of lines 4 and 14)	6,038,971		
22	Regional Market (Enter Total of Lines 5 and 15)			
23	Distribution (Enter Total of lines 6 and 16)	10,306,375		
24	Customer Accounts (Transcribe from line 7)	9,098,992		
25	Customer Service and Informational (Transcribe from line 8)			
26	Sales (Transcribe from line 9)			
27	Administrative and General (Enter Total of lines 10 and 17)	23,094,432		
28	TOTAL Oper. and Maint. (Total of lines 20 thru 27)	61,084,456	538,906	61,623,362
29	Gas			
30	Operation			
31	Production-Manufactured Gas			
32	Production-Nat. Gas (Including Expl. and Dev.)			
33	Other Gas Supply			
34	Storage, LNG Terminating and Processing			
35	Transmission			
36	Distribution			
37	Customer Accounts			
38	Customer Service and Informational			
39	Sales			
40	Administrative and General			
41	TOTAL Operation (Enter Total of lines 31 thru 40)			
42	Maintenance			
43	Production-Manufactured Gas			
44	Production-Natural Gas (Including Exploration and Development)			
45	Other Gas Supply			
46	Storage, LNG Terminating and Processing			
47	Transmission			

DISTRIBUTION OF SALARIES AND WAGES (Continued)

Line No.	Classification (a)	Direct Payroll Distribution (b)	Allocation of Payroll charged for Clearing Accounts (c)	Total (d)
48	Distribution			
49	Administrative and General			
50	TOTAL Maint. (Enter Total of lines 43 thru 49)			
51	Total Operation and Maintenance			
52	Production-Manufactured Gas (Enter Total of lines 31 and 43)			
53	Production-Natural Gas (Including Expl. and Dev.) (Total lines 32,			
54	Other Gas Supply (Enter Total of lines 33 and 45)			
55	Storage, LNG Terminaling and Processing (Total of lines 31 thru			
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)	61,084,456	538,906	61,623,362
66	Utility Plant			
67	Construction (By Utility Departments)			
68	Electric Plant	17,024,889	1,280,878	18,305,767
69	Gas Plant			
70	Other (provide details in footnote):			
71	TOTAL Construction (Total of lines 68 thru 70)	17,024,889	1,280,878	18,305,767
72	Plant Removal (By Utility Departments)			
73	Electric Plant	24,642	363	25,005
74	Gas Plant			
75	Other (provide details in footnote):			
76	TOTAL Plant Removal (Total of lines 73 thru 75)	24,642	363	25,005
77	Other Accounts (Specify, provide details in footnote):			
78	In-Kind Donations and Exp for Certain Civic, Political & Rel	79,689	587	80,276
79	Other Various Accounts		29	29
80				
81				
82				
83				
84				
85				
86				
87				
88				
89				
90				
91				
92				
93				
94				
95	TOTAL Other Accounts	79,689	616	80,305
96	TOTAL SALARIES AND WAGES	78,213,676	1,820,763	80,034,439

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 <i>(Mo, Da, Yr)</i> / /	Year/Period of Report End of <u>2010/Q4</u>
--	---	--	--

COMMON UTILITY PLANT AND EXPENSES

1. Describe the property carried in the utility's accounts as common utility plant and show the book cost of such plant at end of year classified by accounts as provided by Plant Instruction 13, Common Utility Plant, of the Uniform System of Accounts. Also show the allocation of such plant costs to the respective departments using the common utility plant and explain the basis of allocation used, giving the allocation factors.
2. Furnish the accumulated provisions for depreciation and amortization at end of year, showing the amounts and classifications of such accumulated provisions, and amounts allocated to utility departments using the Common utility plant to which such accumulated provisions relate, including explanation of basis of allocation and factors used.
3. Give for the year the expenses of operation, maintenance, rents, depreciation, and amortization for common utility plant classified by accounts as provided by the Uniform System of Accounts. Show the allocation of such expenses to the departments using the common utility plant to which such expenses are related. Explain the basis of allocation used and give the factors of allocation.
4. Give date of approval by the Commission for use of the common utility plant classification and reference to order of the Commission or other authorization.

None

AMOUNTS INCLUDED IN ISO/RTO SETTLEMENT STATEMENTS

1. The respondent shall report below the details called for concerning amounts it recorded in Account 555, Purchase Power, and Account 447, Sales for Resale, for items shown on ISO/RTO Settlement Statements. Transactions should be separately netted for each ISO/RTO administered energy market for purposes of determining whether an entity is a net seller or purchaser in a given hour. Net megawatt hours are to be used as the basis for determining whether a net purchase or sale has occurred. In each monthly reporting period, the hourly sale and purchase net amounts are to be aggregated and separately reported in Account 447, Sales for Resale, or Account 555, Purchased Power, respectively.

Line No.	Description of Item(s) (a)	Balance at End of Quarter 1 (b)	Balance at End of Quarter 2 (c)	Balance at End of Quarter 3 (d)	Balance at End of Year (e)
1	Energy				
2	Net Purchases (Account 555)				
3	Net Sales (Account 447)				
4	Transmission Rights				
5	Ancillary Services				
6	Other Items (list separately)				
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
18					
19					
20					
21					
22					
23					
24					
25					
26					
27					
28					
29					
30					
31					
32					
33					
34					
35					
36					
37					
38					
39					
40					
41					
42					
43					
44					
45					
46	TOTAL				

PURCHASES AND SALES OF ANCILLARY SERVICES

Report the amounts for each type of ancillary service shown in column (a) for the year as specified in Order No. 888 and defined in the respondents Open Access Transmission Tariff.

In columns for usage, report usage-related billing determinant and the unit of measure.

(1) On line 1 columns (b), (c), (d), (e), (f) and (g) report the amount of ancillary services purchased and sold during the year.

(2) On line 2 columns (b) (c), (d), (e), (f), and (g) report the amount of reactive supply and voltage control services purchased and sold during the year.

(3) On line 3 columns (b) (c), (d), (e), (f), and (g) report the amount of regulation and frequency response services purchased and sold during the year.

(4) On line 4 columns (b), (c), (d), (e), (f), and (g) report the amount of energy imbalance services purchased and sold during the year.

(5) On lines 5 and 6, columns (b), (c), (d), (e), (f), and (g) report the amount of operating reserve spinning and supplement services purchased and sold during the period.

(6) On line 7 columns (b), (c), (d), (e), (f), and (g) report the total amount of all other types ancillary services purchased or sold during the year. Include in a footnote and specify the amount for each type of other ancillary service provided.

Line No.	Type of Ancillary Service (a)	Amount Purchased for the Year			Amount Sold for the Year		
		Usage - Related Billing Determinant			Usage - Related Billing Determinant		
		Number of Units (b)	Unit of Measure (c)	Dollars (d)	Number of Units (e)	Unit of Measure (f)	Dollars (g)
1	Scheduling, System Control and Dispatch	8,047,770	MWh	772,586	5,685,669	MWh	1,235,826
2	Reactive Supply and Voltage	8,047,770	MWh	482,866	1,098,045	MWh	213,872
3	Regulation and Frequency Response				53,637	MWh	2,226
4	Energy Imbalance						
5	Operating Reserve - Spinning				53,637	MWh	8,954
6	Operating Reserve - Supplement				53,637	MWh	8,954
7	Other						
8	Total (Lines 1 thru 7)	16,095,540		1,255,452	6,944,625		1,469,832

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 2010/Q4
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 856,253 MWh from hourly services (of which, 1,701 MWh were sold to El Paso Electric Marketing, an affiliate of El Paso Electric Company), 497,627 MWh from daily services, and 4,331,789 MWh from yearly contracts (of which, 53,637 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

\$73,103 pertains to hourly services (of which \$180 pertains to El Paso Electric Marketing, an affiliate of El Paso Electric Company). \$100,910 pertains to daily services, and \$1,061,813 pertains to yearly contracts (of which \$5,797 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 228,148 MWh from hourly services, 154,926 MWh from daily services, 714,971 MWh from yearly contracts (of which 53,637 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

\$2,672 pertains to hourly services (of which \$2 pertains to El Paso Electric Marketing, an affiliate of El Paso Electric Company). \$37,554 pertains to daily services, and \$173,647 pertains to yearly contracts (of which \$3,361 pertains to Rio Grande Electric Co-Op, a network customer of El Paso Electric Company).

Schedule Page: 398 Line No.: 3 Column: e

All units pertain to yearly contract with Rio Grande Electric Co-Op, a network customer of El Paso Electric Company.

Schedule Page: 398 Line No.: 3 Column: g

All from yearly contract with Rio Grande Electric Co-Op, a network customer of El Paso Electric Company.

Schedule Page: 398 Line No.: 5 Column: e

All units pertain to yearly contract with Rio Grande Electric Co-Op, a network customer of El Paso Electric Company.

Schedule Page: 398 Line No.: 5 Column: g

All from yearly contract with Rio Grande Electric Co-Op, a network customer of El Paso Electric Company.

Schedule Page: 398 Line No.: 6 Column: e

All units pertain to yearly contract with Rio Grande Electric Co-Op, a network customer of El Paso Electric Company.

Schedule Page: 398 Line No.: 6 Column: g

All from yearly contract with Rio Grande Electric Co-Op, a network customer of El Paso Electric Company.

Name of Respondent

El Paso Electric Company

This Report Is:

(1) An Original(2) A Resubmission

Date of Report

(Mo, Da, Yr)

/ /

Year/Period of Report

End of 2010/Q4

MONTHLY TRANSMISSION SYSTEM PEAK LOAD

(1) Report the monthly peak load on the respondent's transmission system. If the respondent has two or more power systems which are not physically integrated, furnish the required information for each non-integrated system.

(2) Report on Column (b) by month the transmission system's peak load.

(3) Report on Columns (c) and (d) the specified information for each monthly transmission - system peak load reported on Column (b).

(4) Report on Columns (e) through (j) by month the system' monthly maximum megawatt load by statistical classifications. See General Instruction for the definition of each statistical classification.

NAME OF SYSTEM:

Line No.	Month (a)	Monthly Peak MW - Total (b)	Day of Monthly Peak (c)	Hour of Monthly Peak (d)	Firm Network Service for Self (e)	Firm Network Service for Others (f)	Long-Term Firm Point-to-point Reservations (g)	Other Long-Term Firm Service (h)	Short-Term Firm Point-to-point Reservation (i)	Other Service (j)
1	January	1,079	7	1900		4	1,282	50	62	
2	February	1,027	3	1900		4	1,280	50	64	
3	March	981	8	2000		5	1,298	50	46	
4	Total for Quarter 1	3,087				13	3,860	150	172	
5	April	1,043	15	1500		6	1,288	50	56	
6	May	1,371	27	1500		8	1,278	50	66	
7	June	1,600	23	1500		10	1,288	50	56	
8	Total for Quarter 2	4,014				24	3,854	150	178	
9	July	1,602	19	1600		8	1,306	50	38	
10	August	1,617	12	1500		11	1,300	50	44	
11	September	1,536	2	1600		10	1,283	50	61	
12	Total for Quarter 3	4,755				29	3,889	150	143	
13	October	1,279	1	1600		8	1,292	50	52	
14	November	1,055	29	1900		4	1,282	50	62	
15	December	1,028	6	1900		4	1,282	50	62	
16	Total for Quarter 4	3,362				16	3,856	150	176	
17	Total Year to Date/Year	15,218				82	15,459	600	669	

Name of Respondent
El Paso Electric Company

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

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

Year/Period of Report
End of 2010/Q4

MONTHLY ISO/RTO 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 Column (c) and (d) the specified information for each monthly transmission - system peak load reported on Column (b).
- (4) Report on Columns (e) through (i) by month the system's transmission usage by classification. Amounts reported as Through and Out Service in Column (g) are to be excluded from those amounts reported in Columns (e) and (f).
- (5) Amounts reported in Column (j) for Total Usage is the sum of Columns (h) and (i).

NAME OF SYSTEM:

Line No.	Month (a)	Monthly Peak MW - Total (b)	Day of Monthly Peak (c)	Hour of Monthly Peak (d)	Imports into ISO/RTO (e)	Exports from ISO/RTO (f)	Through and Out Service (g)	Network Service Usage (h)	Point-to-Point Service Usage (i)	Total Usage (j)
1	January									
2	February									
3	March									
4	Total for Quarter 1									
5	April									
6	May									
7	June									
8	Total for Quarter 2									
9	July									
10	August									
11	September									
12	Total for Quarter 3									
13	October									
14	November									
15	December									
16	Total for Quarter 4									
17	Total Year to Date/Year									

Name of Respondent
El Paso Electric Company

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

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

Year/Period of Report
End of 2010/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)	7,434,173
3	Steam	3,525,025	23	Requirements Sales for Resale (See instruction 4, page 311.)	53,637
4	Nuclear	4,925,313	24	Non-Requirements Sales for Resale (See instruction 4, page 311.)	3,408,043
5	Hydro-Conventional		25	Energy Furnished Without Charge	
6	Hydro-Pumped Storage		26	Energy Used by the Company (Electric Dept Only, Excluding Station Use)	11,563
7	Other	15,321	27	Total Energy Losses	564,423
8	Less Energy for Pumping		28	TOTAL (Enter Total of Lines 22 Through 27) (MUST EQUAL LINE 20)	11,471,839
9	Net Generation (Enter Total of lines 3 through 8)	8,465,659			
10	Purchases	2,960,892			
11	Power Exchanges:				
12	Received	76,097			
13	Delivered	30,809			
14	Net Exchanges (Line 12 minus line 13)	45,288			
15	Transmission For Other (Wheeling)				
16	Received	6,848,665			
17	Delivered	6,848,665			
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)	11,471,839			

Name of Respondent

El Paso Electric Company

This Report Is:

(1) An Original
(2) A ResubmissionDate of Report
(Mo, Da, Yr)
/ /Year/Period of Report
End of 2010/Q4

MONTHLY PEAKS AND OUTPUT

1. Report the monthly peak load and energy output. If the respondent has two or more power which are not physically integrated, furnish the required information for each non- integrated system.
2. Report in column (b) by month the system's output in Megawatt hours for each month.
3. Report in column (c) by month the non-requirements sales for resale. Include in the monthly amounts any energy losses associated with the sales.
4. Report in column (d) by month the system's monthly maximum megawatt load (60 minute integration) associated with the system.
5. Report in column (e) and (f) the specified information for each monthly peak load reported in column (d).

NAME OF SYSTEM:

Line No.	Month (a)	Total Monthly Energy (b)	Monthly Non-Requirements Sales for Resale & Associated Losses (c)	MONTHLY PEAK		
				Megawatts (See Instr. 4) (d)	Day of Month (e)	Hour (f)
29	January	961,836	357,423	1,079	7	1900
30	February	856,941	327,689	1,027	3	1900
31	March	894,184	312,041	981	8	2000
32	April	808,831	237,185	1,043	15	1500
33	May	821,384	147,575	1,371	27	1500
34	June	1,076,807	261,842	1,600	23	1500
35	July	1,133,495	302,968	1,602	19	1600
36	August	1,172,453	297,879	1,617	12	1500
37	September	1,130,702	365,223	1,536	2	1600
38	October	808,262	164,986	1,279	1	1600
39	November	840,035	266,633	1,055	29	1900
40	December	966,909	366,599	1,028	6	1900
41	TOTAL	11,471,839	3,408,043			

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) / /	2010/Q4
FOOTNOTE DATA			

Schedule Page: 401 Line No.: 24 Column: b

Includes 585,311 MWs related to sales to Freeport (formerly Phelps Dodge) related to the Company's Power Purchase and Sales Agreement with Freeport dated December 16, 2005.

Schedule Page: 401 Line No.: 28 Column: b

Includes 585,311 MWs related to sales to Freeport (formerly Phelps Dodge) related to the Company's Power Purchase and Sales Agreement with Freeport dated December 16, 2005.

Schedule Page: 401 Line No.: 29 Column: b

Includes 52,011 MWs for sales to Freeport-McMoran (formerly known as Phelps Dodge) related to the Company's Power Purchase and Sales Agreement with Phelps Dodge dated December 16, 2005.

Schedule Page: 401 Line No.: 29 Column: c

Includes 52,011 MWs for sales to Freeport-McMoran (formerly known as Phelps Dodge) related to the Company's Power Purchase and Sales Agreement with Phelps Dodge dated December 16, 2005.

Schedule Page: 401 Line No.: 30 Column: b

Includes 46,069 MWs for sales to Freeport-McMoran (formerly known as Phelps Dodge) related to the Company's Power Purchase and Sales Agreement with Phelps Dodge dated December 16, 2005.

Schedule Page: 401 Line No.: 30 Column: c

Includes 46,069 MWs for sales to Freeport-McMoran (formerly known as Phelps Dodge) related to the Company's Power Purchase and Sales Agreement with Phelps Dodge dated December 16, 2005.

Schedule Page: 401 Line No.: 31 Column: b

Includes 51,335 MWs for sales to Freeport-McMoran (formerly known as Phelps Dodge) related to the Company's Power Purchase and Sales Agreement with Phelps Dodge dated December 16, 2005.

Schedule Page: 401 Line No.: 31 Column: c

Includes 51,335 MWs for sales to Freeport-McMoran (formerly known as Phelps Dodge) related to the Company's Power Purchase and Sales Agreement with Phelps Dodge dated December 16, 2005.

Schedule Page: 401 Line No.: 32 Column: b

Includes 32,837 MWs for sales to Freeport-McMoran (formerly known as Phelps Dodge) related to the Company's Power Purchase and Sales Agreement with Phelps Dodge dated December 16, 2005.

Schedule Page: 401 Line No.: 32 Column: c

Includes 32,837 MWs for sales to Freeport-McMoran (formerly known as Phelps Dodge) related to the Company's Power Purchase and Sales Agreement with Phelps Dodge dated December 16, 2005.

Schedule Page: 401 Line No.: 33 Column: b

Includes 52,642 MWs for sales to Freeport-McMoran (formerly known as Phelps Dodge) related to the Company's Power Purchase and Sales Agreement with Phelps Dodge dated December 16, 2005.

Schedule Page: 401 Line No.: 33 Column: c

Includes 52,642 MWs for sales to Freeport-McMoran (formerly known as Phelps Dodge) related to the Company's Power Purchase and Sales Agreement with Phelps Dodge dated December 16, 2005.

Schedule Page: 401 Line No.: 34 Column: b

Includes 49,653 MWs for sales to Freeport-McMoran (formerly known as Phelps Dodge) related to the Company's Power Purchase and Sales Agreement with Phelps Dodge dated December 16, 2005.

Schedule Page: 401 Line No.: 34 Column: c

Includes 49,653 MWs for sales to Freeport-McMoran (formerly known as Phelps Dodge) related to the Company's Power Purchase and Sales Agreement with Phelps Dodge dated December 16, 2005.

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

Includes 55,031 MWs for sales to Freeport-McMoran (formerly known as Phelps Dodge)

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 2010/Q4
FOOTNOTE DATA			

related to the Company's Power Purchase and Sales Agreement with Phelps Dodge dated December 16, 2005.

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

Includes 55,031 MWhs for sales to Freeport-McMoran (formerly known as Phelps Dodge) related to the Company's Power Purchase and Sales Agreement with Phelps Dodge dated December 16, 2005.

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

Includes 54,635 MWhs for sales to Freeport-McMoran (formerly known as Phelps Dodge) related to the Company's Power Purchase and Sales Agreement with Phelps Dodge dated December 16, 2005.

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

Includes 54,635 MWhs for sales to Freeport-McMoran (formerly known as Phelps Dodge) related to the Company's Power Purchase and Sales Agreement with Phelps Dodge dated December 16, 2005.

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

Includes 51,846 MWhs for sales to Freeport-McMoran (formerly known as Phelps Dodge) related to the Company's Power Purchase and Sales Agreement with Phelps Dodge dated December 16, 2005.

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

Includes 51,846 MWhs for sales to Freeport-McMoran (formerly known as Phelps Dodge) related to the Company's Power Purchase and Sales Agreement with Phelps Dodge dated December 16, 2005.

Schedule Page: 401 Line No.: 38 Column: b

Includes 37,262 MWhs for sales to Freeport-McMoran (formerly known as Phelps Dodge) related to the Company's Power Purchase and Sales Agreement with Phelps Dodge dated December 16, 2005.

Schedule Page: 401 Line No.: 38 Column: c

Includes 37,262 MWhs for sales to Freeport-McMoran (formerly known as Phelps Dodge) related to the Company's Power Purchase and Sales Agreement with Phelps Dodge dated December 16, 2005.

Schedule Page: 401 Line No.: 39 Column: b

Includes 50,399 MWhs for sales to Freeport-McMoran (formerly known as Phelps Dodge) related to the Company's Power Purchase and Sales Agreement with Phelps Dodge dated December 16, 2005.

Schedule Page: 401 Line No.: 39 Column: c

Includes 50,399 MWhs for sales to Freeport-McMoran (formerly known as Phelps Dodge) related to the Company's Power Purchase and Sales Agreement with Phelps Dodge dated December 16, 2005.

Schedule Page: 401 Line No.: 40 Column: b

Includes 51,591 MWhs for sales to Freeport-McMoran (formerly known as Phelps Dodge) related to the Company's Power Purchase and Sales Agreement with Phelps Dodge dated December 16, 2005.

Schedule Page: 401 Line No.: 40 Column: c

Includes 51,591 MWhs for sales to Freeport-McMoran (formerly known as Phelps Dodge) related to the Company's Power Purchase and Sales Agreement with Phelps Dodge dated December 16, 2005.

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 term basis report the Btu content or the gas and the quantity of fuel burned converted to Mct. 7. Quantities of fuel burned (Line 38) and average cost per unit of fuel burned (Line 41) must be consistent with charges to expense accounts 501 and 547 (Line 42) as show on Line 20. 8. If more than one fuel is burned in a plant furnish only the composite heat rate for all fuels burned.

Line No.	Item (a)	Plant Name: <i>Rio Grande</i> (b)	Plant Name: <i>Newman</i> (c)
1	Kind of Plant (Internal Comb, Gas Turb, Nuclear)	Steam	Steam
2	Type of Constr (Conventional, Outdoor, Boiler, etc)	Indoor & Outdoor	Indoor & Outdoor
3	Year Originally Constructed	1929	1959
4	Year Last Unit was Installed	1972	2009
5	Total Installed Cap (Max Gen Name Plate Ratings-MW)	266.00	747.00
6	Net Peak Demand on Plant - MW (60 minutes)	220	632
7	Plant Hours Connected to Load	8419	8760
8	Net Continuous Plant Capability (Megawatts)	229	651
9	When Not Limited by Condenser Water	229	651
10	When Limited by Condenser Water	224	651
11	Average Number of Employees	46	68
12	Net Generation, Exclusive of Plant Use - KWh	729133000	2145656000
13	Cost of Plant: Land and Land Rights	100946	181900
14	Structures and Improvements	4615955	15275711
15	Equipment Costs	51155313	202726119
16	Asset Retirement Costs	76983	-325470
17	Total Cost	55949197	217858260
18	Cost per KW of Installed Capacity (line 17/5) Including	210.3353	291.6443
19	Production Expenses: Oper, Supv, & Engr	722937	1031685
20	Fuel	41275222	114671742
21	Coolants and Water (Nuclear Plants Only)	0	0
22	Steam Expenses	1583677	916485
23	Steam From Other Sources	0	0
24	Steam Transferred (Cr)	0	0
25	Electric Expenses	85463	2106540
26	Misc Steam (or Nuclear) Power Expenses	2032347	3806485
27	Rents	358	419952
28	Allowances	0	340375
29	Maintenance Supervision and Engineering	484522	926790
30	Maintenance of Structures	377129	866164
31	Maintenance of Boiler (or reactor) Plant	1915636	2019548
32	Maintenance of Electric Plant	1529111	3958846
33	Maintenance of Misc Steam (or Nuclear) Plant	342229	664281
34	Total Production Expenses	50348631	131728893
35	Expenses per Net KWh	0.0691	0.0614
36	Fuel: Kind (Coal, Gas, Oil, or Nuclear)	Gas	Oil
37	Unit (Coal-tons/Oil-barrel/Gas-mcf/Nuclear-indicate)	Mcf	BBL
38	Quantity (Units) of Fuel Burned	8254521	0
39	Avg Heat Cont - Fuel Burned (btu/indicate if nuclear)	1024000	0
40	Avg Cost of Fuel/unit, as Delvd f.o.b. during year	5.000	0.000
41	Average Cost of Fuel per Unit Burned	5.000	0.000
42	Average Cost of Fuel Burned per Million BTU	4.883	0.000
43	Average Cost of Fuel Burned per KWh Net Gen	0.057	0.000
44	Average BTU per KWh Net Generation	11593.000	0.000

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>Four Corners</i> (d)			Plant Name: <i>Copper</i> (e)			Plant Name: <i>Palo Verde</i> (f)			Line No.
			Gas Turbine						1
			Outdoors						2
			1979						3
			1980						4
0.00			79.00			0.00			5
0			63			0			6
0			396			0			7
0			63			0			8
0			63			0			9
0			63			0			10
0			0			0			11
650236000			14522000			4925313000			12
8623			10000			2347703			13
2673374			704767			443142733			14
84736340			14173852			1215530220			15
31491			15479			1341529			16
87449828			14904098			1662362185			17
0.0000			188.6595			0.0000			18
197228			0			12420240			19
10416762			1447506			38617222			20
0			0			5477286			21
1206935			0			5863040			22
0			0			0			23
0			0			0			24
104348			0			6063558			25
561491			14337			18709589			26
1035454			0			82494			27
0			0			0			28
181598			1158			5692233			29
82212			9366			1783923			30
2438018			325962			8155071			31
998998			27294			8066853			32
594126			0			3391791			33
17817170			1825623			114323300			34
0.0274			0.1257			0.0232			35
Coal	Gas		Gas	Oil		Nuclear			36
Ton	Mcf		Mcf	BBL		MMbtu			37
357227	20898	0	224004	0	0	50685423	0	0	38
17706089	1010000	0	1019900	0	0	0	0	0	39
28.873	4.902	0.000	6.462	0.000	0.000	0.697	0.000	0.000	40
28.873	4.902	0.000	6.462	0.000	0.000	0.697	0.000	0.000	41
1.631	4.853	0.000	6.336	0.000	0.000	0.697	0.000	0.000	42
0.016	0.000	0.000	0.100	0.000	0.000	0.007	0.000	0.000	43
9760.000	0.000	0.000	15732.000	0.000	0.000	10291.000	0.000	0.000	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 2010/Q4
FOOTNOTE DATA			

Schedule Page: 402 Line No.: 1 Column: d
Jointly owned plant.

Schedule Page: 402 Line No.: 1 Column: f
Jointly owned nuclear plant.

Schedule Page: 402 Line No.: 2 Column: d
Data on lines 2-11 for total plant to be reported by the Operating Agent, Arizona Public Service Company.

Schedule Page: 402 Line No.: 2 Column: f
Data on lines 2-11 for total plant to be reported by the Operating Agent, Arizona Public Service Company.

Schedule Page: 402 Line No.: 20 Column: b
Excludes penalty and revenue sharing credits of \$992,399 related to contract with El Paso Natural Gas.

Schedule Page: 402 Line No.: 20 Column: c
Excludes penalty and revenue sharing credits of \$2,834,129 related to contract with El Paso Natural Gas.

Schedule Page: 402 Line No.: 20 Column: f
Excludes a DOE refund of \$3,290,405.

HYDROELECTRIC GENERATING PLANT STATISTICS (Large Plants)

1. Large plants are hydro plants of 10,000 Kw or more of installed capacity (name plate ratings)
2. If any plant is leased, operated under a license from the Federal Energy Regulatory Commission, or operated as a joint facility, indicate such facts in a footnote. If licensed project, give project number.
3. If net peak demand for 60 minutes is not available, give that which is available specifying period.
4. If a group of employees attends more than one generating plant, report on line 11 the approximate average number of employees assignable to each plant.

Line No.	Item (a)	FERC Licensed Project No. 0 Plant Name: (b)	FERC Licensed Project No. 0 Plant Name: (c)
1	Kind of Plant (Run-of-River or Storage)		
2	Plant Construction type (Conventional or Outdoor)		
3	Year Originally Constructed		
4	Year Last Unit was Installed		
5	Total installed cap (Gen name plate Rating in MW)	0.00	0.00
6	Net Peak Demand on Plant-Megawatts (60 minutes)	0	0
7	Plant Hours Connect to Load	0	0
8	Net Plant Capability (in megawatts)		
9	(a) Under Most Favorable Oper Conditions	0	0
10	(b) Under the Most Adverse Oper Conditions	0	0
11	Average Number of Employees	0	0
12	Net Generation, Exclusive of Plant Use - Kwh	0	0
13	Cost of Plant		
14	Land and Land Rights	0	0
15	Structures and Improvements	0	0
16	Reservoirs, Dams, and Waterways	0	0
17	Equipment Costs	0	0
18	Roads, Railroads, and Bridges	0	0
19	Asset Retirement Costs	0	0
20	TOTAL cost (Total of 14 thru 19)	0	0
21	Cost per KW of Installed Capacity (line 20 / 5)	0.0000	0.0000
22	Production Expenses		
23	Operation Supervision and Engineering	0	0
24	Water for Power	0	0
25	Hydraulic Expenses	0	0
26	Electric Expenses	0	0
27	Misc Hydraulic Power Generation Expenses	0	0
28	Rents	0	0
29	Maintenance Supervision and Engineering	0	0
30	Maintenance of Structures	0	0
31	Maintenance of Reservoirs, Dams, and Waterways	0	0
32	Maintenance of Electric Plant	0	0
33	Maintenance of Misc Hydraulic Plant	0	0
34	Total Production Expenses (total 23 thru 33)	0	0
35	Expenses per net KWh	0.0000	0.0000

Name of Respondent
El Paso Electric Company

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

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

Year/Period of Report
End of 2010/Q4

HYDROELECTRIC GENERATING PLANT STATISTICS (Large Plants) (Continued)

5. The items under Cost of Plant represent accounts or combinations of accounts prescribed by the Uniform System of Accounts. Production Expenses do not include Purchased Power, System control and Load Dispatching, and Other Expenses classified as "Other Power Supply Expenses."
6. Report as a separate plant any plant equipped with combinations of steam, hydro, internal combustion engine, or gas turbine equipment.

FERC Licensed Project No. 0 Plant Name: (d)	FERC Licensed Project No. 0 Plant Name: (e)	FERC Licensed Project No. 0 Plant Name: (f)	Line No.
			1
			2
			3
			4
0.00	0.00	0.00	5
0	0	0	6
0	0	0	7
			8
0	0	0	9
0	0	0	10
0	0	0	11
0	0	0	12
			13
0	0	0	14
0	0	0	15
0	0	0	16
0	0	0	17
0	0	0	18
0	0	0	19
0	0	0	20
0.0000	0.0000	0.0000	21
			22
0	0	0	23
0	0	0	24
0	0	0	25
0	0	0	26
0	0	0	27
0	0	0	28
0	0	0	29
0	0	0	30
0	0	0	31
0	0	0	32
0	0	0	33
0	0	0	34
0.0000	0.0000	0.0000	35

PUMPED STORAGE GENERATING PLANT STATISTICS (Large Plants)

1. Large plants and pumped storage plants of 10,000 Kw or more of installed capacity (name plate ratings)
2. If any plant is leased, operating under a license from the Federal Energy Regulatory Commission, or operated as a joint facility, indicate such facts in a footnote. Give project number.
3. If net peak demand for 60 minutes is not available, give the which is available, specifying period.
4. If a group of employees attends more than one generating plant, report on line 8 the approximate average number of employees assignable to each plant.
5. The items under Cost of Plant represent accounts or combinations of accounts prescribed by the Uniform System of Accounts. Production Expenses do not include Purchased Power System Control and Load Dispatching, and Other Expenses classified as "Other Power Supply Expenses."

Line No.	Item (a)	FERC Licensed Project No. Plant Name: (b)
1	Type of Plant Construction (Conventional or Outdoor)	
2	Year Originally Constructed	
3	Year Last Unit was Installed	
4	Total installed cap (Gen name plate Rating in MW)	
5	Net Peak Demand on Plant-Megawatts (60 minutes)	
6	Plant Hours Connect to Load While Generating	
7	Net Plant Capability (in megawatts)	
8	Average Number of Employees	
9	Generation, Exclusive of Plant Use - Kwh	
10	Energy Used for Pumping	
11	Net Output for Load (line 9 - line 10) - Kwh	
12	Cost of Plant	
13	Land and Land Rights	
14	Structures and Improvements	
15	Reservoirs, Dams, and Waterways	
16	Water Wheels, Turbines, and Generators	
17	Accessory Electric Equipment	
18	Miscellaneous Powerplant Equipment	
19	Roads, Railroads, and Bridges	
20	Asset Retirement Costs	
21	Total cost (total 13 thru 20)	
22	Cost per KW of installed cap (line 21 / 4)	
23	Production Expenses	
24	Operation Supervision and Engineering	
25	Water for Power	
26	Pumped Storage Expenses	
27	Electric Expenses	
28	Misc Pumped Storage Power generation Expenses	
29	Rents	
30	Maintenance Supervision and Engineering	
31	Maintenance of Structures	
32	Maintenance of Reservoirs, Dams, and Waterways	
33	Maintenance of Electric Plant	
34	Maintenance of Misc Pumped Storage Plant	
35	Production Exp Before Pumping Exp (24 thru 34)	
36	Pumping Expenses	
37	Total Production Exp (total 35 and 36)	
38	Expenses per KWh (line 37 / 9)	

Name of Respondent
El Paso Electric Company

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

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

Year/Period of Report
End of 2010/Q4

PUMPED STORAGE GENERATING PLANT STATISTICS (Large Plants) (Continued)

6. Pumping energy (Line 10) is that energy measured as input to the plant for pumping purposes.
7. Include on Line 36 the cost of energy used in pumping into the storage reservoir. When this item cannot be accurately computed leave Lines 36, 37 and 38 blank and describe at the bottom of the schedule the company's principal sources of pumping power, the estimated amounts of energy from each station or other source that individually provides more than 10 percent of the total energy used for pumping, and production expenses per net MWH as reported herein for each source described. Group together stations and other resources which individually provide less than 10 percent of total pumping energy. If contracts are made with others to purchase power for pumping, give the supplier contract number, and date of contract.

FERC Licensed Project No. Plant Name: (c)	FERC Licensed Project No. Plant Name: (d)	FERC Licensed Project No. Plant Name: (e)	Line No.
			1
			2
			3
			4
			5
			6
			7
			8
			9
			10
			11
			12
			13
			14
			15
			16
			17
			18
			19
			20
			21
			22
			23
			24
			25
			26
			27
			28
			29
			30
			31
			32
			33
			34
			35
			36
			37
			38

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

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

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)	78.80	125.40	1
9	Diablo	Luna	345.00	345.00	(2)	84.90		1
10	Luna	Springerville	345.00	345.00	(2),(3)	224.70		1
11								
12								
13								
14	Various 115kV Lines		115.00	115.00	(1),(2)	435.57	49.37	1
15	Various 69kV Lines		69.00	69.00	(1),(2)	200.32	25.80	1
16								
17								
18								
19								
20								
21								
22								
23								
24								
25								
26								
27								
28								
29								
30								
31								
32								
33								
34								
35								
36					TOTAL	1,343.63	430.37	12

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	1,560,377	7,027,603	8,587,980					1
1780 ACSR	1,203,340	5,419,588	6,622,928					2
								3
795 ACSR	930,038	11,696,734	12,626,772					4
795 ACSR	423,552	4,126,253	4,549,805					5
795 ACSR	811,653	7,907,147	8,718,800					6
795 ACSR	86,513	1,482,118	1,568,631					7
954 ACSR/T2	3,107,408	17,242,074	20,349,482					8
954 ACSR	1,114,625	12,378,266	13,492,891					9
954 ACSR	173,895	60,781,234	60,955,129					10
								11
								12
								13
Various	1,986,338	39,360,517	41,346,855					14
Various	309,717	10,127,171	10,436,888					15
								16
								17
								18
								19
								20
								21
								22
								23
								24
								25
								26
								27
								28
								29
								30
								31
								32
								33
								34
								35
	11,707,456	177,548,705	189,256,161					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 2010/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.

TRANSMISSION LINES ADDED DURING YEAR

1. Report below the information called for concerning Transmission lines added or altered during the year. It is not necessary to report minor revisions of lines.
2. Provide separate subheadings for overhead and under-ground construction and show each transmission line separately. If actual costs of completed construction are not readily available for reporting columns (l) to (o), it is permissible to report in these columns the

Line No.	LINE DESIGNATION		Line Length in Miles (c)	SUPPORTING STRUCTURE		CIRCUITS PER STRUCTURE	
	From (a)	To (b)		Type (d)	Average Number per Miles (e)	Present (f)	Ultimate (g)
1	Newman	Picante	13.58	1,2	11.00	2	2
2	Biggs	Picante	2.29	2	11.00	2	2
3	Biggs	Global Reach	5.19	2	11.00	1	1
4							
5							
6							
7							
8							
9							
10							
11							
12							
13							
14							
15							
16							
17							
18							
19							
20							
21							
22							
23							
24							
25							
26							
27							
28							
29							
30							
31							
32							
33							
34							
35							
36							
37							
38							
39							
40							
41							
42							
43							
44	TOTAL		21.06		33.00	5	5

TRANSMISSION LINES ADDED DURING YEAR (Continued)

costs. Designate, however, if estimated amounts are reported. Include costs of Clearing Land and Rights-of-Way, and Roads and Trails, in column (l) with appropriate footnote, and costs of Underground Conduit in column (m).

3. If design voltage differs from operating voltage, indicate such fact by footnote; also where line is other than 60 cycle, 3 phase, indicate such other characteristic.

CONDUCTORS			Voltage KV (Operating) (k)	LINE COST					Line No.
Size (h)	Specification (i)	Configuration and Spacing (j)		Land and Land Rights (l)	Poles, Towers and Fixtures (m)	Conductors and Devices (n)	Asset Retire. Costs (o)	Total (p)	
954 MCM	ACSR	Delta/Hori13	115		973,005	648,817		1,621,822	1
954 MCM	ACSR	Horizontal 13	115		295,358	196,058		491,416	2
954 MCM	ACSR	Horizontal 13	115		459,864	126,927		586,791	3
									4
									5
									6
									7
									8
									9
									10
									11
									12
									13
									14
									15
									16
									17
									18
									19
									20
									21
									22
									23
									24
									25
									26
									27
									28
									29
									30
									31
									32
									33
									34
									35
									36
									37
									38
									39
									40
									41
									42
									43
					1,728,227	971,802		2,700,029	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 2010/Q4
FOOTNOTE DATA			

Schedule Page: 424 Line No.: 1 Column: m
Reflect cost estimates.

Schedule Page: 424 Line No.: 1 Column: n
Reflect cost estimates.

Schedule Page: 424 Line No.: 2 Column: m
Reflect cost estimates.

Schedule Page: 424 Line No.: 2 Column: n
Reflect cost estimates.

Schedule Page: 424 Line No.: 3 Column: m
Reflect cost estimates.

Schedule Page: 424 Line No.: 3 Column: n
Reflect cost estimates.

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	Altura El Paso	Dist. UA	13.80	4.16	
5	Americas El Paso	Dist. UA	69.00	14.40	
6	Amrad Oro Grande, NM	Trans. UA	345.00	115.00	13.00
7	Amrad Oro Grande, NM	Dist. UA	115.00	24.90	
8	Anthony Anthony, NM	Dist. UA	115.00	24.90	
9	Apollo New Mexico	Dist. UA	69.00	2.40	
10	Arroyo Las Cruces, NM	Trans. UA	345.00	345.00	
11	Arroyo Las Cruces, NM	Trans. UA	345.00	115.00	13.80
12	Arroyo Las Cruces, NM	Dist. UA	115.00	23.90	
13	Arroyo Las Cruces, NM	Dist. UA	115.00	23.90	
14	Ascarate El Paso	Dist. UA	115.00	69.00	14.40
15	Ascarate El Paso	Dist. UA	115.00	69.00	
16	Ascarate El Paso	Dist. UA	69.00	13.80	
17	Ascarate El Paso	Dist. UA	69.00	4.16	
18	Austin El Paso	Dist. UA	115.00	13.80	
19	Austin El Paso	Dist. UA	69.00	4.16	
20	Biggs El Paso	Dist. UA	115.00		
21	Border Steel El Paso	Dist. UA	115.00	13.80	
22	Butterfield El Paso	Dist. UA	115.00	13.80	
23	Caliente El Paso	Trans. UA	345.00	115.00	13.80
24	Caliente El Paso	Trans. UA	115.00	13.80	
25	Chaparral Chaparral, NM	Dist. UA	115.00	13.80	
26	Clint Lower Valley	Dist. UA	69.00	14.40	
27	Clint Lower Valley	Dist. UA	69.00	4.16	
28	Copper El Paso	Dist. UA	13.80	115.00	
29	Copper El Paso	Dist. UA	115.00	13.80	
30	Copper El Paso	Dist. UA	13.80	45.80	
31	Copper El Paso	Dist. UA	13.80	0.48	
32	Cox New Mexico	Trans. UA	115.00	69.00	
33	Coyote Lower Valley	Dist. UA	115.00	13.80	
34	Cromo El Paso	Dist. UA	115.00	13.80	
35	Dallas El Paso	Dist. UA	69.00	14.40	
36	Dallas El Paso	Dist. UA	69.00	13.80	
37	Dallas El Paso	Dist. UA	13.80	4.16	
38	Diablo Sunland Park, NM	Trans. UA	345.00	115.00	13.80
39	Durazno El Paso	Dist. UA	115.00	13.80	
40	Dyer El Paso	Dist. UA	69.00	14.40	

SUBSTATIONS

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

Line No.	Name and Location of Substation (a)	Character of Substation (b)	VOLTAGE (In MVa)		
			Primary (c)	Secondary (d)	Tertiary (e)
1	Dyer El Paso	Dist. UA	115.00	69.00	
2	EMRLD New Mexico	Dist. UA	115.00	13.80	
3	Farah El Paso	Dist. UA	69.00	13.80	
4	Felipe El Paso	Dist. UA	69.00	214.90	
5	Fort Bliss El Paso	Dist. UA	115.00	13.80	
6	Global Reach El Paso	Dist. UA	115.00	13.80	
7	Hatch New Mexico	Dist. UA	115.00	24.90	
8	Hatch New Mexico	Dist. UA	23.90	4.16	
9	Lane Lower Valley	Dist. UA	115.00	69.00	
10	Lane Lower Valley	Dist. UA	115.00	13.80	
11	Las Cruces Las Cruces, NM	Dist. UA	115.00	24.00	
12	Las Cruces Las Cruces, NM	Dist. UA	23.90	4.16	
13	Las Cruces Las Cruces, NM	Dist. UA	115.00	23.90	
14	Leo El Paso	Dist. UA	69.00	14.40	
15	Leo El Paso	Dist. UA	13.80	4.16	
16	Mann Lower Valley	Dist. UA	69.00	14.40	
17	Mann Lower Valley	Dist. UA	69.00	14.40	
18	Mesa El Paso	Dist. UA	115.00	13.80	
19	Milagro El Paso	Dist. UA	115.00	69.00	
20	Milagro El Paso	Dist. UA	115.00	13.80	
21	Montoya Upper Valley, NM	Dist. UA	115.00	23.90	
22	Montwood El Paso	Dist. UA	115.00	23.90	
23	Newman El Paso	Trans. UA	345.00	115.00	13.80
24	Newman El Paso	Trans. UA	13.80	115.00	
25	Newman El Paso	Trans. UA	115.00	2.40	
26	Newman El Paso	Dist. UA	13.80	2.40	
27	Newman El Paso	Trans. UA	13.80	115.00	
28	Newman El Paso	Dist. UA	13.80	2.40	
29	Newman El Paso	Trans. UA	18.00	115.00	
30	Newman El Paso	Trans. UA	13.80	115.00	
31	Newman El Paso	Dist. UA	13.80	4.16	
32	Newman El Paso	Trans. UA	13.80	115.00	
33	Newman El Paso	Trans. UA	115.00	4.16	
34	Newman El Paso	Trans. UA	13.80	115.00	
35	Newman El Paso	Trans. UA	13.80	115.00	
36	Newman El Paso	Trans. UA	13.80	115.00	
37	Newman El Paso	Dist. UA	13.80	4.16	
38	Newman El Paso	Dist. UA	13.80	4.16	
39	Newman El Paso	Trans. UA	13.80	115.00	
40	Phelps Dodge El Paso	Dist. UA	69.00	14.40	

SUBSTATIONS

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

Line No.	Name and Location of Substation (a)	Character of Substation (b)	VOLTAGE (In MVa)		
			Primary (c)	Secondary (d)	Tertiary (e)
1	Phelps Dodge El Paso	Dist. UA	13.80	2.30	
2	Phelps Dodge El Paso	Dist. UA	13.80	4.16	
3	Pellicano El Paso	Dist. UA	115.00	23.90	
4	Picacho New Mexico	Dist. UA	115.00	23.90	
5	Redeye New Mexico	Dist. UA	115.00	13.80	
6	Rio Grande Sunland Park, New Mexico	Dist. UA	17.20	115.00	
7	Rio Grande Sunland Park, New Mexico	Dist. UA	115.00	69.00	
8	Rio Grande Sunland Park, New Mexico	Dist. UA	69.00	2.40	
9	Rio Grande Sunland Park, New Mexico	Dist. UA	13.80	4.16	
10	Rio Grande Sunland Park, New Mexico	Trans. UA	18.00	4.16	
11	Rio Grande Sunland Park, New Mexico	Trans. UA	13.80	69.00	
12	Rio Grande Sunland Park, New Mexico	Trans. UA	14.40	4.16	
13	Rio Grande Sunland Park, New Mexico	Dist. UA	69.00	14.40	
14	Rio Grande Sunland Park, New Mexico	Trans. UA	13.80	2.40	
15	Rio Grande Sunland Park, New Mexico	Dist. UA	13.80	2.30	
16	Rio Grande Sunland Park, New Mexico	Dist. UA	14.40	2.40	
17	Ripley El Paso	Dist. UA	115.00	13.80	
18	Pendale Temp El Paso	Dist. UA	115.00	13.80	
19	Salopek Las Cruces, NM	Dist. UA	115.00	24.90	
20	Santa Fe El Paso	Dist. UA	69.00	13.80	
21	Santa Fe El Paso	Dist. UA	13.80	4.16	
22	Santa Teresa Santa Teresa	Dist. UA	115.00	24.90	
23	Scotsdale El Paso	Dist. UA	115.00	69.00	
24	Scotsdale El Paso	Dist. UA	115.00	13.80	
25	Shearman El Paso	Dist. UA	115.00	14.40	
26	Socorro Lower Valley	Dist. UA	69.00	13.80	
27	Sol El Paso	Dist. UA	115.00	13.80	
28	Sparks El Paso	Dist. UA	115.00	13.80	
29	Sunset El Paso	Dist. UA	69.00	14.40	
30	Sunset El Paso	Dist. UA	69.00	4.16	
31	Sunset North El Paso	Dist. UA	115.00	13.80	
32	Thorn El Paso	Dist. UA	115.00	13.80	
33	Viscount El Paso	Dist. UA	69.00	14.40	
34	Vista El Paso	Dist. UA	115.00	13.80	
35	White Sands New Mexico	Dist. UA	115.00	13.80	
36	Wrangler El Paso	Dist. UA	115.00	13.80	
37	Wrangler El Paso	Dist. UA	115.00	69.00	
38	Zaragosa Lower Valley	Dist. UA	69.00	14.40	
39	Zaragosa Lower Valley	Dist. UA	13.80	4.16	
40	Rio Bosque	Dist. UA	115.00	13.80	

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	5,000 to 10,000 kVA				
2					
3	Alamo Lower Valley	Dist. UA	69.00	24.00	
4	Clint Lower Valley	Dist. UA	69.00	14.40	
5	Clint Lower Valley	Dist. UA	69.00	4.16	
6	Darbyshire El Paso	Dist. UA	69.00	13.80	
7	Diana El Paso	Dist. UA	13.80	4.16	
8	Farmer Van Horn	Dist. UA	69.00	23.90	
9	Five Points El Paso	Dist. UA	13.80	4.16	
10	Horizon Horizon	Dist. UA	69.00	13.80	
11	Locust New Mexico	Dist. UA	23.90	4.16	
12	Mar New Mexico	Dist. UA	115.00	4.16	
13	Mar New Mexico	Dist. UA	24.90	4.16	
14	McGregor New Mexico	Dist. UA	69.00	13.80	
15	Proler Proler	Dist. UA	69.00	2.40	
16	S.P. Pipeline El Paso	Dist. UA	13.80	2.40	
17	Sierra Blanca Sierra Blanca	Dist. UA	69.00	24.00	
18	Sierra Blanca Sierra Blanca	Dist. UA	23.90	4.16	
19	Tobin El Paso	Dist. UA	13.80	4.16	
20	Valley Lower Valley	Dist. UA	69.00	14.40	
21	Durazno El Paso	Dist. UA	69.00	13.80	
22	1,000 to 5,000 kVA				
23					
24	Alameda Las Cruces, NM	Dist. UA	23.90	4.16	
25	Beaumont El Paso	Dist. UA	13.80	4.16	
26	Cadwallader El Paso	Dist. UA	13.80	4.16	
27	Canutillo Upper Valley	Dist. UA	23.90	4.16	
28	Cielo El Paso	Dist. UA	13.80	4.16	
29	Cinecue El Paso	Dist. UA	13.80	4.16	
30	Clardy El Paso	Dist. UA	13.80	4.16	
31	Coronado El Paso	Dist. UA	13.80	4.16	
32	Cotton El Paso	Dist. UA	13.80	4.16	
33	East El Paso	Dist. UA	13.80	4.16	
34	Fabens Lower Valley	Dist. UA	69.00	4.16	
35	Franklin El Paso	Dist. UA	13.80	4.16	
36	Fresno El Paso	Dist. UA	13.80	4.16	
37	Frontera Upper Valley	Dist. UA	13.80	4.16	
38	Grace El Paso	Dist. UA	14.40	4.16	
39	Griggs Upper Valley	Dist. UA	23.90	4.16	
40	Hacienda El Paso	Dist. UA	13.80	4.16	

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	Hanes New Mexico	Dist. UA	23.90	4.16	
2	Hueco El Paso	Dist. UA	69.00	23.90	
3	Hueco El Paso	Dist. UA	23.90	0.48	
4	Kemp El Paso	Dist. UA	13.80	4.16	
5	Latta El Paso	Dist. UA	13.80	4.16	
6	Lomaland El Paso	Dist. UA	13.80	4.16	
7	McClure Las Cruces, NM	Dist. UA	23.90	4.16	
8	Melendres Las Cruces, NM	Dist. UA	23.90	4.16	
9	Mesilla Park Mesilla Park, NM	Dist. UA	23.90	4.16	
10	Mission El Paso	Dist. UA	13.80	4.16	
11	Missouri Las Cruces, NM	Dist. UA	23.90	4.16	
12	Morningside El Paso	Dist. UA	13.80	4.16	
13	Mountain El Paso	Dist. UA	13.80	4.16	
14	Mulberry Upper Valley	Dist. UA	13.80	4.16	
15	Nevada Las Cruces, NM	Dist. UA	23.90	4.16	
16	Nevins Nevins	Dist. UA	23.90	4.16	
17	Newell Newell	Dist. UA	13.80	2.40	
18	Newtex Upper Valley	Dist. UA	23.90	4.16	
19	Octavia El Paso	Dist. UA	13.80	4.16	
20	Parkdale El Paso	Dist. UA	13.80	4.16	
21	Prison El Paso	Dist. UA	23.90	2.40	
22	Railroad El Paso	Dist. UA	14.40	2.40	
23	Ranchland El Paso	Dist. UA	13.80	4.16	
24	Range New Mexico	Dist. UA	24.90	13.20	
25	River Upper Valley	Dist. UA	13.80	4.16	
26	Rosedale El Paso	Dist. UA	13.80	4.16	
27	Sierra Blanca Sierra Blanca	Dist. UA	69.00	24.90	
28	Sierra Blanca Sierra Blanca	Dist. UA	23.90	4.16	
29	Summit El Paso	Dist. UA	13.80	4.16	
30	UTEP El Paso	Dist. UA	13.80	4.16	
31	Van Horn Van Horn	Dist. UA	23.90	4.16	
32	Vinton New Mexico	Dist. UA	23.90	4.16	
33	Water Trtmnt El Paso	Dist. UA	13.80	2.40	
34	Westside Las Cruces, NM	Dist. UA	23.90	4.16	
35	White Upper Valley	Dist. UA	13.80	4.16	
36	Ysleta El Paso	Dist. UA	13.80	4.16	
37					
38	300 to 999 kVA				
39					
40	Chevron Pipeline New Mexico	Dist. UA	23.90	2.40	

SUBSTATIONS

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

Line No.	Name and Location of Substation (a)	Character of Substation (b)	VOLTAGE (In MVa)		
			Primary (c)	Secondary (d)	Tertiary (e)
1	Dona Ana New Mexico	Dist. UA	23.90	4.16	
2	Fort Hancock Hudspeth County	Dist. UA	24.90	4.16	
3	La Mesa New Mexico	Dist. UA	23.90	4.16	
4	La Posta New Mexico	Dist. UA	23.90	4.16	
5	Salem New Mexico	Dist. UA	24.40	4.16	
6	Tornillo Lower Valley	Dist. UA	24.40	4.16	
7	Wilson El Paso	Dist. UA	13.80	2.40	
8					
9	300 kVA (Distribution Racks)				
10					
11	Acala Hudspeth County	Dist. UA	23.90	2.40	
12	Allamore Hudspeth County	Dist. UA	23.90	2.40	
13	Camp 90 Hudspeth County	Dist. UA	23.90	2.40	
14	Country Club Anthony, NM	Dist. UA	13.80	2.40	
15	Eagler Flats Hudspeth County (Dees)	Dist. UA	23.90	2.40	
16	Faskin Hudspeth County	Dist. UA	23.90	2.40	
17	Gill-Neely Hudspeth County (Maverick)	Dist. UA	23.90	2.40	
18	Love Hudspeth County	Dist. UA	23.90	2.40	
19	Riverside Hudspeth County	Dist. UA	23.90	2.40	
20					
21					
22	PORTABLE SUBSTATIONS				
23	(All sizes)				
24	Mobile Substation	Dist. UA	13.80	0.48	
25	Mobile Substation	Dist. UA	115.00	13.80	
26	Mobile Substation	Dist. UA	115.00	13.80	
27	Mobile Substation	Dist. UA	69.00	2.40	
28	Mobile Substation No. 2	Dist. UA	24.90	2.40	
29	Mobile Substation No. 3	Dist. UA	13.80	2.40	
30					
31	SPARE TRANSFORMERS	N/A			
32					
33					
34					
35					
36					
37					
38					
39					
40					

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
13	2					4
30	1					5
261	1					6
8	1					7
54	2					8
11	1					9
308	1					10
400	2					11
30	1					12
30	1	1				13
100	1					14
100	1					15
40	2					16
10	3					17
80	2					18
10	3					19
						20
70	2					21
60	2					22
400	2					23
30	3					24
30	1					25
8	1					26
3	3					27
125	1					28
30	1					29
2	1					30
1	1					31
12	1					32
13	1					33
60	2					34
20	1					35
20	1					36
5	2					37
600	3					38
12	1					39
50	2					40

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)	
100	1					1
13	1					2
20	1					3
15	1					4
50	2					5
30	1					6
30	1					7
2	1					8
100	1					9
30	1					10
40	2					11
6	1					12
120	2					13
20	1					14
5	2					15
30	1					16
24	1					17
60	2					18
100	1					19
90	3					20
130	3					21
30	1	1				22
230	1					23
112	1					24
6	1					25
10	2					26
99	1					27
10	1					28
125	1					29
112	1					30
10	1					31
112	1					32
20	1					33
112	1					34
117	1					35
117	1					36
17	1					37
17	1					38
175	1					39
10	3					40

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	2					1
5	1					2
30	1					3
50	1					4
13	1					5
348	1	1				6
200	2					7
11	1					8
10	1					9
14	1					10
50	1					11
4	1					12
20	1					13
3	1					14
						15
8	2					16
30	1					17
30	1					18
78	3					19
25	1					20
11	3					21
30	1					22
100	1					23
55	2					24
30	1					25
30	1					26
60	2					27
30	1					28
30	2					29
10	3					30
60	2					31
60	2					32
30	1					33
60	2					34
30	1					35
50	1					36
100	1					37
20	1					38
2	1					39
30	1					40

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

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

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	1					1
1	1					2
1	1					3
1	3					4
	1					5
1	1					6
1	1					7
						8
						9
						10
	1					11
	1					12
	1					13
	2					14
	1					15
	1					16
	1					17
	1					18
	1					19
						20
						21
						22
						23
						24
						25
						26
						27
						28
						29
						30
		19				31
						32
						33
						34
						35
						36
						37
						38
						39
						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 2010/Q4
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.: 3 Column: c

Prior Period Adjustment

Schedule Page: 426 Line No.: 20 Column: a

Footnote Linked. See note on 426, Row: 3, col/item:

Name of Respondent

El Paso Electric Company

This Report Is:

(1) An Original

(2) A Resubmission

Date of Report

(Mo, Da, Yr)

/ /

Year/Period of Report

End of 2010/Q4

TRANSACTIONS WITH ASSOCIATED (AFFILIATED) COMPANIES

1. Report below the information called for concerning all non-power goods or services received from or provided to associated (affiliated) companies.
2. The reporting threshold for reporting purposes is \$250,000. The threshold applies to the annual amount billed to the respondent or billed to an associated/affiliated company for non-power goods and services. The good or service must be specific in nature. Respondents should not attempt to include or aggregate amounts in a nonspecific category such as "general".
3. Where amounts billed to or received from the associated (affiliated) company are based on an allocation process, explain in a footnote.

Line No.	Description of the Non-Power Good or Service (a)	Name of Associated/Affiliated Company (b)	Account Charged or Credited (c)	Amount Charged or Credited (d)
1	Non-power Goods or Services Provided by Affiliated			
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				
15				
16				
17				
18				
19				
20	Non-power Goods or Services Provided for Affiliate			
21				
22				
23				
24				
25				
26				
27				
28				
29				
30				
31				
32				
33				
34				
35				
36				
37				
38				
39				
40				
41				
42				

INDEX

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

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

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

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

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