

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 2008/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>2008/Q4</u>
03 Previous Name and Date of Change (if name changed during year) / /		
04 Address of Principal Office at End of Period (Street, City, State, Zip Code) P.O. Box 982, El Paso, TX 79960-0982; 100 North Stanton, El Paso, TX 79901		
05 Name of Contact Person David G. Carpenter		06 Title of Contact Person VP Reg. Svcs. & Controller
07 Address of Contact Person (Street, City, State, Zip Code) P.O. Box 982, El Paso, TX 79960-0982; 100 North Stanton, El Paso, TX 79901		
08 Telephone of Contact Person, Including Area Code (915) 543-5945	09 This Report Is (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	10 Date of Report (Mo, Da, Yr) / /

ANNUAL CORPORATE OFFICER CERTIFICATION

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 David G. Carpenter	03 Signature David G. Carpenter	04 Date Signed (Mo, Da, Yr) / /
02 Title VP Regulatory Services & Controller		

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

Name of Respondent 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>2008/Q4</u>
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LIST OF SCHEDULES (Electric Utility)

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

Line No.	Title of Schedule (a)	Reference Page No. (b)	Remarks (c)
1	General Information	101	
2	Control Over Respondent	102	not applicable
3	Corporations Controlled by Respondent	103	
4	Officers	104	
5	Directors	105	
6	Important Changes During the Year	108-109	
7	Comparative Balance Sheet	110-113	
8	Statement of Income for the Year	114-117	
9	Statement of Retained Earnings for the Year	118-119	
10	Statement of Cash Flows	120-121	
11	Notes to Financial Statements	122-123	
12	Statement of Accum Comp Income, Comp Income, and Hedging Activities	122(a)(b)	
13	Summary of Utility Plant & Accumulated Provisions for Dep, Amort & Dep	200-201	
14	Nuclear Fuel Materials	202-203	
15	Electric Plant in Service	204-207	
16	Electric Plant Leased to Others	213	none
17	Electric Plant Held for Future Use	214	none
18	Construction Work in Progress-Electric	216	
19	Accumulated Provision for Depreciation of Electric Utility Plant	219	
20	Investment of Subsidiary Companies	224-225	
21	Materials and Supplies	227	
22	Allowances	228-229	
23	Extraordinary Property Losses	230	none
24	Unrecovered Plant and Regulatory Study Costs	230	
25	Transmission Service and Generation Interconnection Study Costs	231	none
26	Other Regulatory Assets	232	
27	Miscellaneous Deferred Debits	233	
28	Accumulated Deferred Income Taxes	234	
29	Capital Stock	250-251	
30	Other Paid-in Capital	253	
31	Capital Stock Expense	254	
32	Long-Term Debt	256-257	
33	Reconciliation of Reported Net Income with Taxable Inc for Fed Inc Tax	261	
34	Taxes Accrued, Prepaid and Charged During the Year	262-263	
35	Accumulated Deferred Investment Tax Credits	266-267	
36	Other Deferred Credits	269	

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 2008/Q4
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LIST OF SCHEDULES (Electric Utility) (continued)

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

Line No.	Title of Schedule (a)	Reference Page No. (b)	Remarks (c)
37	Accumulated Deferred Income Taxes-Accelerated Amortization Property	272-273	not applicable
38	Accumulated Deferred Income Taxes-Other Property	274-275	
39	Accumulated Deferred Income Taxes-Other	276-277	
40	Other Regulatory Liabilities	278	
41	Electric Operating Revenues	300-301	
42	Sales of Electricity by Rate Schedules	304	
43	Sales for Resale	310-311	
44	Electric Operation and Maintenance Expenses	320-323	
45	Purchased Power	326-327	
46	Transmission of Electricity for Others	328-330	
47	Transmission of Electricity by ISO/RTOs	331	not applicable
48	Transmission of Electricity by Others	332	
49	Miscellaneous General Expenses-Electric	335	
50	Depreciation and Amortization of Electric Plant	336-337	
51	Regulatory Commission Expenses	350-351	
52	Research, Development and Demonstration Activities	352-353	none
53	Distribution of Salaries and Wages	354-355	
54	Common Utility Plant and Expenses	356	none
55	Amounts included in ISO/RTO Settlement Statements	397	not applicable
56	Purchase and Sale of Ancillary Services	398	
57	Monthly Transmission System Peak Load	400	
58	Monthly ISO/RTO Transmission System Peak Load	400a	not applicable
59	Electric Energy Account	401	
60	Monthly Peaks and Output	401	
61	Steam Electric Generating Plant Statistics	402-403	
62	Hydroelectric Generating Plant Statistics	406-407	not applicable
63	Pumped Storage Generating Plant Statistics	408-409	not applicable
64	Generating Plant Statistics Pages	410-411	not applicable
65	Transmission Line Statistics Pages	422-423	
66	Transmission Lines Added During the Year	424-425	none

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LIST OF SCHEDULES (Electric Utility) (continued)

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

Line No.	Title of Schedule (a)	Reference Page No. (b)	Remarks (c)
67	Substations	426-427	
68	Footnote Data	450	
	<p>Stockholders' Reports Check appropriate box:</p> <p><input checked="" type="checkbox"/> Four copies will be submitted</p> <p><input type="checkbox"/> No annual report to stockholders is prepared</p>		

Name of Respondent El Paso Electric Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of <u>2008/Q4</u>
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GENERAL INFORMATION

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

David G. Carpenter
Vice President - Regulatory Services & Controller
Stanton Tower, 100 North Stanton
El Paso, Texas 79901

Mailing Address:
David G. Carpenter
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, Arizona and California 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 <i>(Mo, Da, Yr)</i> / /	Year/Period of Report End of <u>2008/Q4</u>
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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.

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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%	
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FOOTNOTE DATA			

Schedule Page: 103 Line No.: 1 Column: a

On July 19, 2002 all sales activities ceased. MiraSol remains a going concern in order to satisfy current contracts and warranty and service obligations on previously installed projects.

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OFFICERS

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

Line No.	Title (a)	Name of Officer (b)	Salary for Year (c)
1	Chief Executive Officer	David W. Stevens	48,077
2	President and Chief Operating Officer	J. Frank Bates	390,311
3	Executive Vice President , Chief Financial and		
4	Administrative Officer	Scott D. Wilson	328,412
5	Senior Vice President and General Counsel	Gary D. Sanders	238,462
6	Vice President - Power Marketing and Fuels	Steve Buraczyk	145,205
7	Vice President - Treasurer and Chief Risk Officer	Steven P. Busser	187,740
8	Vice President - Regulatory Services and Controller	David G. Carpenter	223,600
9	Vice President - New Mexico Affairs	Robert C. Doyle	132,000
10	Vice President - Human Resources	Richard G. Gonzalez	129,500
11	Vice President - Public Affairs	Helen Knopp	182,784
12	Vice President - Customer Care	Kerry B. Lore	190,624
13	Vice President - Corporate Planning	Rocky R. Miracle	67,692
14	Vice President - Transmission and Distribution	Hector R. Puente	201,345
15	Vice President - Power Generation	Andres R. Ramirez	194,684
16	Corporate Secretary	Guillermo Silva, Jr.	145,230
17	Vice President - System Operations and Planning	John A. Whitacre	194,333
18	Chief Executive Officer, President and Director	Ershel C. Redd, Jr.	71,154
19	Executive Vice President - External Affairs	Hector Gutierrez, Jr.	85,911
20	Vice President - Safety, Environmental, Power		
21	Marketing and International Affairs	Fernando J. Gireud	53,263
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FOOTNOTE DATA			

Schedule Page: 104 Line No.: 1 Column: b

David W. Stevens was appointed as Chief Executive Officer and a member of the Company's Board of Directors effective on November 17, 2008 with an annual salary of \$500,000.

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

On November 12, 2008 J. Frank Bates was appointed as President and Chief Operating Officer. From February 2008 to November 2008, Mr. Bates served as Interim President and Chief Executive Officer. Prior to February 2008 Mr. Bates served as Executive Vice President and Chief Operating Officer.

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

On July 18, 2008, Gary D. Sanders was promoted to Senior Vice President and General Counsel. Mr. Sanders had been General Counsel since February 2006.

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

On July 17, 2008, the Company promoted Steve Buraczyk to Vice President of Power Marketing and Fuels. Mr. Buraczyk had been Director of Power Marketing and Fuels since August 2006.

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

On September 2, 2008 David G. Carpenter was appointed to serve as Vice President of Regulatory Services and Controller. Mr. Carpenter had been Vice President of Corporate Planning and Controller since August 2005.

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

On December 22, 2008 Kerry B. Lore was appointed to serve as Vice President of Customer Care. Ms. Lore has been Vice President of Administration since May 2003.

Schedule Page: 104 Line No.: 13 Column: b

On September 2, 2008, the Company appointed Rocky R. Miracle as Vice President of Corporate Planning with an annual salary of \$220,000.

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

On February 12, 2008, Ershel C. Redd, Jr. resigned his position as Chief Executive Officer, President and Director of the Company.

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

On May 1, 2008, Hector Gutierrez, Jr. resigned his position as Executive Vice President - External Affairs.

Schedule Page: 104 Line No.: 21 Column: b

As of April 11, 2008, Fernando J. Gireud Vice President - Safety, Environmental, Power Marketing and International Affairs is no longer with the Company.

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DIRECTORS

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

Line No.	Name (and Title) of Director (a)	Principal Business Address (b)
1	John Robert Brown - Director	Brownco Capital, L.L.C.
2		414 Executive Center Blvd., Suite 210
3		El Paso, Texas 79902
4		
5	James W. Cicconi - Director	AT&T
6		1120 20th Street, N.W. - Suite 1000
7		Washington, D.C. 20036
8		
9	George W. Edwards, Jr. - Director	79 West View Way
10		Eatonton, Georgia 31024-5445
11		
12	James W. Harris - Director***	Seneca Financial Group, Inc.
13		60 East 42nd, Suite 421
14		New York, New York 10165
15		
16	Gary R. Hedrick - Director	Consultant - El Paso Electric Co.
17		100 N. Stanton
18		El Paso, Texas 79901
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	TCW Group
29	the Board***	11100 Santa Monica Blvd., Suite 2000
30		Los Angeles, California 90025
31		
32	Eric B. Siegel - Director**	11100 Santa Monica Blvd., Suite 2000
33		Los Angeles, California 90025
34		
35	David W. Stevens - Director & CEO	El Paso Electric Co.
36		100 N. Stanton
37		El Paso, Texas 79901
38		
39	Stephen N. Wertheimer - Director***	W Capital Partners
40		One East 52nd Street
41		New York, New York 10022
42		
43	Charles A. Yamarone - Director	Libra Securities LLC
44		11766 Wilshire Blvd., Suite 870
45		Los Angeles, California 90025
46		
47		
48		

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DIRECTORS

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

Line No.	Name (and Title) of Director (a)	Principal Business Address (b)
1	Ershel C. Redd, Jr. - President and CEO***	El Paso Electric Company
2		P.O. Box 982
3		El Paso, Texas 79960
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FOOTNOTE DATA			

Schedule Page: 105 Line No.: 35 Column: a

On November 12, 2008, David W. Stevens was appointed as Chief Executive Officer and Director.

Schedule Page: 105.1 Line No.: 1 Column: a

On February 12, 2008, Ershel C. Redd, Jr. resigned his position as Chief Executive Officer, President and Director of the Company.

Name of Respondent El Paso Electric Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report / /	Year/Period of Report End of <u>2008/Q4</u>
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IMPORTANT CHANGES DURING THE QUARTER/YEAR

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

1. Changes in and important additions to franchise rights: Describe the actual consideration given therefore and state from whom the franchise rights were acquired. If acquired without the payment of consideration, state that fact.
2. Acquisition of ownership in other companies by reorganization, merger, or consolidation with other companies: Give names of companies involved, particulars concerning the transactions, name of the Commission authorizing the transaction, and reference to Commission authorization.
3. Purchase or sale of an operating unit or system: Give a brief description of the property, and of the transactions relating thereto, and reference to Commission authorization, if any was required. Give date journal entries called for by the Uniform System of Accounts were submitted to the Commission.
4. Important leaseholds (other than leaseholds for natural gas lands) that have been acquired or given, assigned or surrendered: Give effective dates, lengths of terms, names of parties, rents, and other condition. State name of Commission authorizing lease and give reference to such authorization.
5. Important extension or reduction of transmission or distribution system: State territory added or relinquished and date operations began or ceased and give reference to Commission authorization, if any was required. State also the approximate number of customers added or lost and approximate annual revenues of each class of service. Each natural gas company must also state major new continuing sources of gas made available to it from purchases, development, purchase contract or otherwise, giving location and approximate total gas volumes available, period of contracts, and other parties to any such arrangements, etc.
6. Obligations incurred as a result of issuance of securities or assumption of liabilities or guarantees including issuance of short-term debt and commercial paper having a maturity of one year or less. Give reference to FERC or State Commission authorization, as appropriate, and the amount of obligation or guarantee.
7. Changes in articles of incorporation or amendments to charter: Explain the nature and purpose of such changes or amendments.
8. State the estimated annual effect and nature of any important wage scale changes during the year.
9. State briefly the status of any materially important legal proceedings pending at the end of the year, and the results of any such proceedings culminated during the year.
10. Describe briefly any materially important transactions of the respondent not disclosed elsewhere in this report in which an officer, director, security holder reported on Page 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.

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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:

In July 2007, the Company entered into an agreement to lease executive and administrative offices in El Paso, Texas under a lease which expires in May 2018 with three concurrent renewal options of five years each. On February 8, 2008, the Company exercised its right of first refusal in the lease agreement to purchase this office building. All obligations previously incurred relating to this lease were terminated. Commission authorization was not required.

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:

The Company filed an automatically-effective Shelf Registration Statement with the SEC on May 20, 2008 (the "WKSI Shelf Registration Statement"). This registration statement enables the Company to offer debt securities, first mortgage bonds, shares of stock and certain other securities in unspecified amounts from time to time in one or more offerings. The Company received NMPRC (Case No. 08-00122-UT) and FERC (Docket No. ES08-44-0000) approval to issue up to \$300 million in one or more series of new bonds for terms varying from no less than five years to no more than 30 years on May 13, 2008 and May 16, 2008, respectively.

In June 2008, the Company issued \$150.0 million aggregate principal amount of its 7.5% Senior Notes due March 15, 2038 under the WKSI Shelf Registration Statement and pursuant to the authorizations from the NMPRC and the FERC. 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 will be 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.

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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 3.5% effective in January 2008 compared to 2007 through the merit award process. The annual effect of this increase was approximately \$1.3 million. Base salaries for union employees under contract were increased by an average of 3.0% effective in September 2008 compared to 2007. The annual effect of this increase was approximately \$0.7 million.

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

The Company is a party to various legal actions. In many of these matters, the Company has excess casualty liability insurance that covers the various claims, actions and complaints. Based upon a review of these claims and applicable insurance coverage, 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.

On May 5, 2004, Wah Chang, a specialty metals manufacturer which operates a plant in Oregon, filed suit against the Company and other defendants in the United States District Court for the District of Oregon. (*Wah Chang v. Avista Corporation, et al.*, No. 04 619AS). The Court granted the Company's motion to dismiss the case. Wah Chang filed notice of appeal with the U.S. Court of Appeals for the Ninth Circuit, and in November 2007, the Ninth Circuit upheld the dismissal of the suit. Wah Chang filed a motion for rehearing of the appeal, and on January 15, 2008, the Ninth Circuit denied Wah Chang's motion. No appeal was filed to the U.S. Supreme Court, and the Ninth Circuit decision upholding the dismissal is final.

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 a new generating station (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 the 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 his 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

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IMPORTANT CHANGES DURING THE QUARTER/YEAR (Continued)			

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 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. If the order is not reversed, the Company will lose the opportunity to receive compensation from TEP for such transmission service in the future. The Company filed a request for rehearing on December 15, 2008 of the FERC's decision, 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. The FERC suspended the period for ruling on the motion for rehearing on January 14, 2009. If the FERC denies the Company's request for rehearing or again finds against the Company on rehearing, the Company will have the right to seek judicial review of the order. The Company cannot predict the outcome of such potential future proceedings.

10. **Materially Important Transactions:**

Power Purchase and Sale Contracts

Power Purchase Contracts. To supplement its own generation and operating reserves, the Company engages in firm and non-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 entered into a 20-year contract for the purchase of up to 133 MW of capacity and associated energy beginning in 2006 from Southwestern Public Service Company ("SPS"). This contract includes a demand charge, fuel charge, variable operations and maintenance charge, and a transmission charge. However, SPS has exercised its right to terminate the contract early due to adverse regulatory action by the Texas Commission regarding transactions under the contract. As a result, the contract will terminate on September 30, 2009.

Sales Contracts. The Company provides firm capacity and associated energy to the Rio Grande Electric Cooperative ("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"). In 2006, the Company provided RGEC with a notice of termination. On March 28, 2008, the Company filed with FERC a new power sales agreement for full requirements wholesale electric service (the "Agreement") to sell capacity and energy to RGEC at a cost-based formula rate. The Company requested that the Agreement become effective April 1, 2008 to replace the power sales agreement that expired March 31, 2008. The Agreement includes a formula-based rate that will be updated annually to recover non-fuel generation costs and a fuel adjustment clause designed to recover all eligible fuel

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IMPORTANT CHANGES DURING THE QUARTER/YEAR (Continued)			

and purchased power costs allocable to RGEC. The FERC issued an order accepting the tariff on May 21, 2008 approving the effective date of April 1, 2008.

11. Reserved

12. Important changes during the year:

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

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

On February 12, 2008, the Company announced the resignation of Ershel C. Redd, Jr. from the positions of President and Chief Executive Officer and a member of the Company's Board of Directors and appointed J. Frank Bates as the Interim President and Chief Executive Officer effective immediately. Mr. Bates previously served as the Company's Executive Vice President and Chief Operating Officer.

On April 4, 2008, Ramiro Guzman resigned as a Director of the Company effective immediately.

On April 11, 2008, the Company announced that Fernando J. Gireud, Vice President of Safety, Environmental, Power Marketing and International Affairs, was no longer with the Company.

On May 1, 2008, the Company announced that Hector Gutierrez, Jr. resigned from his position as Executive Vice President of External Affairs.

On May 7, 2008, the Company announced the election of long-time board member Kenneth R. Heitz as the new Chairman of the Company's Board of Directors. Mr. Heitz replaced retiring Chairman, George W. Edwards, Jr., who remained on the Company's Board of Directors.

On July 18, 2008, the Company announced the promotions of Gary D. Sanders to Senior Vice President and General Counsel and of Steve Buraczyk to Vice President of Power Marketing and Fuels.

On September 2, 2008, the Board of Directors appointed Rocky Miracle to serve as Vice President of Corporate Planning. Mr. Miracle will be responsible for coordinating the Company's strategic and financial planning efforts, as well as assisting with special projects.

On September 2, 2008, the Board of Directors appointed David G. Carpenter to serve as Vice President of Regulatory Services and Controller. Mr. Carpenter had been Vice President of Corporate Planning and Controller since August 2005.

Effective November 17, 2008, the Board of Directors appointed David W. Stevens to serve as Chief Executive Officer ("CEO") and a member of the Company's Board of Directors. Mr. Stevens, age 49, served as founder and principal of David W. Stevens Professional Consulting Services, LLC, a consulting services company focused on business acquisition and development and regulatory consulting for energy companies

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

throughout the continental United States. Prior to that, Mr. Stevens served as President and CEO of Cascade Natural Gas Corporation from 2005 to 2007. From 2003 to 2005, Mr. Stevens was President and Chief Operating Officer (“COO”) for Panhandle Energy, a Southern Union Company subsidiary. From 1997 to 2003, he was President of the Southern Union Gas Company. Prior to that, Mr. Stevens served in other executive capacities within the Southern Union Company, including Senior Vice President – Sales and Operations, Regional Vice President, Group Vice President and Vice President – Operations. Mr. Stevens joined the Southern Union Company in 1984. Mr. Stevens succeeded Mr. Bates, who served as the Interim President and CEO of the Company from February 2008 to November 2008 and who remained with the Company as President and COO.

On December 22, 2008, the Board of Directors appointed Kerry B. Lore to serve as Vice President - Customer Care. Ms. Lore had been Vice President - Administration since May 2003.

On March 6, 2009, the Board of Directors appointed Richard Fleager to serve as Senior Vice President of Customer Care and External Affairs effective April 1, 2009. Mr. Fleager will oversee the Company's Customer Care, Public Relations, Governmental Affairs and Information Technology areas.

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

Not applicable

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COMPARATIVE BALANCE SHEET (ASSETS AND OTHER DEBITS)

Line No.	Title of Account (a)	Ref. Page No. (b)	Current Year End of Quarter/Year Balance (c)	Prior Year End Balance 12/31 (d)
1	UTILITY PLANT			
2	Utility Plant (101-106, 114)	200-201	3,103,222,102	2,934,635,184
3	Construction Work in Progress (107)	200-201	205,747,672	186,500,805
4	TOTAL Utility Plant (Enter Total of lines 2 and 3)		3,308,969,774	3,121,135,989
5	(Less) Accum. Prov. for Depr. Amort. Depl. (108, 110, 111, 115)	200-201	1,808,821,988	1,766,138,301
6	Net Utility Plant (Enter Total of line 4 less 5)		1,500,147,786	1,354,997,688
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)		116,899,947	114,422,253
12	(Less) Accum. Prov. for Amort. of Nucl. Fuel Assemblies (120.5)	202-203	29,746,067	35,504,717
13	Net Nuclear Fuel (Enter Total of lines 7-11 less 12)		87,153,880	78,917,536
14	Net Utility Plant (Enter Total of lines 6 and 13)		1,587,301,666	1,433,915,224
15	Utility Plant Adjustments (116)	122	3,749,167	5,315,773
16	Gas Stored Underground - Noncurrent (117)		0	0
17	OTHER PROPERTY AND INVESTMENTS			
18	Nonutility Property (121)		143,494	502,895
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	439,916	345,903
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)		2,537,210	214,810
25	Sinking Funds (125)		0	0
26	Depreciation Fund (126)		0	0
27	Amortization Fund - Federal (127)		0	0
28	Other Special Funds (128)		118,920,502	138,192,277
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)		122,041,122	139,255,885
33	CURRENT AND ACCRUED ASSETS			
34	Cash and Working Funds (Non-major Only) (130)		0	0
35	Cash (131)		6,710,822	-3,619,842
36	Special Deposits (132-134)		0	0
37	Working Fund (135)		-86,100	-240,141
38	Temporary Cash Investments (136)		85,017,117	28,835,542
39	Notes Receivable (141)		0	0
40	Customer Accounts Receivable (142)		78,193,467	67,836,190
41	Other Accounts Receivable (143)		2,729,407	1,218,285
42	(Less) Accum. Prov. for Uncollectible Acct.-Credit (144)		3,122,582	2,872,782
43	Notes Receivable from Associated Companies (145)		0	0
44	Accounts Receivable from Assoc. Companies (146)		0	0
45	Fuel Stock (151)	227	2,299,860	2,342,349
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	37,853,530	31,822,020
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	0	0

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

Line No.	Title of Account (a)	Ref. Page No. (b)	Current Year End of Quarter/Year Balance (c)	Prior Year End Balance 12/31 (d)
53	(Less) Noncurrent Portion of Allowances		0	0
54	Stores Expense Undistributed (163)	227	0	69,906
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)		17,065,811	30,027,737
58	Advances for Gas (166-167)		0	0
59	Interest and Dividends Receivable (171)		30,182	61,895
60	Rents Receivable (172)		0	0
61	Accrued Utility Revenues (173)		18,632,000	17,856,000
62	Miscellaneous Current and Accrued Assets (174)		537,848	876,027
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)		245,861,362	174,213,186
68	DEFERRED DEBITS			
69	Unamortized Debt Expenses (181)		9,322,750	8,260,885
70	Extraordinary Property Losses (182.1)	230	0	0
71	Unrecovered Plant and Regulatory Study Costs (182.2)	230	0	0
72	Other Regulatory Assets (182.3)	232	157,320,964	137,044,134
73	Prelim. Survey and Investigation Charges (Electric) (183)		1,105,703	2,228,834
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)		-192,350	-224,750
77	Temporary Facilities (185)		0	0
78	Miscellaneous Deferred Debits (186)	233	-74,782	709,280
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)		22,603,122	23,456,379
82	Accumulated Deferred Income Taxes (190)	234	239,506,723	230,607,843
83	Unrecovered Purchased Gas Costs (191)		0	0
84	Total Deferred Debits (lines 69 through 83)		429,592,130	402,082,605
85	TOTAL ASSETS (lines 14-16, 32, 67, and 84)		2,388,545,447	2,154,782,673

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>2008/Q4</u>
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COMPARATIVE BALANCE SHEET (LIABILITIES AND OTHER CREDITS)

Line No.	Title of Account (a)	Ref. Page No. (b)	Current Year End of Quarter/Year Balance (c)	Prior Year End Balance 12/31 (d)
1	PROPRIETARY CAPITAL			
2	Common Stock Issued (201)	250-251	64,658,280	64,462,984
3	Preferred Stock Issued (204)	250-251	0	0
4	Capital Stock Subscribed (202, 205)	252	0	0
5	Stock Liability for Conversion (203, 206)	252	0	0
6	Premium on Capital Stock (207)	252	283,204,584	280,453,618
7	Other Paid-In Capital (208-211)	253	2,187,240	2,188,812
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)	254	340,939	340,939
11	Retained Earnings (215, 215.1, 216)	118-119	668,198,733	588,005,001
12	Unappropriated Undistributed Subsidiary Earnings (216.1)	118-119	-3,520,485	-3,609,709
13	(Less) Reaquired Capital Stock (217)	250-251	279,807,945	269,915,554
14	Noncorporate Proprietorship (Non-major only) (218)		0	0
15	Accumulated Other Comprehensive Income (219)	122(a)(b)	-36,815,282	5,014,716
16	Total Proprietary Capital (lines 2 through 15)		697,764,186	666,258,929
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	553,377,476	403,761,539
22	Unamortized Premium on Long-Term Debt (225)		0	0
23	(Less) Unamortized Discount on Long-Term Debt-Debit (226)		3,482,620	2,241,457
24	Total Long-Term Debt (lines 18 through 23)		743,029,856	594,655,082
25	OTHER NONCURRENT LIABILITIES			
26	Obligations Under Capital Leases - Noncurrent (227)		67,520,791	61,316,522
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)		124,898,076	97,472,913
30	Accumulated Miscellaneous Operating Provisions (228.4)		0	0
31	Accumulated Provision for Rate Refunds (229)		0	3,576,221
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)		78,036,675	79,708,451
35	Total Other Noncurrent Liabilities (lines 26 through 34)		270,455,542	242,074,107
36	CURRENT AND ACCRUED LIABILITIES			
37	Notes Payable (231)		0	0
38	Accounts Payable (232)		61,510,764	57,829,925
39	Notes Payable to Associated Companies (233)		0	0
40	Accounts Payable to Associated Companies (234)		0	0
41	Customer Deposits (235)		5,292,784	4,755,320
42	Taxes Accrued (236)	262-263	23,981,263	20,838,766
43	Interest Accrued (237)		7,518,874	4,346,751
44	Dividends Declared (238)		0	0
45	Matured Long-Term Debt (239)		0	0

Name of Respondent El Paso Electric Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (mo, da, yr) / /	Year/Period of Report end of 2008/Q4
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COMPARATIVE BALANCE SHEET (LIABILITIES AND OTHER CREDITS) (Continued)

Line No.	Title of Account (a)	Ref. Page No. (b)	Current Year End of Quarter/Year Balance (c)	Prior Year End Balance 12/31 (d)
46	Matured Interest (240)		0	0
47	Tax Collections Payable (241)		2,006,209	1,736,504
48	Miscellaneous Current and Accrued Liabilities (242)		16,947,092	15,627,863
49	Obligations Under Capital Leases-Current (243)		22,754,379	17,937,052
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)		140,011,365	123,072,181
55	DEFERRED CREDITS			
56	Customer Advances for Construction (252)		5,866,241	5,182,728
57	Accumulated Deferred Investment Tax Credits (255)	266-267	29,347,823	30,062,498
58	Deferred Gains from Disposition of Utility Plant (256)		0	0
59	Other Deferred Credits (253)	269	21,140,891	22,035,359
60	Other Regulatory Liabilities (254)	278	62,399,917	66,756,375
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)		334,237,869	331,271,795
64	Accum. Deferred Income Taxes-Other (283)		84,291,757	73,413,619
65	Total Deferred Credits (lines 56 through 64)		537,284,498	528,722,374
66	TOTAL LIABILITIES AND STOCKHOLDER EQUITY (lines 16, 24, 35, 54 and 65)		2,388,545,447	2,154,782,673

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 2008/Q4
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STATEMENT OF INCOME

Quarterly

1. Enter in column (d) the balance for the reporting quarter and in column (e) the balance for the same three month period for the prior year.
2. Report in column (f) the quarter to date amounts for electric utility function; in column (h) the quarter to date amounts for gas utility, and in (j) the quarter to date amounts for other utility function for the current year quarter.
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 (k) the quarter to date amounts for other utility function for the prior year quarter.
4. 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.
8. Report data for lines 8, 10 and 11 for Natural Gas companies using accounts 404.1, 404.2, 404.3, 407.1 and 407.2.

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	1,038,755,754	877,245,408		
3	Operating Expenses					
4	Operation Expenses (401)	320-323	696,273,004	569,040,037		
5	Maintenance Expenses (402)	320-323	67,110,129	56,974,270		
6	Depreciation Expense (403)	336-337	62,306,042	56,432,443		
7	Depreciation Expense for Asset Retirement Costs (403.1)	336-337	304,669	305,087		
8	Amort. & Depl. of Utility Plant (404-405)	336-337	4,177,093	3,323,365		
9	Amort. of Utility Plant Acq. Adj. (406)	336-337				
10	Amort. Property Losses, Unrecov Plant and Regulatory Study Costs (407)			45,066		
11	Amort. of Conversion Expenses (407)					
12	Regulatory Debits (407.3)		575,004	287,502		
13	(Less) Regulatory Credits (407.4)		223,115	54,129		
14	Taxes Other Than Income Taxes (408.1)	262-263	49,796,765	49,209,819		
15	Income Taxes - Federal (409.1)	262-263	16,651,076	17,814,909		
16	- Other (409.1)	262-263	3,249,128	4,500,745		
17	Provision for Deferred Income Taxes (410.1)	234, 272-277	106,057,980	63,283,972		
18	(Less) Provision for Deferred Income Taxes-Cr. (411.1)	234, 272-277	90,744,543	53,411,231		
19	Investment Tax Credit Adj. - Net (411.4)	266	-819,423	-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)		12,885	15,620		
23	Losses from Disposition of Allowances (411.9)					
24	Accretion Expense (411.10)		6,886,857	6,859,456		
25	TOTAL Utility Operating Expenses (Enter Total of lines 4 thru 24)		921,587,781	773,035,547		
26	Net Util Oper Inc (Enter Tot line 2 less 25) Carry to Pg117,line 27		117,167,973	104,209,861		

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STATEMENT OF INCOME FOR THE YEAR (Continued)

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

ELECTRIC UTILITY		GAS UTILITY		OTHER UTILITY		Line No.
Current Year to Date (in dollars) (g)	Previous Year to Date (in dollars) (h)	Current Year to Date (in dollars) (i)	Previous Year to Date (in dollars) (j)	Current Year to Date (in dollars) (k)	Previous Year to Date (in dollars) (l)	
						1
1,038,755,754	877,245,408					2
						3
696,273,004	569,040,037					4
67,110,129	56,974,270					5
62,306,042	56,432,443					6
304,669	305,087					7
4,177,093	3,323,365					8
						9
	45,066					10
						11
575,004	287,502					12
223,115	54,129					13
49,796,765	49,209,819					14
16,651,076	17,814,909					15
3,249,128	4,500,745					16
106,057,980	63,283,972					17
90,744,543	53,411,231					18
-819,423	-1,560,144					19
						20
						21
12,885	15,620					22
						23
6,886,857	6,859,456					24
921,587,781	773,035,547					25
117,167,973	104,209,861					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)		117,167,973	104,209,861		
28	Other Income and Deductions					
29	Other Income					
30	Nonutility Operating Income					
31	Revenues From Merchandising, Jobbing and Contract Work (415)		729,179	672,480		
32	(Less) Costs and Exp. of Merchandising, Job. & Contract Work (416)		763,095	830,549		
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	89,224	124,802		
37	Interest and Dividend Income (419)		11,700,443	8,783,700		
38	Allowance for Other Funds Used During Construction (419.1)		8,279,239	5,707,652		
39	Miscellaneous Nonoperating Income (421)		6,455,375	4,654,181		
40	Gain on Disposition of Property (421.1)		240,740	608,964		
41	TOTAL Other Income (Enter Total of lines 31 thru 40)		26,731,105	19,721,230		
42	Other Income Deductions					
43	Loss on Disposition of Property (421.2)		103,636	413,816		
44	Miscellaneous Amortization (425)	340	1,566,606	1,566,607		
45	Donations (426.1)	340	1,114,238	976,073		
46	Life Insurance (426.2)			74,722		
47	Penalties (426.3)		46,656	54,367		
48	Exp. for Certain Civic, Political & Related Activities (426.4)		869,154	1,028,093		
49	Other Deductions (426.5)		10,757,842	2,672,727		
50	TOTAL Other Income Deductions (Total of lines 43 thru 49)		14,458,132	6,786,405		
51	Taxes Applic. to Other Income and Deductions					
52	Taxes Other Than Income Taxes (408.2)	262-263	16,835	18,288		
53	Income Taxes-Federal (409.2)	262-263	1,358,087	1,321,019		
54	Income Taxes-Other (409.2)	262-263				
55	Provision for Deferred Inc. Taxes (410.2)	234, 272-277	4,270,107	3,577,552		
56	(Less) Provision for Deferred Income Taxes-Cr. (411.2)	234, 272-277	2,228,436	776,528		
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)		3,521,341	4,245,079		
60	Net Other Income and Deductions (Total of lines 41, 50, 59)		8,751,632	8,689,746		
61	Interest Charges					
62	Interest on Long-Term Debt (427)		47,092,645	36,358,778		
63	Amort. of Debt Disc. and Expense (428)		303,582	283,915		
64	Amortization of Loss on Reaquired Debt (428.1)		853,257	853,570		
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)	340				
68	Other Interest Expense (431)	340	1,360,491	1,526,724		
69	(Less) Allowance for Borrowed Funds Used During Construction-Cr. (432)		3,973,326	2,954,542		
70	Net Interest Charges (Total of lines 62 thru 69)		45,636,649	36,068,445		
71	Income Before Extraordinary Items (Total of lines 27, 60 and 70)		80,282,956	76,831,162		
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)		80,282,956	76,831,162		

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 2008/Q4
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STATEMENT OF RETAINED EARNINGS

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

Line No.	Item (a)	Contra Primary Account Affected (b)	Current Quarter/Year Year to Date Balance (c)	Previous Quarter/Year Year to Date Balance (d)
	UNAPPROPRIATED RETAINED EARNINGS (Account 216)			
1	Balance-Beginning of Period		588,005,001	509,432,547
2	Changes			
3	Adjustments to Retained Earnings (Account 439)			
4	Implementation of FIN 48	236		1,866,094
5				
6				
7				
8				
9	TOTAL Credits to Retained Earnings (Acct. 439)			1,866,094
10				
11				
12				
13				
14				
15	TOTAL Debits to Retained Earnings (Acct. 439)			
16	Balance Transferred from Income (Account 433 less Account 418.1)		80,193,732	76,706,360
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)		668,198,733	588,005,001
	APPROPRIATED RETAINED EARNINGS (Account 215)			

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STATEMENT OF RETAINED EARNINGS

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

Line No.	Item (a)	Contra Primary Account Affected (b)	Current Quarter/Year Year to Date Balance (c)	Previous Quarter/Year Year to Date Balance (d)
39				
40				
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)		668,198,733	588,005,001
	UNAPPROPRIATED UNDISTRIBUTED SUBSIDIARY EARNINGS (Account			
	Report only on an Annual Basis, no Quarterly			
49	Balance-Beginning of Year (Debit or Credit)		-3,609,709	(3,734,511)
50	Equity in Earnings for Year (Credit) (Account 418.1)		89,224	124,802
51	(Less) Dividends Received (Debit)			
52				
53	Balance-End of Year (Total lines 49 thru 52)		-3,520,485	(3,609,709)

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 2008/Q4
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STATEMENT OF CASH FLOWS

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

Line No.	Description (See Instruction No. 1 for Explanation of Codes) (a)	Current Year to Date Quarter/Year (b)	Previous Year to Date Quarter/Year (c)
1	Net Cash Flow from Operating Activities:		
2	Net Income (Line 78(c) on page 117)	80,282,956	76,831,162
3	Noncash Charges (Credits) to Income:		
4	Depreciation and Depletion	62,306,042	56,432,443
5	Amortization of Other	17,528,890	16,181,296
6	Amortization of Nuclear Fuel	19,856,574	18,289,431
7			
8	Deferred Income Taxes (Net)	9,548,127	17,970,266
9	Investment Tax Credit Adjustment (Net)	-714,675	-1,455,396
10	Net (Increase) Decrease in Receivables	-12,362,886	2,036,210
11	Net (Increase) Decrease in Inventory	-4,716,723	-3,438,481
12	Net (Increase) Decrease in Allowances Inventory		
13	Net Increase (Decrease) in Payables and Accrued Expenses	1,829,097	17,546,643
14	Net (Increase) Decrease in Other Regulatory Assets	-21,071,302	-633,902
15	Net Increase (Decrease) in Other Regulatory Liabilities	-1,740,855	1,740,855
16	(Less) Allowance for Other Funds Used During Construction	8,279,239	5,707,652
17	(Less) Undistributed Earnings from Subsidiary Companies	89,224	124,802
18	Other (provide details in footnote):	10,142,353	2,902,335
19	Deferred Charges and Credits	-1,082,326	-8,201,100
20	Net (Increase) Decrease in Prepayments and Other	16,357,769	-6,957,577
21	Unrealized Loss on Investment in Debt Securities	1,735,995	
22	Net Cash Provided by (Used in) Operating Activities (Total 2 thru 21)	169,530,573	183,411,731
23			
24	Cash Flows from Investment Activities:		
25	Construction and Acquisition of Plant (including land):		
26	Gross Additions to Utility Plant (less nuclear fuel)	-210,963,588	-153,250,280
27	Gross Additions to Nuclear Fuel	-29,120,932	-56,082,934
28	Gross Additions to Common Utility Plant		
29	Gross Additions to Nonutility Plant		
30	(Less) Allowance for Other Funds Used During Construction	-8,279,239	-5,707,652
31	Other (provide details in footnote):		
32			
33			
34	Cash Outflows for Plant (Total of lines 26 thru 33)	-231,805,281	-203,625,562
35			
36	Acquisition of Other Noncurrent Assets (d)		
37	Proceeds from Disposal of Noncurrent Assets (d)	562,838	5,304,840
38			
39	Investments in and Advances to Assoc. and Subsidiary Companies	-4,789	-609,707
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)		-20,000,000
45	Proceeds from Sales of Investment Securities (a)	16,000,000	

Name of Respondent El Paso Electric Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2008/Q4
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STATEMENT OF CASH FLOWS

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

Line No.	Description (See Instruction No. 1 for Explanation of Codes) (a)	Current Year to Date Quarter/Year (b)	Previous Year to Date Quarter/Year (c)
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	Other Investing Activities	-2,259,230	149,273
54	Investment in Decommissioning Trust Funds (Purchases)	-67,168,802	-116,165,486
55	Investment in Decommissioning Trust Funds (Sales and Maturities)	53,446,529	105,200,769
56	Net Cash Provided by (Used in) Investing Activities		
57	Total of lines 34 thru 55)	-231,228,735	-229,745,873
58			
59	Cash Flows from Financing Activities:		
60	Proceeds from Issuance of:		
61	Long-Term Debt (b)	148,719,000	
62	Preferred Stock		
63	Common Stock	-9,892,391	-31,447,228
64	Other Financing and Other Capital Lease Obligations-Proceeds	73,178,955	56,082,934
65	Exercise of Stock Options	1,166,938	4,314,400
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)	213,172,502	28,950,106
71			
72	Payments for Retirement of:		
73	Long-term Debt (b)		
74	Preferred Stock		
75	Common Stock		
76	Other Financing Activities	-2,648,715	-828,770
77	Financing and Capital Lease Obligations	-62,541,422	-19,307,563
78	Net Decrease in Short-Term Debt (c)		
79	Excess Tax Benefits from Long-Term Incentive Plans	382,077	2,395,058
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)	148,364,442	11,208,831
84			
85	Net Increase (Decrease) in Cash and Cash Equivalents		
86	(Total of lines 22,57 and 83)	86,666,280	-35,125,311
87			
88	Cash and Cash Equivalents at Beginning of Period	4,975,559	40,100,870
89			
90	Cash and Cash Equivalents at End of period	91,641,839	4,975,559

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FOOTNOTE DATA			

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

	<u>2008</u>	<u>2007</u>
Other:		
Gain on Sale of Property	\$ (137,103)	\$ (195,148)
SFAS No. 115 Impairments and Reversals of Impairments in Equity Investments	6,166,982	(821,177)
Amortization of Unearned Compensation	1,384,871	1,584,255
Other Operating Activities	2,727,603	2,334,405
	-----	-----
Total	\$ 10,142,353	\$ 2,902,335

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 2008/Q4
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NOTES TO FINANCIAL STATEMENTS

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

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

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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 2008 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 2008 Form 10-K updated for events subsequent to the issuance of the 2008 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 SFAS No. 71. In 1996, the Company adopted fresh-start reporting for its GAAP financial statements in accordance with the requirements of Statement of Position 90-7, "Financial Reporting by Entities in Reorganization under the Bankruptcy Code" ("SOP 90-7"). The application of SOP 90-7 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 SFAS No. 71 in 2004 for its New Mexico jurisdiction, in 2007 for its Texas jurisdiction, and in April 2008 for its FERC jurisdiction. Re-application of SFAS No. 71 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. Also effective with the re-application of SFAS No. 71, the Company includes AFUDC as a construction cost of electric plant in service replacing the capitalized interest calculated under SFAS No. 34 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):

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NOTES TO FINANCIAL STATEMENTS (Continued)			

Line No.	2008	2007
<u>Assets and Other Debits (Pages 110-111)</u>		
2	\$ (880,156)	\$ (886,962)
3	—	(1,379)
5	(889,768)	(907,713)
11	(1,150)	(1,092)
12	158	1,610
15	(3,749)	(5,316)
18	(143)	(503)
21	(440)	(346)
24	(2,537)	(215)
28	(118,921)	(138,192)
67	39,768	27,391
84	(241,744)	(200,384)
<u>Liabilities and Other Credits (Pages 112-113)</u>		
2	74	57
6	12,142	12,161
-	2,187	2,189
10	(341)	(341)
11	(24,877)	(22,304)
12	3,520	3,610
15	7,451	8,525
24	(3,377)	(3,762)
-	70,066	64,217
35	(270,456)	(242,074)
54	4,799	2,946
65	(116,958)	(122,422)
<u>Statements of Income for the Year (Pages 114-117)</u>		
2	\$ 174	\$ 181
25	(28,394)	(23,930)
26	28,568	24,111
60	2,183	3,668
70	(4,417)	(4,610)
-	37,830	34,467
78	(2,662)	(2,078)
<u>Statement of Cash Flows (Pages 120-121)</u>		
22	\$ 202	\$ (1,101)
57	(202)	1,101
83	—	—
<u>Statement of Accumulated Comprehensive Income, Comprehensive Income and Hedging Activities (Page 122a-122b)</u>		
9	\$ (1,074)	\$ (11,181)

Name of Respondent	This Report is:	Date of Report	Year/Period of Report
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NOTES TO FINANCIAL STATEMENTS (Continued)			

Statement of Cash Flows

Cash and cash equivalents and amortization of other presented on the statement of cash flows for the years ended December 31, 2008 and 2007 consist of the following (in thousands):

	<u>2008</u>	<u>2007</u>
Cash and Cash Equivalents:		
Cash (131)	\$ 6,711	\$ (3,620)
Working fund (135)	(86)	(240)
Temporary cash investments (136)	85,017	28,836
Purchase of investment securities	—	(20,000)
Cash and cash equivalents at end of period	<u>\$ 91,642</u>	<u>\$ 4,976</u>
Amortization of Other:		
ARO depreciation (403.1)	\$ 305	\$ 305
Other utility plant (404)	4,177	3,323
Un-recovered plant (407)	—	45
Regulatory assets (407.3)	575	288
ARO liability accretion (411.10)	6,887	6,859
Miscellaneous amortization (425)	1,567	1,567
Debt expense (428)	304	284
Loss on reacquired debt (428.1)	853	854
Interest rate lock losses	297	278
RCF issuance costs	133	114
Dry cask storage amortization	1,758	1,600
Coal reclamation amortization	487	31
DOE assessment	—	540
New Mexico rate case expense amortization	186	93
	<u>\$ 17,529</u>	<u>\$ 16,181</u>

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NOTES TO FINANCIAL STATEMENTS (Continued)			

Utility Plant Adjustments

The following table summarizes amounts reflected as Utility Plant Adjustments for the New Mexico jurisdiction as of December 31, 2008 and 2007 (in thousands):

	<u>December 31,</u> <u>2007</u>	<u>2008 Activity</u>		<u>December 31,</u> <u>2008</u>
		<u>Additions</u> <u>(Debits)</u>	<u>Amortization</u> <u>(Credits)</u>	
New Mexico (a)				
Utility Plant Adjustment	\$ 17,848	\$ -	\$ -	\$ 17,848
Accumulated Amortization	(12,532)	-	(1,567)	(14,099)
	<u>\$ 5,316</u>	<u>\$ -</u>	<u>\$ (1,567)</u>	<u>\$ 3,749</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.

Special Assessment Costs

The Company made its last required payment, pursuant to FERC Docket No. RM93-18-000, for the future decontamination of the Department of Energy's (the "DOE") enrichment facilities in late 2006. The 2007 regulatory-basis income statement includes \$0.5 million amortization of this payment in Account 518 "Fuel."

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.

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NOTES TO FINANCIAL STATEMENTS (Continued)			

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 "Texas Commission"), 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 services previously provided by the Company's Energy Services Business Group. On July 19, 2002, all sales activities of MiraSol ceased. MiraSol remains a going concern in order to satisfy current contracts and warranty and service obligations on previously installed projects. See Note J. 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 sheets in Accumulated Other Comprehensive Income in accordance with SFAS No. 130, "Reporting Comprehensive Income."

Utility Plant. Utility plant is stated 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 which range from 1 to 51 years. Palo Verde is being amortized on a straight-line basis over approximately 40 years. Beginning in 2002, all capital improvements at Palo Verde are being depreciated over the remaining life of the operating license for each unit.

The cost of repairs and minor replacements are charged to the appropriate operating expense accounts and the cost of renewals and betterments are capitalized. 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 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. In accordance with SFAS No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets," long-lived assets, such as property, plant, and equipment and purchased intangibles subject to amortization, 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.

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NOTES TO FINANCIAL STATEMENTS (Continued)			

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. AFUDC rates utilized in 2008 and 2007 were 8.57% and 8.43%, respectively. The Company capitalizes interest on nuclear fuel in accordance with the FERC Uniform System of Accounts as provided for in SFAS No. 71.

Asset Retirement Obligation. The Company complies with FERC Order No. 631, "Accounting for Financial Reporting and Rate Filing Requirements for Asset Retirement Obligations." FERC Order No. 631 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 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. 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). Effective December 31, 2005, the Company adopted FASB Interpretation No. 47, "Accounting for Conditional Asset Retirement Obligations," ("FIN 47"). FIN 47 clarifies that the term "conditional" as used in FERC Order No. 631, refers to a legal obligation to perform an asset retirement activity even if the timing and/or settlement are conditional on a future event that may or may not be within the control of an entity. See Note E.

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

Investments in Debt Securities. 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. The Company reclassified them to Other Investments in the regulatory-basis balance sheets as of March 31, 2008 and has adjusted the carrying amount to 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.

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NOTES TO FINANCIAL STATEMENTS (Continued)			

Derivative Accounting. The Company complies with SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities," as amended by SFAS No. 149, "Amendment of Statement 133 on Derivative Instruments and Hedging Activities," including any effective implementation guidance discussed by the FASB Derivatives Implementation Group. This standard 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 Accumulated 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 being billed under base rates and a fixed fuel factor approved by the Texas Commission. The Company's New Mexico retail customers and its sales for resale customer are being 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 in these jurisdictions 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 these customers is reflected in the accompanying regulatory-basis balance sheets in Other Regulatory Assets and Other Regulatory Liabilities, as appropriate. See Note B.

Revenues. Accrued Utility Revenues include accrued unbilled revenues of \$18.6 million and \$17.9 million at December 31, 2008 and 2007, respectively. The Company presents sales net of sales taxes in its regulatory-basis statements of operations.

Allowance for Doubtful Accounts. Additions, deductions and balances for allowance for doubtful accounts for 2008 and 2007 are as follows (in thousands):

	<u>2008</u>	<u>2007</u>
Balance at beginning of year	\$ 2,873	\$ 2,999
Additions:		
Charged to costs and expense	3,328	2,875
Recovery of previous write-offs	1,184	1,152
Uncollectible receivables written off	<u>4,262</u>	<u>4,153</u>
Balance at end of year	<u>\$ 3,123</u>	<u>\$ 2,873</u>

Income Taxes. The Company accounts for federal and state income taxes under the asset and liability method of accounting for income taxes under the provisions of SFAS No. 109, "Accounting for Income Taxes" ("SFAS No. 109"). Under this method, 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

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NOTES TO FINANCIAL STATEMENTS (Continued)			

Interpretation No. 48, "Accounting for Uncertainty in Income Taxes" ("FIN 48"). A tax liability has been established to recognize interest and penalties on tax benefits that have not been recognized. See Note I.

Stock-Based Compensation. The Company has a stock-based long-term incentive plan. Effective January 1, 2006, the Company adopted SFAS No. 123 (revised) "Accounting for Stock-Based Compensation," which requires a public entity 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 (with some limited exceptions). 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. SFAS No. 123 (revised) applies to all awards granted after January 1, 2006 and to awards modified, repurchased or cancelled after that date. Additionally, compensation cost for outstanding awards for which the requisite service has not been rendered as of January 1, 2006 shall be expensed as the requisite service is rendered on or after such date, 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.

Other New Accounting Standards. In September 2006, the FASB issued SFAS No. 157, "Fair Value Measurements." The statement defines fair value, outlines a framework for measuring fair value, and details the required disclosures about fair value measurements. The statement was effective for fiscal years beginning after November 15, 2007. We adopted SFAS No. 157 for the Company's financial assets and liabilities in the first quarter of 2008. See Note N of Notes to Financial Statements. In February 2007, the FASB issued FASB Staff Position 157-1 ("FSP 157-1") and FASB Staff Position 157-2 ("FSP 157-2"). FSP 157-1 amends the scope of SFAS No. 157 to exclude FASB Statement No. 13, "Accounting for Leases" and other accounting standards that address fair value measurements of leases from the provisions of SFAS No. 157. FSP 157-2 delays the effective date of SFAS No. 157 for most nonfinancial assets and liabilities to fiscal years beginning after November 15, 2008 except those that are recognized or disclosed at fair value in the financial statements on a recurring basis. In October 2008, FASB issued FASB Staff Position 157-3 ("FSP 157-3"). FSP 157-3 clarifies the application of SFAS No. 157 in a market that is not active and key considerations in determining the fair value of a financial asset when the market for that financial asset is not active. FSP 157-1, FSP 157-2, and FSP 157-3 are not expected to have a significant impact on the Company's regulatory-basis financial statements.

In March 2008, the FASB issued SFAS No. 161, "Disclosures about Derivative Instruments and Hedging Activities – an amendment of FASB Statement No. 133." SFAS No. 161 requires enhanced disclosures about an entity's derivative and hedging activities and requires that objectives for using derivative instruments be disclosed in terms of underlying risk and accounting designation. This statement is effective for financial statements issued for fiscal years and interim periods beginning after November 15, 2008, with early adoption encouraged. SFAS No. 161 is not expected to have a significant impact on the Company's regulatory-basis financial statements.

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In May 2008, the FASB issued SFAS No. 162, "The Hierarchy of Generally Accepted Accounting Principles." SFAS No. 162 identifies the sources of accounting principles and the framework for selecting the principles to be used in the preparation of financial statements of nongovernmental entities that are presented in conformity with generally accepted accounting principles. This statement was effective November 15, 2008. SFAS No. 162 did not have a significant impact on the Company's regulatory-basis financial statements.

In December 2008, the FASB issued FASB Staff Position 132(R)-1 ("FSP 132(R)-1"), which amends FASB No. 132(R), "Employers' Disclosures about Pension and Other Postretirement Benefits," to provide guidance on an employer's disclosures about plan assets of a defined benefit pension or other postretirement plan. FSP 132(R)-1 requires additional disclosure on investment policies and strategies, categories and fair value measurements of plan assets, and significant concentrations of risk. FSP 132(R)-1 is effective for fiscal years ending after December 15, 2009. FSP 132(R)-1 will not have a significant impact on the Company's amounts recognized in 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 Texas Commission, the NMPRC, and the FERC. The Texas Commission 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. The decisions of the Texas Commission, NMPRC and the FERC are subject to judicial review.

Texas Regulatory Matters

Texas Freeze Period. The Company has entered into agreements ("Texas Rate Agreements") with El Paso, Texas Commission Staff and other parties in Texas that provide for most retail base rates to remain at their current level through June 30, 2010. During the rate freeze period, if the Company's return on equity falls below the bottom of a defined range, the Company has the right to initiate a rate case and seek an adjustment to base rates. If the Company's return on equity exceeds the top of the range, the Company will refund an amount equal to 50% of the Texas jurisdictional pretax return in excess of the ceiling. The range is based upon a risk premium analysis used in rate proceedings to establish a utility's return on equity and as of December 2008 the range would be approximately 9.2% to 13.2%. The Company's return on equity fell within this range during 2008. Also pursuant to the Texas Rate Agreements, the Company agreed to share with its Texas Customers 25% of off-system sales margins and wheeling revenues increasing to 90% of off-system sales margins after June 30, 2010 through June 30, 2015.

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Fuel and Purchased Power Costs. Although the Company's base rates are frozen pursuant to the Texas Rate Agreements, the Company's actual fuel costs including purchased power energy costs are recoverable from its customers. On August 14, 2008, the Texas Commission approved revisions to its rule for recovery of fuel costs ("Texas Fuel Rule"). The revised Texas Fuel Rule provides two alternative methods for establishing the Company's fixed fuel factor. The first alternative allows the Company to continue to establish its fuel factor based upon projected fuel and purchased power costs and projected kilowatt-hour sales for a twelve-month period. This alternative allows the Company to revise its fuel factor three times per year at specified dates. The other alternative allows the Company to file with the Texas Commission to establish a formula to determine its fixed fuel factor. Once a formula is approved, the Company could 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 revised Texas Fuel Rule also 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 to continue to be materially over-recovered. The revised 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 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 Texas Commission in fuel reconciliation proceedings.

On July 21, 2008, the Texas Commission issued a final order in the Company's fuel reconciliation proceeding for the period March 1, 2004 through February 28, 2007 ("Reconciliation Period") in PUC Docket No. 34695. At issue was the Company's request to reconcile a total of \$548.4 million in eligible fuel, fuel-related and purchased power expenses incurred to generate and purchase electric energy for its Texas retail customers. The final order adopted a unanimous settlement between the Company, El Paso, the Office of Public Utility Counsel and the Texas Commission Staff providing for a \$1.0 million disallowance of fuel and fuel-related expenses during the Reconciliation Period and the exclusion of \$0.2 million from the Company's fuel costs for renewable energy credits, which had previously been reserved by the Company. The Texas Commission did allow \$0.6 million in Palo Verde rewards and \$0.4 million in interest income that were not previously recognized in the Company's regulatory-basis financial statements. The final order had no significant impact on the Company's current regulatory-basis financial statements.

On January 8, 2008, the Company filed a request with the Texas Commission in PUC Docket No. 35204 to surcharge approximately \$30.1 million, including interest, of under-recovered fuel and purchased power costs to be collected over a twelve-month period. The fuel under-recoveries were incurred during the period December 2005 through November 2007. On April 11, 2008, pursuant to a stipulation among the parties to the proceeding, the Texas Commission issued a final order approving the fuel surcharge to be collected over a twelve-month period beginning in May 2008.

On July 8, 2008, the Company filed a petition in PUC Docket No. 35856 with the Texas Commission to increase its fixed fuel factors and to surcharge \$39.5 million of under-recovered fuel and purchased power costs including interest, beginning in 2008. The surcharge was based upon actual under-recoveries for the period December 2007 through May 2008 and expected under-recoveries for June and July 2008. On September 25, 2008, the Texas Commission issued a final order approving a unanimous stipulation that resolved all of the issues in the filing. The stipulation allowed for an increase in the Company's Texas jurisdictional fixed fuel factors of \$38.8 million or 21.5% annually beginning with customer bills rendered in October 2008. In addition,

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the requested \$39.5 million of fuel under-recoveries is being recovered over an 18-month period beginning in October 2008.

On April 1, 2009, the Company filed with the Texas Commission to terminate the interim fuel surcharge authorized in Docket No. 35856. This request was assigned Docket No. 36864. The Company's request was a result of the over-recovery of fuel costs under the Company's current fixed fuel factor which largely offset the remaining balance of the fuel surcharge. The fuel over-recoveries were the result of the significant drop in natural gas prices since the current fixed fuel factor went into effect in October 2008. If the interim fuel surcharge is not terminated, the Company will be required to file a request to implement a fuel refund in addition to the existing fuel surcharge under the rules of the Texas Commission.

All parties to the filing support the termination of the fuel surcharge and the Docket Management division of the Texas Commission issued a Proposed Order on April 9, 2009, recommending approval of the Company's request. The Texas Commission is expected to issue a final order after its April 23, 2009 Open Meeting.

Palo Verde Performance Standards. The Texas Commission established performance standards for the operation of Palo Verde pursuant to which each Palo Verde unit is evaluated annually to determine whether its three-year rolling average capacity factor entitles the Company to a reward or subjects it to a penalty. The capacity factor is calculated as the ratio of actual generation to maximum possible generation. If the capacity factor, as measured on a station-wide basis for any consecutive 36-month period, should fall below 35%, the parties to the Texas Rate Agreements can seek to remove Palo Verde from base rates and seek different rate treatment for Palo Verde. The removal of Palo Verde from rate base could have a significant negative impact on the Company's revenues and financial condition. The Company has calculated the performance rewards for the reporting periods ending in 2008 and 2007 to be approximately \$0.1 million and \$0.6 million, respectively. Performance rewards are not recorded on the Company's books until the Texas Commission has ordered a final determination in a fuel proceeding or comparable evidence of collectibility is obtained. Performance penalties would be recorded when assessed as probable by the Company.

The Company agreed to contribute Palo Verde rewards approved in its fuel reconciliation proceeding in PUC Docket No. 23530 to assist low-income customers in paying their utility bills. In compliance with the Texas Commission's order, the Company sought and received approval by the El Paso City Council in January 2006 to remit to El Paso approximately \$5.8 million in Palo Verde performance reward funds to fund demand side management programs such as weatherization with a focus on programs to assist small business and commercial customers. As of December 31, 2008, \$4.2 million, including accrued interest, remains to be paid under these agreements and is recorded as a liability on the Company's regulatory-basis balance sheet.

Electric Restructuring. The Texas Restructuring Law required certain investor-owned electric utilities to separate power generation activities and retail service activities from transmission and distribution activities by January 1, 2002, and on that date, retail competition for generation services was instituted in some parts of Texas. However, the Texas Commission has delayed retail competition in the Company's Texas service territory by approving a rule which identifies various milestones for the Company to reach before competition can begin. The first milestone calls for the development, approval by the FERC, and commencement of independent operation of a regional transmission organization (RTO) in the area that includes the Company's service territory, including the development of retail market protocols to facilitate retail competition (see "FERC

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Regulatory Matters – RTO" below). The complete transition to retail competition would occur upon the completion of the last milestone, which would be the Texas Commission's final evaluation of the market's readiness to offer fair competition and reliable service to all retail customers. The Company believes this rule delays retail competition in El Paso indefinitely. There is substantial uncertainty about both the regulatory framework and market conditions that will exist if and when retail competition is implemented in the Company's service territory, and the Company may incur substantial preparatory, restructuring and other costs that may not ultimately be recoverable. There can be no assurance that deregulation would not adversely affect the future operations, cash flows and financial condition of the Company, if it were to be implemented.

Renewable Energy Requirements. Notwithstanding the Texas Commission's approval of a rule further delaying competition in the Company's Texas service territory, the Company became subject to the renewable energy and energy efficiency requirements of the Texas Restructuring Law on January 1, 2006. Under the renewable energy requirements, the Company is required to annually obtain its pro rata share of renewable energy credits as determined by the Electric Reliability Council of Texas (the "Program Administrator"). The Company's ultimate obligation to obtain renewable energy credits will not be known until January 31 of the year following the compliance year, and it will have until March 31 to obtain, if necessary, and submit to the Program Administrator, sufficient credits. The Company has met its obligations for renewable energy credits for 2008.

2007 Energy Efficiency Legislation. New energy efficiency legislation was approved in Texas in June 2007. The new legislation establishes new and increased goals for additional cost-effective energy efficiency for residential and commercial customers equivalent to at least (i) 10% of the annual growth in peak demand for residential and commercial customers by December 31, 2007; (ii) 15% of the annual growth in demand by December 31, 2008; and (iii) 20% of the annual growth in demand by December 31, 2009. Among other things, the new legislation requires the Texas Commission to establish an energy efficiency cost recovery factor for ensuring cost recovery for utility expenditures made to satisfy the energy efficiency goal. The legislation provides that utilities that are unable to establish an energy efficiency cost recovery factor in a timely manner due to a rate freeze will be allowed to defer the costs of complying with the energy efficiency goal and recover such deferred costs at the end of the rate freeze period. On September 8, 2008 in PUC Docket No. 35612, the Texas Commission approved the Company's request to defer these costs and recover them through a cost recovery factor upon expiration of its rate freeze period.

New Mexico Regulatory Matters

2007 New Mexico Stipulation. In July 2007, the NMPRC issued a final order approving a stipulation ("2007 New Mexico Stipulation") addressing all issues in the 2006 rate filing in Case No. 06-00258-UT. The 2007 New Mexico Stipulation provided for a \$5.8 million non-fuel base rate increase, established the amount of fuel included in base rates at \$0.04288 per kWh, and modified the Company's Fuel and Purchased Power Cost Adjustment Clause (the "FPPCAC"). Any difference between actual fuel and purchased power costs and the amount included in base rates is recovered or refunded through the FPPCAC. Rates will continue in effect until changed by the NMPRC following the Company's next rate case. The 2007 New Mexico Stipulation requires the Company to file its next general rate case no later than May 29, 2009 using as a base period the twelve months ending December 31, 2008. Under NMPRC statutes, new rates would become effective no later than July 2010 unless otherwise extended.

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The 2007 New Mexico Stipulation provides for recovery through the FPPCAC of the cost of capacity and energy provided to New Mexico retail customers from the deregulated Palo Verde Unit 3. The amount to be recovered is based upon the contract cost of capacity and energy for power purchased under the existing Southwestern Public Service Company ("SPS") purchased power contract. The 2007 New Mexico Stipulation eliminates the fixed fuel and purchased power cost of \$0.021 per kWh for 10% of New Mexico kWh sales and requires 25% of jurisdictional off-system sales margins to be credited to customers through the FPPCAC until July 2010 when 90% of jurisdictional off-system sales margins will be credited to customers. Under NMPRC rules, the Company must file to continue its FPPCAC by July 2009, at which time any party may propose to change the price charged to New Mexico customers for the capacity and energy from Palo Verde Unit 3. The NMPRC has opened a separate docket for a general inquiry into the policies and practices for regulation and administration of FPPCACs in NMPRC Case No. 07-00389.

Notice of Investigation of Rates. On August 3, 2007, the Company received a "Notice of Investigation of Rates of El Paso Electric Company" from the NMPRC in Case No. 07-00317-UT. On August 21, 2007, the NMPRC requested the Company to file a response to the issues, including the reasonableness of fuel and purchased power costs. On September 7, 2007, the Company filed its response and requested that the NMPRC suspend its investigation and close the docket. No further action has been taken by the Commission. The Company is unable at this time to predict the ultimate outcome of this docket.

Renewables. The New Mexico Renewable Energy Act of 2004 as amended by the 2007 New Mexico legislature requires that renewable energy comprise no less than 6% of the Company's total retail sales to New Mexico customers until January 1, 2011, when the renewable portfolio standard increases to 10% of the Company's total retail sales to New Mexico customers. After 2011, the renewable portfolio standard, as a percentage of total retail sales to New Mexico customers, increases to 15% by 2015 and 20% by 2020. The Company has met all requirements as approved in the NMPRC's final orders.

The Company filed its 2008 annual procurement plan on July 1, 2008. In this filing, the Company requested approval of its proposed actions and estimated costs for 2009 and 2010 directed toward meeting the Company's renewable portfolio standard requirements for 2009 and 2010 and diversity targets in 2011. The Company proposed to meet those requirements through renewable energy resources acquired pursuant to the procurement actions approved by the Commission in the Company's previous procurement plans and through two new contracts: (i) 66 MW of a 92 MW long-term purchased power agreement with a third party for energy and associated RECs produced from a proposed new 92 MW solar power facility; and (ii) a three-year contract to purchase wind RECs from SPS. The Company proposed to implement a small distributed generation program to meet the NMPRC's requirements for diversity of resource type in 2011. In addition, pursuant to the Recommended Decision and Final Order in the Company's 2007 annual procurement plan in NMPRC Case No. 07-00360-UT, the Company proposed to meet any deficiencies resulting from the 2007 default of the biomass energy supplier through the purchase of the SPS wind RECs. The NMPRC issued a Final Order on December 23, 2008 which approved the Company's plan with modifications relative to the small distributed generation program. The NMPRC issued a modified Final Order on February 5, 2009 making requested legal clarifications in its original order.

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New Mexico Energy Efficiency Legislation. On February 12, 2008, the New Mexico legislature passed House Bill 305, the Utility Customer Load Management bill. This legislation modified the 2005 Efficient Use of Energy Act and requires that electric utilities provide cost-effective energy efficiency programs that will produce savings of 5% of 2005 total retail kWh sales to New Mexico customers by calendar year 2014 and 10% of 2005 retail kWh sales to New Mexico customers by 2020. This legislation was signed by the governor on February 27, 2008.

New Mexico Energy Efficiency Plan Filing. On November 5, 2007, the Company filed its Application for Approval of Energy Efficiency and Load Management Programs in NMPRC Case No. 07-00411-UT. In this filing, the Company requested approval of a number of energy efficiency programs. The Company also proposed a methodology to address disincentives and barriers to utility-provided energy efficiency and proposed to recover the costs of energy efficiency programs through a cost recovery factor. A final order was issued on May 29, 2008 approving the proposed energy efficiency programs and cost recovery factor, but not the recovery of disincentives. The NMPRC has docketed a separate inquiry in NMPRC Case No. 08-00024-UT to investigate options for providing New Mexico public utilities with disincentive cost recovery and incentives for successful efficiency programs and to amend the NMPRC's Energy Efficiency Rule to conform with 2008 amendments to the Efficient Use of Energy Act that establish energy savings targets and allow incentives.

2007 Long-Term Incentive Plan ("LTIP"). On May 18, 2007, the Company filed for NMPRC approval for issuance of common stock for purposes of incentives and compensation. The Company received an order from the NMPRC on April 10, 2008 approving the Company's request. The Company is required to report on the actual issuance of stock and exercise of stock options under the LTIP as part of the Company's annual regulatory reporting requirements.

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, the NMPRC required each utility to provide information on compensation of executive officers and directors for the period 1977-2006. The Company has provided the requested information. No further action has been taken by the NMPRC.

Generation CCN Filing. On July 18, 2007, the Company filed its application for issuance of a CCN to construct and operate Newman Unit 5 in NMPRC Case No. 07-00301-UT. A hearing was held on January 24, 2008. A final order approving the CCN was issued on April 1, 2008.

Pollution Control Bond Refunding. On March 20, 2008, the Company filed an application with the NMPRC requesting authority for long-term securities transactions necessary to refund and reissue certain Pollution Control Refunding Revenue Bonds (the "PCBs"). On April 22, 2008, the NMPRC issued a final order granting the Company the authority to enter into the securities transactions necessary to refund and reissue the Company's Series B and Series C PCBs. On March 26, 2009, the Company completed a refunding transaction related to an aggregate principal amount of \$100.6 million in pollution control indebtedness. See Note H.

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Issuance of New Bonds. On April 15, 2008, the Company filed an application with the NMPRC requesting approval of long-term securities transactions necessary to issue up to \$300 million in new bonds for terms varying from no less than 5 years to no more than 30 years. Proceeds from the new bonds would be used for the purpose of funding planned capital expenditures, to ensure adequate liquidity and for general corporate purposes. An order approving the issuance of the bonds was issued May 13, 2008. On June 3, 2008, the Company issued 7.50% Senior Notes due on March 15, 2038 with a principal amount of \$150 million.

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 a new generating station (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 the 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 his 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 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. If the order is not reversed, the Company will lose the opportunity to receive compensation from TEP for such transmission service in the future. The Company filed a request for rehearing on December 15, 2008 of the FERC's decision, 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. The FERC suspended the period for ruling on the motion for rehearing on January 14,

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2009. If the FERC denies the Company's request for rehearing or again finds against the Company on rehearing, the Company will have the right to seek judicial review of the order. The Company cannot predict the outcome of such potential future proceedings.

Pollution Control Bond Refunding. On April 4, 2008, the Company filed an application with the FERC requesting authority for long-term securities transactions necessary to refund and reissue certain PCBs. The FERC issued an order on May 1, 2008 granting authority for the securities transactions. On March 26, 2009, the Company completed a refunding transaction related to an aggregate principal amount of \$100.6 million in pollution control indebtedness. See Note H.

Issuance of New Bonds. On April 17, 2008, the Company filed an application with the FERC requesting approval of long-term securities transactions necessary to issue up to \$300 million in one or more series of new bonds for terms varying from no less than five years to no more than 30 years. Proceeds from the new bonds would be used for the purpose of funding planned capital expenditures, to ensure adequate liquidity and for general corporate purposes. An order from the FERC approving the securities transaction was issued on May 16, 2008 and the 7.5% Senior Notes were issued in June 2008.

RTOs. FERC's rule on RTOs ("Order 2000") strongly encourages, but does not require, public utilities to form and join regional transmission organizations ("RTOs"). The Company is an active participant in the development of WestConnect. The Company has entered into a memorandum of understanding ("MOU") with twelve other transmission owners that obligates the parties to participate in and commit resources to ongoing joint efforts, including involvement with stakeholders, customers, local, state and federal regulatory personnel, and other western grid transmission providers to identify, develop and implement cost-effective wholesale market enhancements on a voluntary, phased-in basis to add value in transmission accessibility, wholesale market efficiency and reliability for wholesale users of the western grid. These enhancements may ultimately include formation of an RTO. WestConnect will continue to work with the FERC and two other proposed RTOs in the west to achieve a seamless market structure. The Company comprises approximately 7% of WestConnect and cannot control the terms or timing of its development. WestConnect as an RTO will not be operational for several years, if it is achieved at all.

On February 10, 2009, the FERC accepted a participation agreement submitted by nine WestConnect participants establishing the WestConnect Point-to-Point Regional Transmission Service Experiment (the "Proposal"). The FERC also conditionally accepted (subject to the participants making minor compliance filings) associated regional transmission tariffs that implement the Proposal for a two-year period. The Proposal calls for participants to offer customers the option of buying hourly non-firm, point-to-point transmission service across their collective transmission systems at a single rate. Taking coordinated service under the proposal is an alternative to pancaked point-to-point transmission service offered under each member's individual Open Access Transmission Tariff. The Company does not expect participation in the Proposal to have a material impact on transmission revenues.

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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 entered into a contract on April 18, 2007, as amended on August 29, 2008, to sell up to 100 MW of firm energy and 50 MW of contingent energy to Imperial Irrigation District ("IID") beginning May 1, 2007, and continuing through April 30, 2009. The contract also provides for the Company to sell up to 100 MW of firm energy and 40 MW of contingent energy beginning May 1, 2009 through April 30, 2010. To ensure that power is 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, to purchase up to 100 MW of firm energy from Credit Suisse Energy, LLC. This contract provides for up to 100 MW of firm energy to be 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 2010.

The Company provides firm capacity and associated energy to the Rio Grande Electric Cooperative ("RGEC") pursuant to an ongoing contract which requires a two-year notice to terminate. The Company also provides network integrated transmission service to the RGEC pursuant to the Company's Open Access Transmission Tariff ("OATT"). In 2006, the Company provided RGEC with a notice of termination. On March 28, 2008, the Company filed with FERC a power sales agreement for full requirements wholesale electric service (the "Agreement") to sell capacity and energy to RGEC at a cost-based formula rate. The Company requested that the Agreement become effective April 1, 2008 to replace the power sales agreement that expired March 31, 2008. The Agreement includes a formula-based rate that will be 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. An order accepting the tariff was issued on May 21, 2008 approving the effective date of April 1, 2008.

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C. Regulatory Assets and Liabilities

The Company's operations are regulated by the Texas Commission, 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, 2008</u>	<u>December 31, 2007</u>
Regulatory assets			
New Mexico procurement plan costs	(a)	\$ 464	\$ 214
New Mexico renewable energy credits	(a)	2,278	1,497
New Mexico rate case costs (b)	June 2010	294	476
New Mexico Palo Verde deferred depreciation (b)	(c)	1,713	549
New Mexico energy efficiency	(d)	231	90
New Mexico transition costs (b)	June 2010	575	1,150
Texas energy efficiency	(a)	986	173
Net undercollection of fuel revenues	(d)	46,857	29,156
Regulatory assets pursuant to SFAS No. 109 (e)	(c)	91,581	90,762
Final coal reclamation (e)	July 2016	9,682	9,952
Nuclear fuel postload daily financing charge	(d)	<u>2,660</u>	<u>3,025</u>
Total regulatory assets		<u>\$ 157,321</u>	<u>\$ 137,044</u>
Regulatory liabilities			
Texas energy efficiency		\$ -	\$ 281
Regulatory liabilities pursuant to SFAS No. 109 (e)	(c)	62,400	65,015
Net overcollection of fuel revenues	(d)	<u>-</u>	<u>1,460</u>
Total regulatory liabilities		<u>\$ 62,400</u>	<u>\$ 66,756</u>

- (a) Amortization period is anticipated to be established in next general rate case.
- (b) This item is included in rate base which earns a return on investment.
- (c) The amortization period for this asset is based upon the life of the associated assets.
- (d) This asset will be recovered through a recovery factor after expenses are incurred.
- (e) No specific return on investment is required since related assets and liabilities, including accumulated deferred income taxes and reclamation liability, offset.

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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, 2008 (in thousands):

	<u>Gross Plant</u>	<u>Accumulated Depreciation</u>	<u>Net Plant</u>
Nuclear production	\$ 1,672,781	\$ (1,139,187)	\$ 533,594
Steam and other	<u>290,392</u>	<u>(194,383)</u>	<u>96,009</u>
Total production	1,963,173	(1,333,570)	629,603
Transmission	311,309	(173,545)	137,764
Distribution	673,878	(223,502)	450,376
General	123,472	(63,939)	59,533
Intangible	<u>31,390</u>	<u>(14,266)</u>	<u>17,124</u>
Total	<u>\$ 3,103,222</u>	<u>\$ (1,808,822)</u>	<u>\$ 1,294,400</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 \$4.2 million and \$3.3 million for 2008 and 2007, respectively. The table below presents the estimated amortization expense for the next five years (in thousands):

2009	\$ 4,114
2010	3,763
2011	2,865
2012	2,407
2013	1,517

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.

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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, 2008 and 2007 is as follows (in thousands):

	<u>December 31, 2008</u>		<u>December 31, 2007</u>	
	<u>Palo Verde</u>	<u>Other</u>	<u>Palo Verde</u>	<u>Other</u>
Electric plant in service	\$ 1,672,781	\$ 159,460	\$ 1,628,211	\$ 150,942
Accumulated depreciation	(1,139,187)	(112,178)	(1,140,461)	(110,216)
Construction work in progress	<u>34,851</u>	<u>4,476</u>	<u>75,530</u>	<u>5,007</u>
Total	<u>\$ 568,445</u>	<u>\$ 51,758</u>	<u>\$ 563,280</u>	<u>\$ 45,733</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 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. Based on this assessment information and using a cornerstone evaluation system, the NRC determines the appropriate level of agency response and oversight, including supplemental inspections and pertinent regulatory actions as necessary. The NRC had placed Palo Verde Unit 3 in the "multiple/repetitive degraded cornerstone" column of the NRC's action matrix which resulted in an enhanced NRC inspection regimen. This enhanced inspection regimen and resulting corrective actions resulted in increased operating costs at the plant. On March 24, 2009, the NRC announced that it is removing Palo Verde Unit 3 from the "multiple/repetitive degraded cornerstone" column of the NRC's action matrix and returning all three units of the plant to routine inspection and oversight. This notification follows the NRC's completion of its inspections of the corrective actions taken by Palo Verde to address performance deficiencies. The NRC has closed the confirmatory action letter that outlined the performance deficiencies and associated corrective actions.

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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 enable the Company to record a current deduction for federal income tax purposes of a portion of amounts funded. At December 31, 2008, the Company's decommissioning trust fund had a balance of \$111.3 million and the Company was above its minimum funding level. The Company will continue to monitor 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 (the "2004 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. 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 new 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. Subsequent judicial decisions required the DOE to start accepting spent nuclear fuel by January 31, 1998. The DOE did not meet that deadline, and the Company cannot currently predict when spent fuel shipments to the DOE's permanent disposal site will commence.

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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. On February 28, 2007, APS served on the U.S. Department of Justice its "Initial Disclosure of Claimed Damages" of \$93.4 million (the Company's portion being \$14.8 million). This amount includes expenses associated with design, construction, loading, and operation of the Palo Verde independent spent fuel storage installation through December 2006. This amount represents costs incurred to ensure sufficient storage capacity for Palo Verde spent fuel that would not have been incurred had the DOE complied with its standard contract obligation to begin accepting spent fuel from the commercial nuclear power industry beginning in 1998. A 2009 trial date has been set for this case. The Company is unable to predict the outcome of this matter at this time.

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 has 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.

Reactor Vessel Heads. In accordance with applicable NRC requirements, APS conducts regular inspections of reactor vessel heads at Palo Verde Units 1, 2 and 3. In an effort to reduce long-term operating costs at the station related to inspection of the reactor heads, related equipment, and possible repair costs, APS plans to replace reactor vessel heads at Palo Verde. Reactor vessel head replacement is scheduled to occur at Units 1, 2 and 3 in 2010, 2009 and 2010, respectively. The Company's share of the cash requirements for this project is estimated to be \$21.1 million of which \$8.9 million had been expended at December 31, 2008.

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 \$12.52 billion. This potential liability is covered by primary liability insurance provided by commercial insurance carriers in the amount of \$300 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.

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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 \$11.3 million for the current policy period.

E. Accounting for Asset Retirement Obligations

The Company complies with FERC Order No. 631 which primarily 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, and FASB Interpretation No. 47, "Accounting for Conditional Asset Retirement Obligations ("FIN 47"). FIN 47 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. Amounts recorded under FERC Order No. 631, including those under FIN 47, are subject to various assumptions and determinations such as (i) whether a legal obligation exists to remove assets; (ii) estimation of the fair value of the costs of removal; (iii) when final removal will occur; (iv) future changes in decommissioning cost escalation rates; and (v) the credit-adjusted interest rates to be utilized in discounting future liabilities. Changes that may arise over time with regard to these assumptions and determinations will change amounts recorded in the future as an expense for AROs. The Company records the increase in the ARO due to the passage of time as an operating expense (accretion expense). If the Company incurs or assumes any liability in retiring any asset at the end of its useful life without a legal obligation to do so, it will record such retirement costs as incurred.

The ARO liability for Palo Verde is based upon the estimated cost of decommissioning the plant from the 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. Since the Company assumed an escalation rate of 3.6% and a credit-risk adjusted discount rate of 9.5% in the original calculation of the ARO liability, the ARO liability is less than the Company's share of the current estimated cost to decommission Palo Verde in 2007 dollars. 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, 2008 is \$111.3 million.

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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>2008</u>	<u>2007</u>
ARO liability at beginning of year	\$ 79,709	\$ 73,267
Liabilities incurred	-	-
Liabilities settled	-	(418)
Revisions to estimate	(8,559)	-
Accretion expense	<u>6,887</u>	<u>6,860</u>
ARO liability at end of year	<u>\$ 78,037</u>	<u>\$ 79,709</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.

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 Plan") and authorized the issuance of up to one million shares of common stock for the benefit of directors and employees. Under the plan, 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 these plans. As discussed in Note A, the Company accounts for its stock-based long-term incentive plan under SFAS No. 123 (revised).

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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 2008:

	<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, 2007	573,888	\$ 13.26		
Options exercised	<u>108,000</u>	10.81		
Options outstanding at December 31, 2008	<u>465,888</u>	13.83	3.00	\$ 1,983
Exercisable at December 31, 2008	<u>465,888</u>	13.83	3.00	1,983

The Company received approximately \$1.2 million in cash for the 108,000 stock options exercised in 2008. During 2008, the Company realized \$0.4 million in current tax benefits from the exercise of stock options. The intrinsic value of stock options exercised in 2008 and 2007 was \$1.0 million and \$5.2 million, respectively. The fair value at grant date of options vested during 2008 and 2007 was \$0.1 million and \$0.8 million, respectively. No options were forfeited or expired during 2008.

	<u>Shares</u>	<u>Weighted Average Grant Date Fair Value</u>
Nonvested options at December 31, 2007	20,000	\$ 4.82
Options vested	<u>(20,000)</u>	4.82
Nonvested options at December 31, 2008	<u>—</u>	—

On January 2, 2008, the remaining 20,000 stock options vested and at December 31, 2008 all 465,888 options outstanding had vested. No compensation cost was recognized in 2008 for stock options. The Company recorded compensation costs of less than \$0.1 million in 2007, related to the outstanding unvested stock option awards. The tax benefit and capitalized costs related to these compensation costs in 2007 were less than \$0.1 million. There is no remaining unrecognized compensation costs related to stock options.

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 vested restricted stock awards is expensed at the time of grant. 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.

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Approximately \$1.4 million and \$1.7 million was charged to expense related to restricted stock awards in 2008 and 2007, respectively. The deferred tax benefit related to these expenses was \$0.5 million and \$0.7 million for 2008 and 2007, respectively. Current tax expense of \$0.1 million was recognized by the Company in 2008 from the issuance of restricted stock. The Company realized \$0.2 million of current tax benefits from the issuance of restricted stock in 2007. 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 2008 and 2007 was \$1.6 million and \$2.0 million, respectively. The fair value at grant date for restricted stock vested in 2008 and 2007 was \$1.8 million and \$1.4 million, respectively. The outstanding restricted stock has remaining \$1.4 million of unrecognized expense at December 31, 2008 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 127,800 outstanding restricted shares at December 31, 2008 was \$2.3 million.

The following table summarizes the unvested restricted stock transactions for 2008:

	<u>Total Shares</u>	<u>Weighted Average Grant Date Fair Value</u>
Restricted shares outstanding at December 31, 2007	119,403	\$ 25.71
Restricted stock awards	117,550	20.05
Lapsed restrictions and vesting	(72,303)	25.44
Forfeitures	<u>(36,850)</u>	26.73
Restricted shares outstanding at December 31, 2008	<u>127,800</u>	20.37

The weighted average fair values at grant date for restricted stock awarded during 2008 and 2007 are \$20.05 and \$26.39, 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.

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. On January 1, 2008, 41,958 performance shares were issued at the 125% performance level with a total cost of \$0.8 million which had been expensed ratably between 2005 and 2007. The Company realized \$0.3 million of current tax benefits from the issuance of performance shares in 2008. The requisite service period for these shares ended December 31, 2007, and the shares had an aggregate intrinsic value of \$1.1 million. Performance shares vesting on January 1, 2009 did not meet the minimum payout threshold and no shares were issued. On January 1, 2010 and 2011, subject to meeting certain performance

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criteria, performance shares could be awarded. In accordance with SFAS No. 123 (revised), 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 205,500 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:

	Number Outstanding	Weighted Average Grant Date Fair Value
Performance shares outstanding at December 31, 2007	146,341	\$ 21.75
Performance share awards	68,900	17.14
Performance shares lapsed and issued	(33,567)	22.55
Performance shares forfeited	<u>(37,930)</u>	24.90
Performance shares outstanding at December 31, 2008	<u>143,744</u>	18.52

The outstanding performance awards have remaining \$0.8 million of unrecognized expense at December 31, 2008 that is expected to be recognized over the weighted average remaining contractual term of the awards of approximately 1 year. The aggregate intrinsic value of the 143,744 outstanding awards (based on 100% performance level) at December 31, 2008 was \$2.6 million. The weighted average per share grant date fair value of performance shares awarded during the years 2008 and 2007 was \$17.14 and \$22.78, respectively. The fair value of performance shares which vested in 2008 and 2007 was \$0.8 million and \$0.7 million, respectively, with an intrinsic value of \$0.9 million and \$1.0 million, respectively.

The Company recorded compensation expense related to performance shares of \$0.8 million in 2008 and \$0.4 million in 2007. The compensation expense for 2008 and 2007 included cumulative adjustments for forfeiture of performance share awards by certain executives. Deferred tax expense related to compensation expense in 2008 and 2007 was \$0.3 million and \$0.1 million, respectively.

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Common Stock Repurchase Program

In November 2007, the Board authorized the repurchase of up to 2 million shares of the Company's outstanding common stock (the "2007 Plan"). No shares remain available under previous plans. During 2008, 478,634 shares were repurchased at an aggregate cost of \$9.9 million, including commissions, under the 2007 Plan. As of December 31, 2008, the Company had 1,521,366 shares authorized for repurchase under the 2007 Plan. Since the inception of the stock repurchase program in 1999, the Company has repurchased a total of approximately 19.8 million shares of its common stock at an aggregate cost of \$279.3 million, including commissions. The Company may in the future make purchases of its common stock pursuant to the 2007 Plan 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.

G. Accumulated Other Comprehensive Income (Loss)

	<u>Net Unrealized Gain (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, 2006	12,041	(30,530)	(14,392)	(32,881)
Other comprehensive income	4,152	43,414	278	47,844
Income tax expense	<u>(830)</u>	<u>(9,019)</u> (1)	<u>(99)</u>	<u>(9,948)</u>
Balance at December 31, 2007	15,363	3,865	(14,213)	5,015
Other comprehensive income (loss)	(26,903)	(31,336)	297	(57,942)
Income tax benefit (expense)	5,381	10,836	(105)	16,112
Balance at December 31, 2008	<u>\$ (6,159)</u>	<u>\$ (16,635)</u>	<u>\$ (14,021)</u>	<u>\$ (36,815)</u>

(1) Includes adjustment for tax effect of SFAS No. 158 of \$9.7 million.

Accumulated other comprehensive income (loss) is reflected in FERC Account 219, "Accumulated Other Comprehensive Income" in the equity section of the regulatory-basis balance sheet.

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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>2008</u>	<u>2007</u>
	(In thousands)	
Bonds (Accounts 221 and 222):		
Pollution Control Bonds (1):		
2005 Series B refunding bonds, due 2040	\$ 63,500	\$ 63,500
4.80% 2005 Series A refunding bonds, due 2040	59,235	59,235
2005 Series C refunding bonds, due 2040	37,100	37,100
4.00% 2002 Series A refunding bonds, due 2032	33,300	33,300
	<u>\$ 193,135</u>	<u>\$ 193,135</u>
Other Long-Term Debt (Accounts 224 and 226):		
Senior Notes (2):		
6.00% Senior Notes, net of discount, due 2035	\$ 397,789	\$ 397,759
7.50% Senior Notes, net of discount, due 2038	148,728	-
Nuclear fuel interest accrued (3)	3,378	3,761
	<u>\$ 549,895</u>	<u>\$ 401,520</u>
Obligations Under Capital Lease – Noncurrent (Account 227):		
Nuclear fuel (3)	<u>\$ 67,521</u>	<u>\$ 61,317</u>
Obligations Under Capital Lease – Current (Account 243):		
Nuclear fuel (3)	<u>\$ 22,754</u>	<u>\$ 17,937</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 2002 Series A \$33.3 million of 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. 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 2005 Series B \$63.5 million and 2005 Series C \$37.1 million bonds, which also mature in 2040, had a variable rate that was repriced weekly during 2008 and 2007. Interest rates on the Series B and Series C bonds were 14.60% and 14.70% at December 31, 2008, respectively. These bonds were insured by Financial Guaranty Insurance Company ("FGIC"). The Company experienced increased yields and resulting interest expense for the PCBs as a consequence of the current condition of the financial markets. If a failed auction of the PCBs were to occur, the Company would have been required to pay a default interest rate of 15%. The Company obtained approval from the FERC and

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NMPRC to enter into securities transactions to refund and reissue these two series of PCBs to fix the interest rates. On March 26, 2009, the Company completed a refunding transaction whereby the 2005 Series B \$63.5 million and 2005 Series C \$37.1 million bonds were refunded and replaced by 2009 Series A bonds for \$63.5 million and 2009 Series B bonds for \$37.1 million which were issued as unsecured obligations and which both have a fixed interest rate of 7.25%. The 2009 Series A bonds will mature on February 1, 2040. The 2009 Series B bonds will mature on April 1, 2040.

(2) Senior Notes

The Company filed a shelf registration statement on Form S-3 with the Securities and Exchange Commission (the "SEC") which became effective in May 2005 (the "2005 Shelf Registration Statement"). The shelf registration statement enabled the Company to offer and issue debt securities, first mortgage bonds, shares of stock and certain other securities from time to time in one or more offerings of up to \$1.0 billion.

In May 2005, the Company issued \$400.0 million aggregate principal amount of its 6% Senior Notes due May 15, 2035 under the 2005 Shelf Registration Statement. 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.

The Company filed an automatically-effective Shelf Registration Statement with the SEC on May 20, 2008 (the "WKSI Shelf Registration Statement"). This registration statement enables the Company to offer debt securities, first mortgage bonds, shares of stock and certain other securities in unspecified amounts from time to time in one or more offerings.

In June 2008, the Company issued \$150.0 million aggregate principal amount of its 7.5% Senior Notes due March 15, 2038 under the WKSI Shelf Registration Statement. 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 will be 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.

(3) Nuclear Fuel and Working Capital Financing

The Company has available a \$200 million credit facility for a five-year term ending April 2011. The credit facility was expanded under terms of the facility from \$150 million to \$200 million in July 2007 due to increased volatility in the nuclear fuel market. The credit facility provides for up to \$120 million for the financing of nuclear fuel, which is accomplished through a trust that borrows under the facility to acquire and process the nuclear fuel. The Company is obligated to repay the trust's borrowings with interest. In the Company's regulatory-basis financial statements, the Company's obligation to the trust is in the form of capital leases of nuclear fuel. Quarterly lease payments are made on units of heat production. Any amounts not borrowed by the trust may be borrowed by the Company for working capital needs. The weighted average interest rate on the credit facility was 0.97% as of December 31, 2008.

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The \$200 million credit facility requires compliance with certain total debt and interest coverage ratios. The Company was in compliance with these requirements throughout 2008. No amounts were outstanding under this facility for working capital needs as of December 31, 2008.

As of December 31, 2008, the scheduled maturities for the next five years of long-term debt and financing obligations are as follows (in thousands):

2009	\$ -
2010	-
2011	-
2012	33,300
2013	-

The table above does not reflect future obligations and maturities related to nuclear fuel financing obligations.

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, 2008 and 2007 are presented below (in thousands):

	<u>December 31,</u>	
	<u>2008</u>	<u>2007</u>
Deferred tax assets:		
Capitalized revenues and other capitalized costs	\$ 90,876	\$ 84,206
Pensions and benefits	52,099	40,306
Alternative minimum tax credit carryforward	28,568	42,495
Regulatory liabilities related to income taxes	21,776	22,946
Asset retirement obligation	27,917	28,545
Other	<u>18,271</u>	<u>12,110</u>
Total gross deferred tax assets	<u>239,507</u>	<u>230,608</u>
Deferred tax liabilities:		
Plant, principally due to depreciation and basis differences	(330,114)	(329,039)
Regulatory assets related to income taxes	(37,284)	(37,031)
Decommissioning	(4,123)	(2,233)
Deferred fuel	(16,400)	(9,694)
Other	<u>(30,609)</u>	<u>(26,689)</u>
Total gross deferred tax liabilities	<u>(418,530)</u>	<u>(404,686)</u>
Net accumulated deferred income taxes	<u>\$ (179,023)</u>	<u>\$ (174,078)</u>

Based on the average annual book income before taxes for calendar years 2008 and 2007, excluding the effects of extraordinary and unusual or infrequent items, the Company believes that the net deferred tax assets will be fully realized at current levels of book and taxable income.

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The Company recognized income taxes as follows (in thousands):

	<u>Years Ended December 31,</u>	
	<u>2008</u>	<u>2007</u>
Income tax expense:		
Federal:		
Current	\$ 18,010	\$ 19,136
Deferred	16,640	13,202
Investment tax credit	(715)	(1,455)
Total	<u>\$ 33,935</u>	<u>\$ 30,883</u>
State:		
Current	\$ 3,249	\$ 4,501
Deferred	715	(529)
Total	<u>\$ 3,964</u>	<u>\$ 3,972</u>

Current federal income tax expense for 2008 and 2007 reflect taxes accrued under the alternative minimum tax ("AMT"). Deferred federal income tax for 2008 and 2007 includes an offsetting AMT benefit of \$8.1 million and \$7.1 million, respectively.

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

	<u>December 31,</u>	
	<u>2008</u>	<u>2007</u>
Federal income tax expense computed on income at statutory rate	\$ 41,584	\$ 39,268
Difference due to:		
State income taxes (federal effect)	(1,388)	(1,390)
ITC amortization (net of deferred taxes)	(946)	(946)
Allowance for equity funds used during construction	(1,366)	1,296
Amortization of excess deferred taxes	(773)	(773)
Amortization of regulatory assets and liabilities	(510)	(2,272)
Permanent tax differences	(2,978)	(3,865)
Other	312	(435)
Total federal income tax expense	<u>\$ 33,935</u>	<u>\$ 30,883</u>

As of December 31, 2008, the Company had \$28.6 million of AMT credit carryforwards that have an unlimited life.

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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 2005 and in the state jurisdictions for years prior to 1998. The Company's federal tax returns are currently under audit for 2005 and 2006. On August 14, 2008, the Company reached a settlement with the IRS for tax years 1999 through 2004. In the settlement of the tax years 1999 through 2004, the Company and the IRS agreed to (i) the deduction in the year incurred of 40% of payments related to the repair of the Palo Verde Unit 2 steam generator and the capitalization and depreciation of the remaining 60% of those payments (ii) the capitalization and depreciation of payments related to the dry cask storage facilities for spent nuclear fuel and (iii) the exclusion from taxable income of capital costs paid by third parties for construction of a switchyard. The IRS settlement affected the timing of these deductions but not their ultimate deductibility for federal tax purposes. A deficiency notice relating to the Company's 1998 through 2003 income tax returns in Arizona contests a pollution control credit and the payroll apportionment factor. The Company is contesting these adjustments.

The Company adopted FASB Interpretation No. 48, "Accounting for Uncertainty in Income Taxes," ("FIN 48") on January 1, 2007. FIN 48 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. As a result of the implementation of FIN 48, the Company recognized a \$1.9 million decrease in the liability for unrecognized tax benefits, which was accounted for as an increase to the January 1, 2007, balance of retained earnings.

The Company has determined that the ultimate deductibility of the federal tax positions as of December 31, 2008 are "highly certain", as such term is defined in FIN 48, but the timing of such deductibility is uncertain. Because of the impact of deferred tax accounting, the disallowance of the shorter deductibility period does not change the amount of tax expense other than associated interest and penalties. However, the timing of cash payments to the federal taxing authority would be affected. An unrecognized tax position of \$0.5 million associated with state income taxes has been recognized as an increase in income tax expense.

The Company recognizes in interest and penalties expense accounts interest and penalties, respectively, related to tax benefits that have not been recognized. During the year ended December 31, 2008, the Company recognized a benefit of approximately \$0.9 million in interest. For 2007, the Company recognized interest expense of approximately \$0.7 million. The Company had approximately \$0.5 million and \$2.5 million for the payment of interest and penalties accrued at December 31, 2008 and December 31, 2007, 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 FERC's initial decision in the Company's transmission dispute with TEP.

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Power 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
Purchase Capacity	133 MW	2006 through September 2009
Power Sale Agreement	100 MW	May 2007 through April 2010
Power Purchase Agreement	100 MW	May 2007 through April 2010

(1) Purchase agreement modified in 2008 to allow purchase of 125 MW from December 2008 through December 2010.

To supplement its own generation and operating reserves, the Company engages in firm and non-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 entered into a 20-year contract for the purchase of up to 133 MW of capacity and associated energy beginning in 2006 from SPS. This contract includes a demand charge, fuel charge, variable operations and maintenance charge, and a transmission charge. However, SPS has exercised its right to terminate the contract early due to adverse regulatory action by the Texas Commission regarding transactions under the contract. As a result, the contract will terminate on September 30, 2009.

In June 2006, the Company began exchanging up to 100 MW of capacity and associated energy with Phelps Dodge Energy. The contract provides for Phelps Dodge to deliver energy to the Company from its ownership interest in the Luna Energy Facility, an approximate 570 MW 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. Upon mutual agreement, the contract allows the parties to increase the amount of energy that is exchanged. The parties have agreed to increase the amount to 125 MW for a period of 25 months beginning December 1, 2008. 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, to sell up to 100 MW of firm energy and 50 MW of contingent energy to Imperial Irrigation District ("IID") beginning May 1, 2007, and continuing through April 30, 2009. The contract also provides for the Company to sell up to 100 MW of firm energy and 40 MW of contingent energy beginning May 1, 2009 through April 30, 2010. To ensure that power is 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, to purchase up to 100 MW of firm energy from Credit Suisse Energy, LLC. This contract provides for up to 100 MW of firm energy to be 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 2010.

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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"). In 2006, the Company provided RGEC with a notice of termination. On March 28, 2008, the Company filed with FERC a power sales agreement for full requirements wholesale electric service (the "Agreement") to sell capacity and energy to RGEC at a cost-based formula rate. The Company requested that the Agreement become effective April 1, 2008 to replace the power sales agreement that expired March 31, 2008. The Agreement includes a formula-based rate that will be 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. An order accepting the tariff was issued on May 21, 2008 approving the effective date of April 1, 2008.

Environmental Matters

The Company is subject to regulation with respect to air, soil and water quality, solid waste disposal and other environmental matters by federal, state, tribal and local authorities. Those authorities govern current 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. In addition, unauthorized releases of pollutants or contaminants into the environment can result in costly cleanup obligations that are subject to enforcement by regulatory agencies.

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. For example, recent developments suggest a growing likelihood of future regulation relating to climate change and greenhouse gas emissions. At the federal level, Congress continues to hold many hearings relating to climate change issues and many bills have been introduced to impose regulation through regulatory schemes including a "cap and trade" program. The United States Supreme Court has found carbon dioxide, one of the principal greenhouse gases, to be a "pollutant" under the Clean Air Act, increasing the possibility that the U.S. Environmental Protection Agency will begin to regulate these emissions even in the absence of further action by Congress. In addition, 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 Regional Climate Action Initiative and is pursuing initiatives to reduce greenhouse gas emissions in the state. The Company is monitoring these developments and how regulation may affect it. If the United States or individual states in which the Company operates were to regulate greenhouse gas emissions, the Company's fossil fuel generation assets are likely to face additional costs for monitoring, reporting, controlling, or offsetting these emissions.

Another way in which environmental matters may impact the Company's operations and business is the implementation of the U.S. Environmental Protection Agency's ("EPA") Clean Air Interstate Rule ("CAIR") which, as applied to the Company, may result in a requirement that it substantially reduce emissions of nitrogen oxides from its power plants in Texas and/or purchase allowances representing other parties' emissions reductions starting in 2009. These requirements become more stringent in 2015, and are anticipated to require even further emissions reductions or additional allowance purchases. On July 11, 2008, the U.S. Court of Appeals for the District of Columbia vacated CAIR in its entirety. On December 23, 2008 the DC Circuit Panel

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granted Rehearing and issued its decision; it remanded CAIR without vacating the original statute. The Company will have to comply with CAIR as written until the EPA rewrites the CAIR as required by the court's earlier opinion.

The Company takes its environmental compliance seriously and is monitoring these issues so that the Company is best able to effectively adapt to any changes. While the Company strives to prepare for and implement actions necessary to comply with changing environmental regulations, 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. The Company believes it is impossible at present to meaningfully quantify the costs of these potential impacts.

The Company analyzes the costs of its obligations arising from environmental matters on an ongoing basis and believes it has made adequate provision in its regulatory-basis financial statements to meet such obligations. As a result of this analysis, the Company has a provision for environmental remediation obligations of approximately \$1.5 million as of December 31, 2008, 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>2008</u>	<u>2007</u>
Clean Air Act	\$ 584	\$ 1,808
Clean Water Act (1)	1,243	1,293

(1) Includes a \$0.2 million reserve for remediation costs for the Gila River Boundary Site discussed below for the twelve months ended December 31, 2008. For 2007 a \$0.5 million adjustment was recorded reducing the estimated costs of remediation at the Rio Grande and Copper generating stations.

Along with many other companies, the Company received from the Texas Commission on Environmental Quality ("TCEQ") a request for information in 2003 in connection with environmental conditions at a facility in San Angelo, Texas that was operated by the San Angelo Electric Service Company ("SESCO"). In November 2005, TCEQ proposed the SESCO site for listing on the registry of Texas state superfund sites and mailed notice to more than five hundred entities, including the Company, indicating that TCEQ considers each of them to be a "potentially responsible party" at the SESCO site. The Company received from the SESCO working group of potentially responsible parties a settlement offer in May 2006 for remediation and other expenses expected to be incurred in connection with the SESCO site. The Company's position is that any liability it may have related to the SESCO site was discharged in the Company's bankruptcy. At this time, the Company has not agreed to a settlement or to otherwise participate in the cleanup of the SESCO site and is unable to predict the outcome of this matter. While the Company has no reason at present to believe that it will incur material liabilities in connection with the SESCO site, it has accrued \$0.3 million for potential costs related to this matter.

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The EPA has investigated control 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. Negotiations with the EPA are ongoing and the Company has accrued \$0.2 million for potential costs related to this matter.

On September 30, 2008, the State of New Mexico, acting on behalf of the New Mexico Environment Department ("NMED"), filed a complaint in New Mexico district court alleging that, on approximately 650 occasions between May 2000 and September 2005, the Company's Rio Grande Generating Station, located in Dona Ana County, New Mexico, emitted sulfur dioxide, nitrogen oxides or carbon monoxide in excess of its permitted emission rates, and failed to properly report these allegedly excess emissions. These allegations were previously made by the NMED in a previously disclosed compliance order, which the NMED withdrew on September 30, 2008. On October 27, 2008, the State of New Mexico amended its complaint to allege approximately 300 additional exceedances of permitted nitrogen dioxide and carbon monoxide emission rates and associated reporting failures between October 2005 and July 2007. The amended complaint seeks civil penalties in the amount of \$15,000 per day for each alleged violation. The Company's motion to dismiss was denied, and the Company is preparing a response to the allegations. While the Company cannot predict the outcome of this suit, it believes these emissions did not violate applicable legal standards.

On April 4, 2007, the Company submitted its application for a New Source Review Air Quality Permit/Prevention of Significant Deterioration ("PSD") permit to the TCEQ for Newman Unit 5. The Company received approval of its PSD application on May 22, 2008. Additional environmental permits other than the PSD are not required to begin construction of Newman Unit 5 because it will be constructed at an existing plant site, and other permits are currently in place which will encompass the operation of Newman Unit 5.

In May 2007, the EPA finalized a new federal implementation plan which addresses emissions at the Four Corners Station in northwestern New Mexico of which the Company owns a 7% interest in Units 4 and 5. APS, the Four Corners operating agent, has filed suit against the EPA relating to this new federal implementation plan in order 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 new requirements could have an adverse effect on its capital and operating costs.

In December 2008, the Company was notified by El Paso that a property purchased from the Company in May 2005, (Santa Fe Facility), has revealed past contamination consistent with the Company's past practices conducted at this site. Corrective actions are currently in progress to comply with environmental requirements of the TCEQ. The Company is cooperating with El Paso to address and undertake partial disposal of certain subsurface contaminated materials. The Company has a reserve of \$0.7 million for potential costs related to this matter.

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Except as described herein, the Company is not aware of any other active investigation of its compliance with environmental requirements by the EPA, the TCEQ or the NMED which is expected to result in any material liability. Furthermore, except as described herein, the Company is not aware of any unresolved, potentially material liability it would face pursuant to the Comprehensive Environmental Response, Comprehensive Liability Act of 1980, also known as the Superfund law.

MiraSol Warranty Obligations

MiraSol is an energy services subsidiary which offered a variety of services to reduce energy use and/or lower energy costs. MiraSol was not a power marketer. On July 19, 2002, all sales activities of MiraSol ceased. MiraSol remains a going concern in order to satisfy current contracts and warranty and service obligations on previously installed projects. In September 2008, a contract was renegotiated with a MiraSol customer resolving all liabilities. As a result of the resolution of all claims, the Company reversed \$0.9 million of accrued warranty costs. Accruals, charges and balances for the reserve for warranty claims are as follows:

	<u>Years Ended December 31,</u>	
	<u>2008</u>	<u>2007</u>
Balance at beginning of year	\$ 985	\$ 1,785
Accrual of warranty costs	—	—
Charges for work performed	—	—
Liabilities reversed/settled	<u>(985)</u>	<u>(800)</u>
Balance at end of year	<u>\$ —</u>	<u>\$ 985</u>

While no other probable warranty liabilities have been identified at this time, if it is determined at a future date that MiraSol has further obligations to any customer, and contributions from MiraSol, its subcontractors or any other third party are insufficient to honor the warranty obligations, the Company intends to honor any such warranty obligations after making appropriate regulatory filings, if any.

Lease Agreements

The Company leased its general administrative offices in El Paso, Texas under a lease agreement with an 11-year term ending May 31, 2018 and fixed minimum lease payments of \$1.7 million annually. On February 8, 2008, the Company exercised its right of first refusal in the lease agreement to purchase this office building. All obligations previously incurred relating to this lease were terminated.

In June 2008, the Company entered into an agreement to lease land adjacent to the Newman Power Station. The land lease expires in June 2033 and has an automatic renewal for an additional 25-year term.

The Company also leases warehouse facilities with a term expiring in December 2009 with three concurrent renewal options of one year each. The lease payments are \$0.3 million annually. 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.

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The Company's total annual rental expense related to operating leases was \$1.1 million and \$2.0 million for 2008 and 2007, respectively. As of December 31, 2008, the Company's minimum future rental payments for the next five years are as follows (in thousands):

2009	\$ 2,004
2010	523
2011	465
2012	426
2013	422

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.

On May 5, 2004, Wah Chang, a specialty metals manufacturer which operates a plant in Oregon, filed suit against the Company and other defendants in the United States District Court for the District of Oregon. (Wah Chang v. Avista Corporation, et al., No. 04-619AS). The Court granted the Company's motion to dismiss the case. Wah Chang filed notice of appeal with the U.S. Court of Appeals for the Ninth Circuit, and in November 2007, the Ninth Circuit upheld the dismissal of the suit. Wah Chang filed a motion for rehearing of the appeal, and on January 15, 2008, the Ninth Circuit denied Wah Chang's motion. No appeal was filed to the U.S. Supreme Court, and the Ninth Circuit decision upholding the dismissal is final.

See "Note B" 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.

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The Company has two non-qualified retirement income plans that are non-funded defined benefit plans. One plan covers certain former employees 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 income plans are based on substantially the same actuarial methods and economic assumptions as those used for the Retirement Plan.

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

	December 31,			
	2008		2007	
	Retirement Income Plan	Non- Qualified Retirement Income Plans	Retirement Income Plan	Non- Qualified Retirement Income Plans
Change in projected benefit obligation:				
Benefit obligation at end of prior year	\$ 180,301	\$ 20,397	\$ 182,222	\$ 22,112
Service cost	4,958	117	5,455	179
Interest cost	11,357	1,243	10,794	1,263
Actuarial loss (gain)	8,158	456	(12,153)	(1,534)
Benefits paid	<u>(6,246)</u>	<u>(1,658)</u>	<u>(6,017)</u>	<u>(1,623)</u>
Benefit obligation at end of year	<u>198,528</u>	<u>20,555</u>	<u>180,301</u>	<u>20,397</u>
Change in plan assets:				
Fair value of plan assets at end of prior year	169,028	-	146,425	-
Actual return on plan assets	6,590	-	16,620	-
Employer contribution	9,000	1,658	12,000	1,623
Benefits paid	<u>(6,246)</u>	<u>(1,658)</u>	<u>(6,017)</u>	<u>(1,623)</u>
Fair value of plan assets at end of year	<u>178,372</u>	<u>-</u>	<u>169,028</u>	<u>-</u>
Funded status at end of year	<u>\$ (20,156)</u>	<u>\$ (20,555)</u>	<u>\$ (11,273)</u>	<u>\$ (20,397)</u>

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

	December 31,			
	2008		2007	
	Retirement Income Plan	Non- Qualified Retirement Income Plans	Retirement Income Plan	Non- Qualified Retirement Income Plans
Current liabilities	\$ -	\$ (1,610)	\$ -	\$ (1,582)
Noncurrent liabilities	<u>(20,156)</u>	<u>(18,945)</u>	<u>(11,273)</u>	<u>(18,815)</u>
Total	<u>\$ (20,156)</u>	<u>\$ (20,555)</u>	<u>\$ (11,273)</u>	<u>\$ (20,397)</u>

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The accumulated benefit obligation for all retirement plans was \$185.7 million and \$164.7 million at December 31, 2008 and 2007, respectively. The accumulated benefit obligation in excess of plan assets is as follows (in thousands):

	December 31,			
	2008		2007	
	Retirement Income Plan	Non- Qualified Retirement Income Plans	Retirement Income Plan	Non- Qualified Retirement Income Plans
Projected benefit obligation	\$ (198,528)	\$ (20,555)	\$ (180,301)	\$ (20,397)
Accumulated benefit obligation	(165,912)	(19,787)	(149,308)	(15,352)
Fair value of plan assets	178,372	-	169,028	-

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

	Years Ended December 31,			
	2008		2007	
	Retirement Income Plan	Non- Qualified Retirement Income Plans	Retirement Income Plan	Non- Qualified Retirement Income Plans
Net loss	\$ 39,333	\$ 2,944	\$ 24,603	\$ 2,589
Prior service cost	89	691	110	785
Total	<u>\$ 39,422</u>	<u>\$ 3,635</u>	<u>\$ 24,713</u>	<u>\$ 3,374</u>

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

	December 31,					
	2008			2007		
	Retirement Income Plan	Non-Qualified		Retirement Income Plan	Non-Qualified	
	Retirement Income Plan	Retirement Income Plan	Excess Benefit Plan	Retirement Income Plan	Retirement Income Plan	Excess Benefit Plan
Discount rate	6.10%	6.30%	6.30%	6.40%	6.10%	6.40%
Rate of compensation increase	5.00%	N/A	5.00%	5.00%	N/A	5.00%

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

	Years Ended December 31,			
	2008		2007	
	Retirement Income Plan	Non- Qualified Retirement Income Plans	Retirement Income Plan	Non- Qualified Retirement Income Plans
Service cost	\$ 4,958	\$ 117	\$ 5,455	\$ 179
Interest cost	11,357	1,243	10,794	1,263
Expected return on plan assets	(14,233)	-	(12,537)	-
Amortization of:				
Net loss	1,072	101	3,161	257
Prior service cost	21	94	21	94
Net periodic benefit cost	<u>\$ 3,175</u>	<u>\$ 1,555</u>	<u>\$ 6,894</u>	<u>\$ 1,793</u>

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

	Years Ended December 31,			
	2008		2007	
	Retirement Income Plan	Non- Qualified Retirement Income Plans	Retirement Income Plan	Non- Qualified Retirement Income Plans
Net loss (gain)	\$ 15,802	\$ 456	\$ (16,236)	\$ (1,533)
Amortization of:				
Net loss	(1,072)	(101)	(3,161)	(257)
Prior service cost	(21)	(94)	(21)	(94)
Total expense (income) recognized in other comprehensive income	<u>\$ 14,709</u>	<u>\$ 261</u>	<u>\$ (19,418)</u>	<u>\$ (1,884)</u>

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

	Years Ended December 31,			
	2008		2007	
	Retirement Income Plan	Non- Qualified Retirement Income Plans	Retirement Income Plan	Non- Qualified Retirement Income Plans
Total recognized in net periodic benefit cost and other comprehensive income	<u>\$ 17,884</u>	<u>\$ 1,816</u>	<u>\$ (12,524)</u>	<u>\$ (91)</u>

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The following are amounts in accumulated other comprehensive income that are expected to be recognized as components of net periodic benefit cost during 2009 (in thousands):

	<u>Retirement Income Plan</u>	<u>Non-Qualified Retirement Income Plans</u>
Net loss	\$ 1,866	\$ 84
Prior service cost	21	94

The following are the weighted-average actuarial assumptions used to determine the net periodic benefit cost at December 31:

	<u>2008</u>			<u>2007</u>		
	<u>Retirement Income Plan</u>	<u>Non-Qualified</u>		<u>Retirement Income Plan</u>	<u>Non-Qualified</u>	
		<u>Retirement Income Plan</u>	<u>Excess Benefit Plan</u>		<u>Retirement Income Plan</u>	<u>Excess Benefit Plan</u>
Discount rate	6.40%	6.10%	6.40%	5.90%	5.70%	5.90%
Expected long-term return on plan assets	8.50%	N/A	N/A	8.50%	N/A	N/A
Rate of compensation increase	5.00%	N/A	5.00%	5.00%	N/A	5.00%

The Company reassesses various actuarial assumptions at least on an annual basis. The discount rate is changed at each measurement date based on prevailing market interest rates inherent in high-quality (AA and better) corporate bonds that would provide the future cash flow needed to pay the benefits included in the benefit obligation as they become due, as well as on publicly available bond indices. The Company changed its discount rate to determine the benefit obligations for the retirement income plan from 6.40% to 6.10%, the non-qualified retirement income plan from 6.10% to 6.30%; and the excess benefit plan from 6.40% to 6.30% at December 31, 2008. For determining 2008 benefit costs, the Company changed its discount rate for the retirement income plan and the excess benefit plan from 5.90% to 6.40% and the non-qualified retirement income plan from 5.70% to 6.10%. A 1.0% decrease in the discount rate would increase the 2008 retirement plans' projected benefit obligation by 14.7%. A 1.0% increase in the discount rate would decrease the 2008 retirement plans' projected benefit obligation by 12.0%.

The Company's overall expected long-term rate of return on assets is 8.50%, 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 Retirement Plan fund includes a diversified portfolio of mutual funds investing in equity securities including large and small capital funds, international funds, and an energy industry specific fund. The Retirement Plan fund also invests in fixed income securities and real estate. The expected returns for mutual 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.

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The Company's Retirement Plan fund actual asset allocation and target asset allocation are as follows:

<u>Asset Category</u>	<u>December 31,</u>			
	<u>2008</u>		<u>2007</u>	
	<u>Actual</u>	<u>Target</u>	<u>Actual</u>	<u>Target</u>
Equity funds	32%	50%	60%	60%
Fixed income	59	35	40	35
Alternative investments	9	15	-	5
Total	<u>100%</u>	<u>100%</u>	<u>100%</u>	<u>100%</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 \$6.3 million to its retirement plans in 2009, although the Company has no 2009 minimum funding requirements for the Retirement Plan.

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

	<u>Retirement Income Plan</u>	<u>Non- Qualified Retirement Income Plans</u>
2009	\$ 6,919	\$ 1,610
2010	7,496	1,585
2011	8,169	1,556
2012	8,961	1,530
2013	9,816	1,579
2014-2018	65,262	8,615

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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 based on the funding amounts established in Texas Commission Docket No. 12700. 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 Staff Position No. 106-2 "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.

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>2008</u>	<u>2007</u>
Change in benefit obligation:		
Benefit obligation at end of prior year	\$ 98,612	\$ 113,933
Service cost	3,160	3,870
Interest cost	6,199	6,053
Actuarial loss (gain)	5,439	(22,801)
Benefits paid	(3,080)	(2,810)
Retiree contributions	535	367
Medicare Part D subsidy	171	-
Benefit obligation at end of year	<u>111,036</u>	<u>98,612</u>
Change in plan assets:		
Fair value of plan assets at end of prior year	31,227	28,498
Actual return on plan assets	(7,036)	1,750
Employer contribution	3,422	3,422
Benefits paid	(3,080)	(2,810)
Retiree contributions	535	367
Medicare Part D subsidy	171	-
Fair value of plan assets at end of year	<u>25,239</u>	<u>31,227</u>
Funded status	<u>\$ (85,797)</u>	<u>\$ (67,385)</u>

Amounts recognized in the Company's regulatory-basis balance sheets as a non-current liability consist of accrued postretirement costs of \$85.8 million and \$67.4 million for 2008 and 2007, respectively.

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Amounts recognized in accumulated other comprehensive income that have not been recognized as a component of net periodic cost in accordance with SFAS No. 158 consist of the following (in thousands):

	Years Ended December 31,	
	<u>2008</u>	<u>2007</u>
Net gain	\$ (7,950)	\$ (23,604)
Prior service credit	(15,708)	(18,577)
Transition obligation	<u>8,897</u>	<u>11,054</u>
	<u>\$ (14,761)</u>	<u>\$ (31,127)</u>

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

	<u>2008</u>	<u>2007</u>
Discount rate at end of year	6.00 %	6.50%
Trend rates:		
Initial	9.00 %	9.50%
Ultimate	5.00 %	5.00%
Years ultimate reached	9	10

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

	Years Ended December 31,	
	<u>2008</u>	<u>2007</u>
Service cost	\$ 3,160	\$ 3,870
Interest cost	6,199	6,053
Expected return on plan assets	(1,853)	(1,695)
Amortization of:		
Unrecognized transition obligation	2,157	2,157
Prior service benefit	(2,869)	(2,869)
Net gain	<u>(1,325)</u>	<u>(32)</u>
Net periodic benefit cost	<u>\$ 5,469</u>	<u>\$ 7,484</u>

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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 accumulated other comprehensive income are presented below (in thousands):

	<u>Years Ended December 31,</u>	
	<u>2008</u>	<u>2007</u>
Net loss (gain)	\$ 14,329	\$ (22,856)
Amortization of:		
Unrecognized transition obligation	(2,157)	(2,157)
Prior service benefit	2,869	2,869
Net gain	<u>1,325</u>	<u>32</u>
Total recognized in other comprehensive income	<u>\$ 16,366</u>	<u>\$ (22,112)</u>

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

	<u>Years Ended December 31,</u>	
	<u>2008</u>	<u>2007</u>
Total recognized in net periodic benefit cost and other comprehensive income	<u>\$ 21,835</u>	<u>\$ (14,628)</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 2009 (in thousands):

Unrecognized transition obligation	\$ 2,157
Prior service benefit	(2,869)

The following are the weighted-average actuarial assumptions used to determine the net periodic benefit cost:

	<u>2008</u>	<u>2007</u>
Discount rate at beginning of year	6.50%	5.90%
Expected long-term return on plan assets	5.90%	5.90%
Trend rates:		
Initial	9.50%	9.60%
Ultimate	5.00%	6.00%
Years ultimate reached	10	4

The Company reassesses various actuarial assumptions at least on an annual basis. The discount rate is evaluated at each measurement date based on prevailing market interest rates inherent in high-quality (AA and better) corporate bonds that would provide the future cash flow needed to pay the benefits included in the benefit obligation as they become due, as well as on publicly available bond indices. At December 31, 2008,

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the Company changed its discount rate from 6.50% to 6.00% for the other postretirement benefits plan. For determining 2008 benefit cost, the Company changed its discount rate from 5.90% to 6.50%. A 1.0% decrease in the discount rate would increase the 2008 accumulated postretirement benefit obligation by 16.5%. A 1.0% increase in the discount rate would decrease the 2008 accumulated postretirement benefit obligation by 13.2%.

For measurement purposes, a 9.5% annual rate of increase in the per capita cost of covered health care benefits was assumed for 2008. 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 benefit obligation by \$18.0 million or \$14.6 million, respectively. In addition, such a 1% change would increase or decrease the aggregate service and interest cost components of the net periodic benefit cost by \$1.7 million or \$1.3 million, respectively.

The Company's overall expected long-term rate of return on assets, on an after-tax basis, is 5.90%. 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 asset portfolio includes a diversified mix of mutual funds investing in equity securities including large and small capital funds, international funds, and an energy industry specific fund. The asset portfolio also includes fixed income securities, cash equivalents, and real estate. The expected returns for mutual 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. The Company's asset portfolio actual and target long-term asset allocations are as follows:

<u>Asset Category</u>	<u>December 31,</u>			
	<u>2008</u>		<u>2007</u>	
	<u>Actual</u>	<u>Target</u>	<u>Actual</u>	<u>Target</u>
Equity funds	54%	55%	70%	65%
Fixed income	33	30	30	30
Alternative investments	<u>13</u>	<u>15</u>	<u>—</u>	<u>5</u>
Total	<u>100%</u>	<u>100%</u>	<u>100%</u>	<u>100%</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 \$3.4 million to its other postretirement benefits plan in 2009.

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

	Including Medicare Part D Subsidy	Excluding Medicare Part D Subsidy	Reduction due to the Medicare Part D Subsidy
2009	\$ 3,222	\$ 3,478	\$ (256)
2010	3,735	4,023	(288)
2011	4,288	4,614	(326)
2012	4,870	5,239	(369)
2013	5,473	5,894	(421)
2014-2018	36,381	39,526	(3,145)

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. Total matching contributions made to the savings plans for the years 2008 and 2007 were \$1.6 million and \$1.6 million, respectively.

Annual Short-Term Bonus Plan

The Annual Short-Term Bonus Plan (the "Bonus Plan") provides for the payment of cash awards to eligible Company employees, including each of its 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 and customer satisfaction. If a certain level of earnings per share is not attained, no bonuses will be paid under the Bonus Plan. The Company reached the required levels of earnings per share, customer satisfaction, safety goals to pay bonuses of \$5.2 million and \$7.0 million for 2008 and 2007, respectively. The Company has renewed the Bonus Plan in 2009 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 includes a franchise fee of 3.25% of revenues and allows the Company to utilize public rights-of-way necessary to serve its retail customers within El Paso.

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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 ending 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 negotiating with Las Cruces on a new franchise agreement.

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 2% of annual operating revenues. The Company signed a contract with Ft. Bliss in October 2008 under which Ft. Bliss will take retail electric service from the Company. The contract is effective until the later of: (i) August 1, 2010 or (ii) new base rates have been approved for the Company in any Texas rate proceeding. In April 1999, the Army and the Company entered into a ten-year contract to provide retail electric service to White Sands. When the contract with White Sands expires in 2009, the Company anticipates 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

SFAS No. 107, "Disclosure about Fair Value of Financial Instruments," requires the Company to disclose estimated fair values for its financial instruments. The Company has determined that cash and temporary investments, investments 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 market value.

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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,			
	2008		2007	
	<u>Carrying Amount</u>	<u>Estimated Fair Value</u>	<u>Carrying Amount</u>	<u>Estimated Fair Value</u>
Pollution Control Bonds	\$ 193,135	\$ 168,735	\$ 193,135	\$ 192,820
Senior Notes	546,517	423,042	397,759	376,150
Nuclear Fuel Capital Leases (1)	93,653	93,653	83,015	83,015
Total	<u>\$ 833,305</u>	<u>\$ 685,430</u>	<u>\$ 673,909</u>	<u>\$ 651,985</u>

(1) The interest rate on the Company's nuclear fuel capital leases 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 2009, approximately \$0.3 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, 2008, 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 SFAS No. 133, and, as such, were not required to be accounted for as derivatives pursuant to SFAS No. 133 and other guidance.

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 SFAS No. 133. However, as of December 31, 2008, the variable, market-based pricing provisions of existing gas contracts are such that these derivative instruments have no significant fair value.

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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 \$111.3 million and \$130.7 million at December 31, 2008 and 2007, respectively. These securities are classified as available for sale under SFAS No. 115 "Accounting 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, at December 31, 2008 and 2007 (in thousands):

	December 31, 2008					
	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	\$ -	\$ -	\$ 88	\$ (3)	\$ 88	\$ (3)
Municipal Obligations	8,656	(227)	5,201	(137)	13,857	(364)
Corporate Obligations	2,302	(249)	1,548	(163)	3,850	(412)
Total debt securities	10,958	(476)	6,837	(303)	17,795	(779)
Common stock	21,179	(6,431)	604	(204)	21,783	(6,635)
Mutual Funds	7,152	(3,539)	-	-	7,152	(3,539)
Total equity securities	28,331	(9,970)	604	(204)	28,935	(10,174)
Total temporarily impaired securities	\$ 39,289	\$ (10,446)	\$ 7,441	\$ (507)	\$ 46,730	\$ (10,953)

(1) Includes approximately 161 securities.

	December 31, 2007					
	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	\$ 944	\$ (2)	\$ 2,253	\$ (34)	\$ 3,197	\$ (36)
Municipal Obligations	3,072	(11)	6,995	(54)	10,067	(65)
Corporate Obligations	1,119	(24)	880	(10)	1,999	(34)
Total debt securities	5,135	(37)	10,128	(98)	15,263	(135)
Common stock	9,031	(1,464)	-	-	9,031	(1,464)
Total temporarily impaired securities	\$ 14,166	\$ (1,501)	\$ 10,128	\$ (98)	\$ 24,294	\$ (1,599)

(2) Includes approximately 80 securities.

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 2008/Q4
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 at December 31, 2008 and 2007 (in thousands):

Description of Securities:	December 31, 2008		December 31, 2007	
	Fair Value	Unrealized Gains	Fair Value	Unrealized Gains
Federal Agency Mortgage Backed Securities	\$ 13,122	\$ 382	\$ 7,898	\$ 71
U.S. Government Bonds	3,147	367	4,904	182
Municipal Obligations	19,088	506	21,294	359
Corporate Obligations	1,021	69	2,005	63
Total debt securities	<u>36,378</u>	<u>1,324</u>	<u>36,101</u>	<u>675</u>
Common stock	25,123	2,046	55,995	18,032
Mutual Funds	—	—	11,601	2,212
Total equity securities	<u>25,123</u>	<u>2,046</u>	<u>67,596</u>	<u>20,244</u>
Temporary investments	<u>3,075</u>	<u>—</u>	<u>2,663</u>	<u>—</u>
Total	<u>\$ 64,576</u>	<u>\$ 3,370</u>	<u>\$ 106,360</u>	<u>\$ 20,919</u>

The Company's marketable securities include investments in municipal debt obligations and corporate debt obligations. The contractual year for maturity of these available-for-sale securities as of December 31, 2008 is as follows (in thousands):

	Total	2009	2010 through 2013	2014 through 2018	2019 and Beyond
Municipal Debt Obligations	\$ 32,945	\$ 1,202	\$ 11,529	\$ 12,608	\$ 7,606
Corporate Debt Obligations	4,871	228	1,427	2,600	616
U.S. Government Bonds and Federal Agency Mortgage Backed Securities	16,357	—	1,404	1,126	13,827

Name of Respondent El Paso Electric Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2008/Q4
NOTES TO FINANCIAL STATEMENTS (Continued)			

The Company has recognized some impairment losses on certain of its securities to be other than temporary and in accordance with SFAS No. 115 these impairment losses have been recognized in net income and a lower cost basis has been established for these securities. For the twelve months ended December 31, 2008 and 2007 the Company recognized other than temporary impairment losses on its available-for-sale securities as follows (in thousands):

	<u>2008</u>	<u>2007</u>
Gross unrealized holding losses included in pre-tax income	\$ (7,761)	\$ -

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, 2008 and 2007 and the related effects on pre-tax income are as follows (in thousands):

	<u>2008</u>	<u>2007</u>
Proceeds from sales of available-for-sale securities	<u>\$ 53,447</u>	<u>\$ 105,201</u>
Gross realized gains included in pre-tax income	\$ 5,505	\$ 2,639
Gross realized losses included in pre-tax income	(2,214)	(1,777)
Net unrealized gains (losses) in pre-tax income	<u>(6,167)</u>	<u>821</u>
Net gains (losses) in pre-tax income	<u>\$ (2,876)</u>	<u>\$ 1,683</u>
Net unrealized holding gains (losses) included in accumulated other comprehensive income	\$ (29,779)	\$ 5,835
Net (gains) losses reclassified out of accumulated other comprehensive income	<u>2,876</u>	<u>(1,683)</u>
Net gains (losses) in other comprehensive income	<u>\$ (26,903)</u>	<u>\$ 4,152</u>

Fair Value Measurements. The Company adopted SFAS No. 157, "Fair Value Measurements" ("SFAS No. 157") during the first quarter of 2008. SFAS No. 157 requires the Company to provide expanded quantitative disclosures for financial assets and liabilities recorded on the regulatory-basis balance sheet at fair value. Financial assets carried at fair value include the Company's decommissioning trust investments and investments in debt securities. The Company has no liabilities that are measured at fair value on a recurring basis. To increase consistency and comparability in fair value measurements, this new standard 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 transparent market.

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

As of December 31, 2008, 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 them as trading securities. 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 a credit rating of "A" by Standards & Poors 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. Upon a failed auction the maximum interest rates are based upon LIBOR plus 1.0% – 2.5% with rate limitations based upon interest rates on the underlying student loans. At December 31, 2008, the maximum interest rates were 2.081% to 2.971%.

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, beginning in 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, 2008 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. In order to more accurately forecast cash flows, treasury and swap curves were created using 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 650 basis points based on the securities' (i) credit risk, (ii) illiquidity, (iii) subordinated status, (iv) interest rate limitations, and (v) FFELP guarantees.

The market comparables method is based upon sales and purchases of auction rate securities in secondary market transactions. The average secondary market discount on comparable Student Loan Auction Rate Securities taking into account the specific characteristics of the securities was 40%. 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.

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NOTES TO FINANCIAL STATEMENTS (Continued)			

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. SFAS No. 157 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. In 2008, \$6.2 million of impairments deemed to be other than temporary were recognized in the regulatory-basis statement of operations. There were no impairments recognized in the regulatory-basis statement of operations in 2007.

The fair value of the Company's decommissioning trust funds and investments in debt securities, at December 31, 2008, and the level within the three levels of the fair value hierarchy defined by SFAS No. 157 are presented in the table below (in thousands):

<u>Description of Securities</u>	<u>Fair Value as of December 31, 2008</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	\$ 2,264	\$ -	\$ -	\$ 2,264
Available for sale:				
U.S. Government Bonds	\$ 3,147	\$ 3,147	\$ -	\$ -
Federal Agency Mortgage Backed Securities	13,210	-	13,210	-
Municipal Bonds	32,945	-	32,945	-
Corporate Asset Backed Obligations	4,871	-	4,871	-
Subtotal, Debt Securities	<u>54,173</u>	<u>3,147</u>	<u>51,026</u>	<u>-</u>
Common Stock	46,906	46,906	-	-
Mutual Funds	7,152	7,152	-	-
Subtotal, Equity Securities	<u>54,058</u>	<u>54,058</u>	<u>-</u>	<u>-</u>
Cash and Cash Equivalents	3,075	3,075	-	-
Total available for sale	<u>\$ 111,306</u>	<u>\$ 60,280</u>	<u>\$ 51,026</u>	<u>\$ -</u>

The fair value of the investments in debt securities as of December 31, 2008 resulted in a charge to income of \$1.7 million for the twelve months ended December 31, 2008 and is reflected in the Company's regulatory-basis statement of operations as a reduction to investment and interest income. The table below reflects the changes during the period (in thousands):

	<u>Fair Value of Investments in Debt Securities</u>
Balance at December 31, 2007	\$ -
Transfers into Level 3 (1)	4,000
Unrealized loss in fair value recognized in income	(1,736)
Balance at December 31, 2008	<u>\$ 2,264</u>

(1) Amounts presented as being transferred in are based on the fair value at the beginning of the period.

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NOTES TO FINANCIAL STATEMENTS (Continued)			

O. Supplemental Statements of Cash Flows Disclosures

	<u>Years Ended December 31,</u>	
	<u>2008</u>	<u>2007</u>
	(In thousands)	
Cash paid for:		
Interest on long-term debt and financing obligations	\$ 41,909	\$ 34,146
Income taxes	4,353	26,312
Other interest	196	-
Non-cash financing activities:		
Grants of restricted shares of common stock	3,021	3,502
Deferred tax benefit on long-term incentive plans	43	3,993

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.

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	12,041,237			(30,529,791)
2	Preceding Qtr/Yr to Date Reclassifications from Acct 219 to Net Income	(1,346,601)			1,822,052
3	Preceding Quarter/Year to Date Changes in Fair Value	4,668,304			32,572,608
4	Total (lines 2 and 3)	3,321,703			34,394,660
5	Balance of Account 219 at End of Preceding Quarter/Year	15,362,940			3,864,869
6	Balance of Account 219 at Beginning of Current Year	15,362,940			3,864,869
7	Current Qtr/Yr to Date Reclassifications from Acct 219 to Net Income	2,300,427			(581,443)
8	Current Quarter/Year to Date Changes in Fair Value	(23,823,302)			(19,917,947)
9	Total (lines 7 and 8)	(21,522,875)			(20,499,390)
10	Balance of Account 219 at End of Current Quarter/Year	(6,159,935)			(16,634,521)

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

Line No.	Other Cash Flow Hedges Interest Rate Swaps (f)	Other Cash Flow Hedges Interest Rate Lock (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		(14,392,792)	(32,881,346)		
2		179,699	655,150		
3			37,240,912		
4		179,699	37,896,062	76,831,162	114,727,224
5		(14,213,093)	5,014,716		
6		(14,213,093)	5,014,716		
7		192,267	1,911,251		
8			(43,741,249)		
9		192,267	(41,829,998)	80,282,956	38,452,958
10		(14,020,826)	(36,815,282)		

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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 loss. In May 2005, the Company began to recognize in earnings (as additional interest expense) the accumulated other comprehensive loss associated with the cash flow hedge. During the next twelve month period, approximately \$0.3 million of this accumulated other comprehensive loss item will be reclassified to interest expense.

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

During the fourth quarter of 2007, in accordance with the FERC Guidance Letter related to SFAS No. 158, "Employer's Accounting for Defined Pension and Other Postretirement Plans," this amount includes adjustments related to the funded status of defined postretirement benefit plans. This amount also includes an adjustment for the tax effect of SFAS No. 158 of \$9.7 million.

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

Beginning in the fourth quarter of 2006, in accordance with the FERC Guidance Letter related to SFAS No. 158, "Employer's 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.: 8 Column: e

Beginning in the fourth quarter of 2006, in accordance with the FERC Guidance Letter related to SFAS No. 158, "Employer's Accounting for Defined Pension and Other Postretirement Plans," this amount includes adjustments related to the funded status of defined postretirement benefit plans.

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SUMMARY OF UTILITY PLANT AND ACCUMULATED PROVISIONS FOR DEPRECIATION, AMORTIZATION AND DEPLETION					
Report in Column (c) the amount for electric function, in column (d) the amount for gas function, in column (e), (f), and (g) report other (specify) and in column (h) common function.					
Line No.	Classification (a)	Total Company for the Current Year/Quarter Ended (b)	Electric (c)		
1	Utility Plant				
2	In Service				
3	Plant in Service (Classified)	2,749,936,759	2,749,936,759		
4	Property Under Capital Leases				
5	Plant Purchased or Sold				
6	Completed Construction not Classified	353,285,343	353,285,343		
7	Experimental Plant Unclassified				
8	Total (3 thru 7)	3,103,222,102	3,103,222,102		
9	Leased to Others				
10	Held for Future Use				
11	Construction Work in Progress	205,747,672	205,747,672		
12	Acquisition Adjustments				
13	Total Utility Plant (8 thru 12)	3,308,969,774	3,308,969,774		
14	Accum Prov for Depr, Amort, & Depl	1,808,821,988	1,808,821,988		
15	Net Utility Plant (13 less 14)	1,500,147,786	1,500,147,786		
16	Detail of Accum Prov for Depr, Amort & Depl				
17	In Service:				
18	Depreciation	1,794,333,187	1,794,333,187		
19	Amort & Depl of Producing Nat Gas Land/Land Right				
20	Amort of Underground Storage Land/Land Rights				
21	Amort of Other Utility Plant	14,488,801	14,488,801		
22	Total In Service (18 thru 21)	1,808,821,988	1,808,821,988		
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)	1,808,821,988	1,808,821,988		

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 2008/Q4
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**SUMMARY OF UTILITY PLANT AND ACCUMULATED PROVISIONS
FOR DEPRECIATION, AMORTIZATION AND DEPLETION**

Gas (d)	Other (Specify) (e)	Other (Specify) (f)	Other (Specify) (g)	Common (h)	Line No.
					1
					2
					3
					4
					5
					6
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					10
					11
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					31
					32
					33

Name of Respondent El Paso Electric Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2008/Q4
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)		114,422,253		27,933,311
13	(Less) Accum Prov for Amortization of Nuclear Fuel Assem (120.5)		35,504,717		-163,728
14	TOTAL Nuclear Fuel Stock (Total 6, 10, 11, 12, less 13)		78,917,536		
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) <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>2008/Q4</u>
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NUCLEAR FUEL MATERIALS (Account 120.1 through 120.6 and 157)

Amortization (d)	Changes during Year		Balance End of Year (f)	Line No.
	Other Reductions (Explain in a footnote) (e)			
				1
				2
				3
				4
				5
				6
				7
				8
				9
				10
				11
		25,455,617	116,899,947	12
-19,860,695		25,455,617	29,746,067	13
			87,153,880	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 2008/Q4
FOOTNOTE DATA			

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

Retirement of fully amortized nuclear fuel in connection with the 2008 Units 1, 2 and 3 reloads.

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

Dry Cask storage costs allocated to Units 1, 2, and 3, of \$0.4 million offset by an adjustment for prior amortization of \$0.2 million related to repaired and reinserted fuel assemblies as part of the Unit 3 Cycle 13 reload.

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

Retirement of fully amortized nuclear fuel in connection with the 2008 Units 1, 2 and 3 reloads.

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

All of the Company's nuclear fuel is financed using a credit facility, which provides the Company with up to \$120 million for the financing of nuclear fuel. This financing is accomplished through a trust that borrows under the facility to acquire and process the nuclear fuel. The assets and liabilities of the trust are reported on the Company's regulatory-basis balance sheets. As of December 31, 2008, approximately \$93.7 million had been drawn for nuclear fuel purchases. Information on quantities of nuclear fuel materials is not available. During 2008, the Company capitalized approximately \$3.4 million of costs, including interest on trust borrowings, credit facility commitment fees, trustee fees and miscellaneous legal expenses, in connection with the financing of nuclear fuel through the trust.

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

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

Line No.	Account (a)	Balance Beginning of Year (b)	Additions (c)
1	1. INTANGIBLE PLANT		
2	(301) Organization		
3	(302) Franchises and Consents		
4	(303) Miscellaneous Intangible Plant	65,507,559	6,521,867
5	TOTAL Intangible Plant (Enter Total of lines 2, 3, and 4)	65,507,559	6,521,867
6	2. PRODUCTION PLANT		
7	A. Steam Production Plant		
8	(310) Land and Land Rights	111,351	
9	(311) Structures and Improvements	15,178,967	308,306
10	(312) Boiler Plant Equipment	104,398,807	5,588,923
11	(313) Engines and Engine-Driven Generators	15,496,988	21,896
12	(314) Turbogenerator Units	77,061,284	1,719,816
13	(315) Accessory Electric Equipment	14,298,108	516,466
14	(316) Misc. Power Plant Equipment	37,753,390	915,074
15	(317) Asset Retirement Costs for Steam Production	160,004	
16	TOTAL Steam Production Plant (Enter Total of lines 8 thru 15)	264,458,899	9,070,481
17	B. Nuclear Production Plant		
18	(320) Land and Land Rights	1,846,320	
19	(321) Structures and Improvements	418,296,512	9,767,028
20	(322) Reactor Plant Equipment	679,666,969	45,350,658
21	(323) Turbogenerator Units	216,574,688	13,395,586
22	(324) Accessory Electric Equipment	168,309,439	1,839,290
23	(325) Misc. Power Plant Equipment	76,501,923	542,496
24	(326) Asset Retirement Costs for Nuclear Production	9,864,165	
25	TOTAL Nuclear Production Plant (Enter Total of lines 18 thru 24)	1,571,060,016	70,895,058
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	670,564	1,845
39	(342) Fuel Holders, Products, and Accessories	480,893	
40	(343) Prime Movers		
41	(344) Generators	10,999,289	183,558
42	(345) Accessory Electric Equipment	451,417	
43	(346) Misc. Power Plant Equipment	3,843,313	189,770
44	(347) Asset Retirement Costs for Other Production	15,479	
45	TOTAL Other Prod. Plant (Enter Total of lines 37 thru 44)	16,470,955	375,173
46	TOTAL Prod. Plant (Enter Total of lines 16, 25, 35, and 45)	1,851,989,870	80,340,712

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 2008/Q4
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	11,537,639	354,403	
49	(352) Structures and Improvements	6,293,967	118,384	
50	(353) Station Equipment	112,072,044	12,052,421	
51	(354) Towers and Fixtures	24,487,533	262	
52	(355) Poles and Fixtures	72,690,225	6,835,719	
53	(356) Overhead Conductors and Devices	71,574,320	2,180,070	
54	(357) Underground Conduit			
55	(358) Underground Conductors and Devices			
56	(359) Roads and Trails	1,047,402		
57	(359.1) Asset Retirement Costs for Transmission Plant			
58	TOTAL Transmission Plant (Enter Total of lines 48 thru 57)	299,703,130	21,541,259	
59	4. DISTRIBUTION PLANT			
60	(360) Land and Land Rights	1,381,474	109,328	
61	(361) Structures and Improvements	3,728,835	25,315	
62	(362) Station Equipment	110,530,543	8,655,903	
63	(363) Storage Battery Equipment			
64	(364) Poles, Towers, and Fixtures	92,616,283	7,878,437	
65	(365) Overhead Conductors and Devices	54,475,800	6,302,366	
66	(366) Underground Conduit	83,364,266	8,337,752	
67	(367) Underground Conductors and Devices	76,992,648	11,376,488	
68	(368) Line Transformers	105,692,876	15,410,978	
69	(369) Services	35,674,037	1,498,630	
70	(370) Meters	29,890,017	2,437,189	
71	(371) Installations on Customer Premises	8,292,280	776,679	
72	(372) Leased Property on Customer Premises			
73	(373) Street Lighting and Signal Systems	9,269,338	312,672	
74	(374) Asset Retirement Costs for Distribution Plant			
75	TOTAL Distribution Plant (Enter Total of lines 60 thru 74)	611,908,397	63,121,737	
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	539,810		
87	(390) Structures and Improvements	17,229,531	18,967,860	
88	(391) Office Furniture and Equipment	19,184,088	2,566,019	
89	(392) Transportation Equipment	27,250,861	3,663,497	
90	(393) Stores Equipment	239,072		
91	(394) Tools, Shop and Garage Equipment	2,398,450	88,508	
92	(395) Laboratory Equipment	2,870,529	135,919	
93	(396) Power Operated Equipment	4,856,662	689,221	
94	(397) Communication Equipment	28,672,875	1,861,721	
95	(398) Miscellaneous Equipment	2,284,350	61,195	
96	SUBTOTAL (Enter Total of lines 86 thru 95)	105,526,228	28,033,940	
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)	105,526,228	28,033,940	
100	TOTAL (Accounts 101 and 106)	2,934,635,184	199,559,515	
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)	2,934,635,184	199,559,515	

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
63,295			11,828,747	48
			6,412,351	49
			124,124,465	50
			24,487,795	51
			79,525,944	52
			73,754,390	53
				54
				55
			1,047,402	56
				57
63,295			321,181,094	58
				59
			1,490,802	60
			3,754,150	61
			119,186,446	62
				63
184,236			100,310,484	64
152,980			60,625,186	65
22,791			91,679,227	66
64,607			88,304,529	67
102,916			121,000,938	68
			37,172,667	69
600,894			31,726,312	70
8,836			9,060,123	71
				72
15,008			9,567,002	73
				74
1,152,268			673,877,866	75
				76
				77
				78
				79
				80
				81
				82
				83
				84
				85
		359,401	899,211	86
			36,197,391	87
			21,750,107	88
2,082,638			28,831,720	89
			239,072	90
			2,486,958	91
92,426			2,914,022	92
			5,545,883	93
22,837			30,511,759	94
	59		2,345,604	95
2,197,901	59	359,401	131,721,727	96
				97
				98
2,197,901	59	359,401	131,721,727	99
22,809,421	-8,522,577	359,401	3,103,222,102	100
				101
				102
				103
22,809,421	-8,522,577	359,401	3,103,222,102	104

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					
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44					
45					
46					
47	TOTAL				

Name of Respondent El Paso Electric Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2008/Q4
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ELECTRIC PLANT HELD FOR FUTURE USE (Account 105)

- 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.
- 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				
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13				
14				
15				
16				
17				
18				
19				
20				
21	Other Property:			
22				
23				
24				
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44				
45				
46				
47	Total			0

Name of Respondent El Paso Electric Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2008/Q4
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CONSTRUCTION WORK IN PROGRESS - - ELECTRIC (Account 107)

1. Report below descriptions and balances at end of year of projects in process of construction (107)
2. Show items relating to "research, development, and demonstration" projects last, under a caption Research, Development, and Demonstrating (see Account 107 of the Uniform System of Accounts)
3. Minor projects (5% of the Balance End of the Year for Account 107 or \$100,000, 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	80,206,607
2	PALO VERDE CAPITAL IMPROVEMENTS	33,279,541
3	UNDERGROUND DISTRIBUTION - TX	11,373,058
4	OVERHEAD DISTRIBUTION - TX	7,433,847
5	JORNADA SUBSTATION & FEEDERS	6,551,997
6	CUSTOMER SERVICE SYSTEM	6,142,861
7	UNDERGROUND DISTRIBUTION - NM	5,143,837
8	NEWMAN REVERSE OSMOSIS PLANT	4,577,140
9	GLOBAL REACH SUBSTATION	3,990,259
10	OVERHEAD DISTRIBUTION - NM	3,600,135
11	NEWMAN UNIT 5 INTERCONNECTION	3,171,774
12	NEWMAN U4 (GT1 & GT2) TURBINE UPGRADES	3,160,281
13	DISTRIBUTION - TX	2,367,593
14	NEWMAN T-2	2,058,674
15	TRANSMISSION IMPROVEMENTS (345 KV AND >)	1,998,470
16	CABLE REPLACEMENT PROGRAM	1,916,815
17	PALO VERDE WRF EVAP POND LINER REPLCMNT	1,541,026
18	SANTA TERESA - MONTOYA 11	1,519,705
19	VAN HORN BACKFEED	1,505,684
20	ENERGY TRANSACTION & RISK MANAGEMENT SYS	1,376,154
21	FOUR CORNERS CAPITAL IMPROVEMENTS	1,334,247
22	RIPLEY SUBSTATION	1,319,344
23	AMRAD AUTOTRANSFORMER	1,225,855
24	ASCARATE SUBSTATION UPGRADE	1,120,857
25	AIRPORT SUBSTATION UPGRADE	1,118,639
26	FARMER - ALAMO TRANSMISSION LINE UPGRADE	1,047,379
27	AMR PROJECT (MICRONETWORK)	1,003,272
28	TRANSMISSION IMPROVEMENTS (< 345 KV)	994,845
29	NEWMAN CAPITAL IMPROVEMENTS	988,545
30	NEW MONTOYA FEEDERS	965,802
31	GLOBAL REACH IN & OUT TRANSMISSION LINE	715,702
32	SUBSTATION REGULATOR REPLACEMENTS	680,158
33	FIBER OPTIC SYSTEM UPGRADE	664,751
34	ASCARATE SUBSTATION TRNSFRMR UPGRADE	643,640
35	EDDY COUNTY HVDC CIRCUIT SWITCHER	578,135
36	C & I TRANSLATOR SYSTEM UPGRADE	565,801
37	RIO GRANDE SUBSTATION UPGRADE	542,374
38	LAS CRUCES CAPACITOR BANK	460,127
39	MILAGRO FEEDER EXPANSION	457,287
40	DYER-AUSTIN 6400 LINE REBUILD	436,984
41	MANN-11 ASCARATE-11 RECONDUCTOR	412,506
42	SE1 SUBSTATION	377,031
43	TOTAL	205,747,672

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>2008/Q4</u>
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CONSTRUCTION WORK IN PROGRESS -- ELECTRIC (Account 107)

1. Report below descriptions and balances at end of year of projects in process of construction (107)
2. Show items relating to "research, development, and demonstration" projects last, under a caption Research, Development, and Demonstrating (see Account 107 of the Uniform System of Accounts)
3. Minor projects (5% of the Balance End of the Year for Account 107 or \$100,000, whichever is less) may be grouped.

Line No.	Description of Project (a)	Construction work in progress - Electric (Account 107) (b)
1	FABENS DISTRIBUTION LINE UPGRADE	360,638
2	DYER-14 DISTRIBUTION LINE UPGRADE	355,968
3	PELLICANO SUBSTATION	307,781
4	LABOR CLEARING PROJECT	290,375
5	AIP ACCESS & CLEARING	288,958
6	ENVIRONMENTAL PRODUCTION PLANT IMPRVMENTS	271,793
7	ALAMO DISTRIBUTION FEED	252,642
8	LAS CRUCES SUBSTATION UPGRADE	249,569
9	FT.BLISS - BUTTERFIELD TRANSMISSION LINE	229,679
10	NEWMAN BOILER SUPPORT AUXILIARY	197,704
11	ARROYO SUBSTATION FEEDER	187,941
12	ASCARATE CAPACITOR BANK REPLACEMENT	185,652
13	HORIZON-11 DISTRIBUTION LINE UPGRADE	182,899
14	RIO GRANDE ROUTINE CONTROLS	181,117
15	ENVIRONMENTAL PROJECTS (NEWMAN)	171,346
16	COPPER STATION (VARIOUS REPLACEMENTS)	165,018
17	I.T. INFRASTRUCTURE BLANKET	159,716
18	ASCARATE SUBSTATION BREAKER UPGRADE	136,434
19	NEWMAN CONDENSATE SYSTEM	135,672
20	RECORDING METERS FOR EL PASO WATER UTILITY	130,430
21	FORECAST/BUDGET SYSTEMS (GEAC)	129,350
22	MINOR PROJECTS	608,251
23		
24		
25		
26		
27		
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29		
30		
31		
32		
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41		
42		
43	TOTAL	205,747,672

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 2008/Q4
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ACCUMULATED PROVISION FOR DEPRECIATION OF ELECTRIC UTILITY PLANT (Account 108)

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

Section A. Balances and Changes During Year

Line No.	Item (a)	Total (c+d+e) (b)	Electric Plant in Service (c)	Electric Plant Held for Future Use (d)	Electric Plant Leased to Others (e)
1	Balance Beginning of Year	1,755,826,592	1,755,826,592		
2	Depreciation Provisions for Year, Charged to				
3	(403) Depreciation Expense	62,306,042	62,306,042		
4	(403.1) Depreciation Expense for Asset Retirement Costs	304,669	304,669		
5	(413) Exp. of Elec. Plt. Leas. to Others				
6	Transportation Expenses-Clearing				
7	Other Clearing Accounts	1,163,917	1,163,917		
8	Other Accounts (Specify, details in footnote):				
9					
10	TOTAL Deprec. Prov for Year (Enter Total of lines 3 thru 9)	63,774,628	63,774,628		
11	Net Charges for Plant Retired:				
12	Book Cost of Plant Retired	22,383,685	22,383,685		
13	Cost of Removal	3,634,229	3,634,229		
14	Salvage (Credit)	749,881	749,881		
15	TOTAL Net Chrgs. for Plant Ret. (Enter Total of lines 12 thru 14)	25,268,033	25,268,033		
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)	1,794,333,187	1,794,333,187		

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

20	Steam Production	186,236,847	186,236,847		
21	Nuclear Production	1,139,186,666	1,139,186,666		
22	Hydraulic Production-Conventional				
23	Hydraulic Production-Pumped Storage				
24	Other Production	8,152,192	8,152,192		
25	Transmission	173,544,952	173,544,952		
26	Distribution	223,501,914	223,501,914		
27	Regional Transmission and Market Operation				
28	General	63,710,616	63,710,616		
29	TOTAL (Enter Total of lines 20 thru 28)	1,794,333,187	1,794,333,187		

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 2008/Q4
FOOTNOTE DATA			

Schedule Page: 219 Line No.: 7 Column: c

Palo Verde depreciation expense adjustment charged to FERC Account 182-301, related to NM Rate Case 06-00258 UT.

Schedule Page: 219 Line No.: 12 Column: c

The difference of \$425,736 between retirements reported for electric plant in service (pages 204-207 column d), is primarily due to the sale of individual assets not fully amortized.

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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		3,954,612
7				
8	Accumulated Deficit			-3,609,709
9				
10				
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41				
42	Total Cost of Account 123.1 \$	439,916	TOTAL	345,903

Name of Respondent El Paso Electric Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2008/Q4
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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
	4,789	3,959,401		6
				7
89,224		-3,520,485		8
				9
				10
				11
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				41
89,224	4,789	439,916		42

Name of Respondent	This Report is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
El Paso Electric Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	/ /	2008/Q4
FOOTNOTE DATA			

Schedule Page: 224 Line No.: 6 Column: f

Represents net additions to paid in capital during the year.

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>2008/Q4</u>
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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)	2,342,349	2,299,860	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)	20,675,553	23,930,094	Production
8	Transmission Plant (Estimated)	3,489,515	4,195,614	Transmission
9	Distribution Plant (Estimated)	5,996,886	7,751,830	Distribution
10	Regional Transmission and Market Operation Plant (Estimated)			
11	Assigned to - Other (provide details in footnote)	1,660,066	1,975,992	Various
12	TOTAL Account 154 (Enter Total of lines 5 thru 11)	31,822,020	37,853,530	
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)	69,906		
17				
18				
19				
20	TOTAL Materials and Supplies (Per Balance Sheet)	34,234,275	40,153,390	

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 2008/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.

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>2008/Q4</u>
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Allowances (Accounts 158.1 and 158.2)

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

Line No.	Allowances Inventory (Account 158.1) (a)	Current Year		2009	
		No. (b)	Amt. (c)	No. (d)	Amt. (e)
1	Balance-Beginning of Year	2,302.00		314.00	
2					
3	Acquired During Year:				
4	Issued (Less Withheld Allow)	314.00			
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	2,616.00		314.00	
30					
31	Sales:				
32	Net Sales Proceeds(Assoc. Co.)				
33	Net Sales Proceeds (Other)				
34	Gains				
35	Losses				
	Allowances Withheld (Acct 158.2)				
36	Balance-Beginning of Year				
37	Add: Withheld by EPA				
38	Deduct: Returned by EPA				
39	Cost of Sales				
40	Balance-End of Year				
41					
42	Sales:				
43	Net Sales Proceeds (Assoc. Co.)				
44	Net Sales Proceeds (Other)				
45	Gains				
46	Losses				

Name of Respondent El Paso Electric Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2008/Q4
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Allowances (Accounts 158.1 and 158.2) (Continued)

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

2010		2011		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		9,334.00		12,668.00		1
								2
								3
						314.00		4
								5
								6
								7
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								23
								24
								25
								26
								27
								28
359.00		359.00		9,334.00		12,982.00		29
								30
								31
								32
								33
								34
								35
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								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 2008/Q4
FOOTNOTE DATA			

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

Represents allowances banked by the Company through December 31, 2007.

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 included 359 allowances for each year beginning in 2012 and beyond.

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

The Company has not purchased any allowances, but they are currently trading at \$380 to \$651 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.

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 2008/Q4
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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						
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48						
49	TOTAL					

Name of Respondent El Paso Electric Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2008/Q4
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OTHER REGULATORY ASSETS (Account 182.3)

1. Report below the particulars (details) called for concerning other regulatory assets, including rate order docket number, if applicable.
2. Minor items (5% of the Balance in Account 182.3 at end of period, or amounts less than \$50,000 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	Net Undercollection of Fuel Revenues:					
2	New Mexico		7,684,797			7,684,797
3	Texas	29,156,322	10,087,790			39,244,112
4	FERC			447	71,959	-71,959
5						
6	SFAS No. 109 Taxes-Regulatory Assets	90,761,486	8,887,810	Various	8,068,505	91,580,791
7						
8	Rio Grande Resources Trust:					
9	Nuclear Fuel Postload Daily Finance Charge	3,025,010	1,499,264	518	1,864,599	2,659,675
10						
11	Texas Energy Efficiency	173,359	986,158	254.3	173,359	986,158
12						
13	Coal Reclamation	9,951,710	217,315	501/431	487,558	9,681,467
14						
15	New Mexico Renewable Energy Cost:					
16	Renewable Procurement Plan	213,999	254,441	131	4,250	464,190
17	Renewable Energy Credits	1,497,153	781,222			2,278,375
18						
19	New Mexico Energy Efficiency Program	89,606	141,687			231,293
20						
21	New Mexico:					
22	Rate Case Cost	476,107	3,543	928	185,880	293,770
23	Transition Cost	1,149,998		407.3	575,004	574,994
24	Palo Verde Deferred Depreciation	549,384	1,163,917			1,713,301
25						
26						
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42						
43						
44	TOTAL	137,044,134	31,707,944		11,431,114	157,320,964

Name of Respondent	This Report is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
El Paso Electric Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	//	2008/Q4
FOOTNOTE DATA			

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

Amortization period ranges from 5 to 40 years.

Schedule Page: 232 Line No.: 9 Column: b

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

Schedule Page: 232 Line No.: 11 Column: b

Texas House Bill 3693 provided for the deferral of energy efficiency costs to meet new goals until recovery is provided in the Company's next base rate filing.

Schedule Page: 232 Line No.: 11 Column: e

Represents the reclassification of expenses previously accrued for 2006.

Schedule Page: 232 Line No.: 13 Column: b

Represents total company final coal mine reclamation liability. Final coal mine reclamation represents the cost to reclaim the land disturbed during coal mining that was not previously reclaimed while the mine was in operation. Current ongoing reclamation of land is passed through as reconcilable fuel costs. In the Company's New Mexico jurisdiction the recovery of final coal reclamation costs was approved as a base fuel component in Case No. 06-00258-UT and will be amortized through July 2016, the 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 will be amortized monthly based on a stipulated amount subject to adjustment in the next general rate case. 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 mining contract.

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

In accordance with Final Order in Case Nos. 05-00231-UT and 08-00219-UT, the Company can collect renewable energy procurement costs related to renewable energy certificates as a component of base rates in the Company's next rate case filing.

Schedule Page: 232 Line No.: 17 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 will request these costs as a component of base rates in the Company's next rate case filing.

Schedule Page: 232 Line No.: 19 Column: b

In accordance with Final Order Case No. 06-00065-UT, the Company can collect Energy Efficiency Program costs through a tariff rider approved by the NMPRC.

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

This balance relates to rate case cost approved in Case No. 06-00258-UT and will be amortized over a 3 year period beginning July 2007.

Schedule Page: 232 Line No.: 23 Column: b

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

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

In NMPRC Case No. 06-00258-UT the NMPRC extended the depreciable life of Palo Verde an additional 10 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.

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>2008/Q4</u>
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MISCELLANEOUS DEFERRED DEBITS (Account 186)

- Report below the particulars (details) called for concerning miscellaneous deferred debits.
- For any deferred debit being amortized, show period of amortization in column (a)
- Minor item (1% of the Balance at End of Year for Account 186 or amounts less than \$50,000, 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	-5,941		232	5,366	-11,307
3						
4	Facility & Impact Study	-17,224	485,856	131	725,513	-256,881
5						
6	Miscellaneous	200	46,850	131	41,675	5,375
7						
8	Reimbursable Transmission & Distribution Projects	16,878	531,833	416	735,388	-186,677
9						
10						
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46						
47	Misc. Work in Progress	715,367				374,708
48	Deferred Regulatory Comm. Expenses (See pages 350 - 351)					
49	TOTAL	709,280				-74,782

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 2008/Q4
FOOTNOTE DATA			

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

A prior year amount of \$357,435 was reclassified from a transmission reimbursable project to Line 47 column b Misc. Work in Progress.

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.

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

A prior year amount of \$357,435 was reclassified from a transmission reimbursable project to Line 47 column b Misc. Work in Progress.

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 2008/Q4
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ACCUMULATED DEFERRED INCOME TAXES (Account 190)

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

Line No.	Description and Location (a)	Balance of Beginning of Year (b)	Balance at End of Year (c)
1	Electric		
2		227,979,012	237,422,788
3			
4			
5			
6			
7	Other		
8	TOTAL Electric (Enter Total of lines 2 thru 7)	227,979,012	237,422,788
9	Gas		
10			
11			
12			
13			
14			
15	Other		
16	TOTAL Gas (Enter Total of lines 10 thru 15)		
17	Other (Specify)	2,628,831	2,083,935
18	TOTAL (Acct 190) (Total of lines 8, 16 and 17)	230,607,843	239,506,723

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 2008/Q4
FOOTNOTE DATA			

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

	Balance at Beginning of Year	Balance at End of Year
ELECTRIC		
Deferred tax assets:		
Capitalized costs	82,780,200	89,584,265
Accumulated deferred investment tax credits	11,256,296	10,746,560
Alternative minimum tax credit carryforward	42,495,611	28,568,274
Revenue requirements related to regulatory liabilities established under SFAS No. 109	22,772,094	21,602,041
Pensions and Benefits	40,305,928	52,098,927
Asset Retirement Obligation	28,545,208	27,917,293
Other	(176,325)	6,905,428
Net deferred tax assets	227,979,012	237,422,788

Schedule Page: 234 Line No.: 17 Column: b

	Balance at Beginning of Year	Balance at End of Year
OTHER (Specify)		
Deferred tax assets:		
Other capitalized costs	1,425,812	1,292,072
Revenue requirements related to regulatory liabilities established under SFAS No. 109	174,397	174,397
Other	1,028,622	617,466
Net deferred tax assets	2,628,831	2,083,935

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>2008/Q4</u>
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CAPITAL STOCKS (Account 201 and 204)

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

2. Entries in column (b) should represent the number of shares authorized by the articles of incorporation as amended to end of year.

Line No.	Class and Series of Stock and Name of Stock Series (a)	Number of shares Authorized by Charter (b)	Par or Stated Value per share (c)	Call Price at End of Year (d)
1	201			
2	Common Stock (1)			
3	New York Stock Exchange (NYSE)	100,000,000	1.00	
4	Total Common Stock (2)	100,000,000		
5				
6	204			
7	Preferred Stock	2,000,000		
8	Total Preferred Stock	2,000,000		
9				
10				
11	(1) As of December 31, 2008, 1,013,953			
12	unissued shares of Common Stock of the			
13	Company were reserved for future			
14	allocations. 239,057 shares are reserved			
15	under the 1999 Long-Term Incentive Plan			
16	and 774,896 shares are reserved under			
17	the 2007 Long-term Incentive Plan.			
18				
19	(2) The Company approved a new stock			
20	repurchase program in November 2007.			
21				
22				
23				
24				
25				
26				
27				
28	Note: For additional information see the			
29	El Paso Electric Company 2008 Form 10-K			
30	filed with the SEC February 27, 2009.			
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Name of Respondent El Paso Electric Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of <u>2008/Q4</u>
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CAPITAL STOCKS (Account 201 and 204) (Continued)

3. Give particulars (details) concerning shares of any class and series of stock authorized to be issued by a regulatory commission which have not yet been issued.

4. The identification of each class of preferred stock should show the dividend rate and whether the dividends are cumulative or non-cumulative.

5. State in a footnote if any capital stock which has been nominally issued is nominally outstanding at end of year.

Give particulars (details) in column (a) of any nominally issued capital stock, reacquired stock, or stock in sinking and other funds which is pledged, stating name of pledgee and purposes of pledge.

OUTSTANDING PER BALANCE SHEET (Total amount outstanding without reduction for amounts held by respondent)		HELD BY RESPONDENT				Line No.
Shares (e)	Amount (f)	AS REACQUIRED STOCK (Account 217)		IN SINKING AND OTHER FUNDS		
		Shares (g)	Cost (h)	Shares (i)	Amount (j)	
						1
						2
64,732,652	64,658,280	19,848,900	279,807,945			3
64,732,652	64,658,280	19,848,900	279,807,945			4
						5
						6
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Name of Respondent El Paso Electric Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2008/Q4
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OTHER PAID-IN CAPITAL (Accounts 208-211, inc.)

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

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

Line No.	Item (a)	Amount (b)
1	211. Other Paid-in Capital	
2	Deferred Compensation:	
3	Performance Awards	1,688,140
4	Stock Options	499,100
5		
6		
7		
8		
9		
10		
11		
12		
13		
14		
15		
16		
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40	TOTAL	2,187,240

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 2008/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 2006, 2007 and 2008 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 SFAS No. 123 (revised) "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 2008, and there is no remaining unrecognized compensation costs related to stock options.

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>2008/Q4</u>
CAPITAL STOCK EXPENSE (Account 214)			
<p>1. Report the balance at end of the year of discount on capital stock for each class and series of capital stock.</p> <p>2. If any change occurred during the year in the balance in respect to any class or series of stock, attach a statement giving particulars (details) of the change. State the reason for any charge-off of capital stock expense and specify the account charged.</p>			
Line No.	Class and Series of Stock (a)	Balance at End of Year (b)	
1	214. Capital Stock Expense	340,939	
2			
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4			
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7			
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11			
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21			
22	TOTAL	340,939	

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 2008/Q4
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LONG-TERM DEBT (Account 221, 222, 223 and 224)

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

Line No.	Class and Series of Obligation, Coupon Rate (For new issue, give commission Authorization numbers and dates) (a)	Principal Amount Of Debt issued (b)	Total expense, Premium or Discount (c)
1	Account 221		
2			
3	2005 Series B Palo Verde Pollution Control Bonds	63,500,000	1,271,268
4	2005 Series C Palo Verde Pollution Control Bonds	37,100,000	772,309
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	4,368,396
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			
21	Treasury Rate Lock Agreements		
22	Rio Grande Resources Trust II		
23			
24	Subtotal	550,000,000	10,546,921
25			
26	Interest on nuclear fuel capital leases		
27			
28			
29			
30			
31			
32			
33	TOTAL	743,135,000	14,915,317

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 2008/Q4
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LONG-TERM DEBT (Account 221, 222, 223 and 224) (Continued)

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

Nominal Date of Issue (d)	Date of Maturity (e)	AMORTIZATION PERIOD		Outstanding (Total amount outstanding without reduction for amounts held by respondent) (h)	Interest for Year Amount (i)	Line No.
		Date From (f)	Date To (g)			
						1
						2
08/01/05	07/01/40	08/01/05	07/01/40	63,500,000	5,404,788	3
08/01/05	05/01/40	08/01/05	05/01/40	37,100,000	3,151,255	4
08/01/05	08/01/40	08/01/05	08/01/40	59,235,000	2,999,079	5
08/01/05	06/01/32	08/01/05	06/01/32	33,300,000	1,465,966	6
						7
				193,135,000	13,021,088	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
						18
06/03/08	03/15/38	06/03/08	03/15/38	150,000,000	6,500,000	19
						20
					297,167	21
				3,377,476	1,419,620	22
						23
				553,377,476	32,216,787	24
						25
					1,854,770	26
						27
						28
						29
						30
						31
						32
				746,512,476	47,092,645	33

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) / /	2008/Q4
FOOTNOTE DATA			

Schedule Page: 256 Line No.: 18 Column: b

The Company filed an automatically-effective Shelf Registration Statement with the SEC on May 20, 2008 (the "WKSI Shelf Registration Statement"). This registration statement enables the Company to offer debt securities, first mortgage bonds, shares of stock and certain other securities in unspecified amounts from time to time in one or more offerings.

In June, 2008, the Company issued \$150.0 million aggregate principal amount of its 7.5% Senior Notes due March 15, 2038 under the WKSI Shelf Registration Statement. 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 will be 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.

Schedule Page: 256 Line No.: 18 Column: a

The 2008 Senior Notes were authorized in Docket No. E508-44-000 dated May 16, 2008.

Schedule Page: 256 Line No.: 22 Column: b

The Rio Grande Resources Trust II is a borrower under the revolving credit facility providing financing for nuclear fuel purchases. The portion recorded here represents the interest incurred on nuclear fuel after it has been loaded into the Palo Verde units. Due to the nature of the debt, no original principal amount is applicable.

Schedule Page: 256 Line No.: 22 Column: h

This balance fluctuates with interest incurred and cash payments made.

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

Represents preload interest on nuclear fuel capital leases and was credited to account 227, "Obligations Under Capital Lease-Non Current." This interest obligation is included in account 227 on the balance sheet on pages 112 & 113.

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 2008/Q4
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RECONCILIATION OF REPORTED NET INCOME WITH TAXABLE INCOME FOR FEDERAL INCOME TAXES

1. Report the reconciliation of reported net income for the year with taxable income used in computing Federal income tax accruals and show computation of such tax accruals. Include in the reconciliation, as far as practicable, the same detail as furnished on Schedule M-1 of the tax return for the year. Submit a reconciliation even though there is no taxable income for the year. Indicate clearly the nature of each reconciling amount.
2. If the utility is a member of a group which files a consolidated Federal tax return, reconcile reported net income with taxable net income as if a separate return were to be filed, indicating, however, intercompany amounts to be eliminated in such a consolidated return. State names of group member, tax assigned to each group member, and basis of allocation, assignment, or sharing of the consolidated tax among the group members.
3. A substitute page, designed to meet a particular need of a company, may be used as long as the data is consistent and meets the requirements of the above instructions. For electronic reporting purposes complete Line 27 and provide the substitute Page in the context of a footnote.

Line No.	Particulars (Details) (a)	Amount (b)
1	Net Income for the Year (Page 117)	80,282,956
2		
3		
4	Taxable Income Not Reported on Books	
5		4,933,879
6		
7		
8		
9	Deductions Recorded on Books Not Deducted for Return	
10		52,422,312
11		
12		
13		
14	Income Recorded on Books Not Included in Return	
15		-2,612,404
16		
17	Federal Income Tax Expense (Benefit) (see detail below)	33,934,299
18		
19	Deductions on Return Not Charged Against Book Income	
20		-122,190,022
21		
22		
23		
24		
25		
26		
27	Federal Tax Net Income	46,771,020
28	Show Computation of Tax:	
29		
30		
31		
32	Tax computed at statutory rate (see page 261 footnote)	41,584,209
33	ITC Amortization Net of Deferred Taxes	-946,007
34	Amortization of Excess Deferred Taxes	-773,220
35	Non-taxable OPEB Medicare Subsidy	-507,894
36	State Income Taxes (Federal effect)	-1,387,549
37	Amortization of Regulatory Assets	-1,875,818
38	Subsidiary Loss	-478,258
39	Other	-1,681,164
40		
41		
42	Total Federal Income Tax Expense	33,934,299
43		
44		

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) / /	2008/Q4
FOOTNOTE DATA			

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

Contributions in aid of construction	2,029,286
Unbilled Revenue	2,904,593

Taxable Income Not Reported on Books	4,933,879
	=====

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

Meals and Entertainment	144,644
Lobbying	443,666
Capitalized Construction Interest	7,700,000
Capitalized Tax A&G	5,757,601
Legal Expense Accrual	48,571
Uncollectible Accounts Receivable	246,622
Environmental Cleanup Costs	69,600
Deferred State Taxes	1,052,342
ABFUDC Depreciation	1,525,731
Taxes Other Than FIT	812,502
PTO Accrual	399,036
Debt Issuance Costs	2,810,703
FERC Annual Fee	25,750
Non-qualified Retirement Income Plan	2,448,533
Pension Plan	20,589,583
Nuclear Fuel	1,277,114
FASB 34 Capitalized Interest	3,963
Interest Expense	152,088
FAS 143 Asset & Liability	6,914,263

Deductions Recorded on Books Not Deducted for Return	52,422,312
	=====

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

Decommissioning Trust Interest Net of Fees	(1,104,377)
Life Insurance	(1,428,481)
Penalties	(73,746)
Valuation Reserve	(5,800)

Income Reported on Books Not Included in Return	(2,612,404)

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

Subsidiary Losses	(89,224)
Deferred Fuel	(19,160,782)
Environmental Cost Accrual	(134,142)
Stock Incentive Plan	(1,274,622)
AEFUDC Net of Depreciation	(7,685,158)
OPEB and Other Benefit Plans	(19,093,628)
Nuclear Fuel Amort of Various Costs	(101,679)
Dividends Received Deduction	(146)
Other Depreciation and Amortization Differences	(9,502,881)
TX Docket 23530-Project Care/Bravo	(1,382,498)

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) / /	2008/Q4
FOOTNOTE DATA			

TEP Transmission Revenue Refund	(3,169,986)
Special Termination Agreements	(1,172)
Las Cruces Settlement	(5,520)
PV Liberalized Depreciation	(13,896,996)
Decommissioning Costs	(7,992,128)
Steam Generator Repairs	(1,081,377)
Prepaid Expenses	(399,637)
Repair Allowance	(5,600,000)
TX Stranded Costs Amortization	(22,436,925)
NM Revaluation	(6,247,620)
Water Utility Lease	(964,421)
Tax Exempt Interest Income	(3,938)
Manufacturing Credit	(1,810,147)
Coal Reclamation	(155,395)

Deductions on Return not Charged Against Book Income	(122,190,022)
	=====

Schedule Page: 261 Line No.: 32 Column: b

Net Income	80,282,956
Taxes included in subsidiary earnings	478,258
Interest Expense on Federal tax liability-in Net Income above	152,088
Federal and State Income Tax Expense	37,898,724

Pre-tax Income	118,812,026
Tax Rate	35%

Tax Computed at Statutory Rate	41,584,209
	=====

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 2008/Q4
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TAXES ACCRUED, PREPAID AND CHARGED DURING YEAR

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

Line No.	Kind of Tax (See instruction 5) (a)	BALANCE AT BEGINNING OF YEAR		Taxes Charged During Year (d)	Taxes Paid During Year (e)	Adjustments (f)
		Taxes Accrued (Account 236) (b)	Prepaid Taxes (Include in Account 165) (c)			
1	FEDERAL					
2	Current FIT Payable		6,156,751	6,134,776	3,850,000	
3	Prior Years	2,403,868	15,403,109	10,135,694	-2,759,363	
4	FUTA	-95,684				
5	Insurance Contributions	209,942			-9,087	
6	Subtotal	2,518,126	21,559,860	16,270,470	1,081,550	
7						
8	State County & Local - TX					
9	Ad Valorem	4,589,440		5,111,968	4,627,940	
10	Gross Receipts	2,297,010		10,198,003	9,973,935	
11	Unemployment	-32,124			-6,087	
12	Franchise Tax \ Margin Tax	1,849,366	69,731	2,344,769	2,048,864	
13	Use Tax	633,539		3,414,110	3,301,909	352,807
14	Regulatory Commission	507,960		960,639	944,325	
15	Franchise Fees (OSR)	3,823,513	4,322	16,295,208	15,904,398	
16	Subtotal	13,668,704	74,053	38,324,697	36,795,284	352,807
17						
18	State County & Local - NM					
19	Ad Valorem	1,201,720	3,877	2,551,545	2,467,150	
20	Income	-89,187		1,382,312	969,577	
21	Unemployment	1,123				
22	Compensating	45,591		604,541	670,133	
23	Regulatory Commission	836,149		1,029,237	854,465	
24	Franchise Fees (OSR)	204,757	-151,121	3,124,759	3,423,412	
25	L.C. Fran. Pumping Facility					
26	Payroll Taxes	-2				-2
27	Worker's Comp Fee	-2,361				
28						
29						
30	Other Taxes					
31	Subtotal	2,197,790	-147,244	8,692,394	8,384,737	-2
32						
33						
34	State County & Local - AZ					
35	Ad Valorem	3,314,007		6,462,218	6,545,463	
36	Income	-859,861	1,594,829	-1,045,484	-395,000	-352,807
37	Palo Verde Payroll Taxes					
38	Sales & Use Tax					
39	Subtotal	2,454,146	1,594,829	5,416,734	6,150,463	-352,807
40						
41	TOTAL	20,838,766	23,081,498	68,704,295	52,412,034	-2

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 2008/Q4
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TAXES ACCRUED, PREPAID AND CHARGED DURING YEAR (Continued)

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

BALANCE AT END OF YEAR		DISTRIBUTION OF TAXES CHARGED				Line No.
(Taxes accrued Account 236) (g)	Prepaid Taxes (Incl. in Account 165) (h)	Electric (Account 408.1, 409.1) (i)	Extraordinary Items (Account 409.3) (j)	Adjustments to Ret. Earnings (Account 439) (k)	Other (l)	
						1
66,000	3,937,975	8,402,850			-2,268,074	2
2,714,264	2,818,448	8,248,226			1,887,468	3
-95,684		57,766			-57,766	4
219,029		4,046,318			-4,046,318	5
2,903,609	6,756,423	20,755,160			-4,484,690	6
						7
						8
5,073,468		5,110,787			1,181	9
2,521,078		10,069,966			128,037	10
-26,037		36,323			-36,323	11
2,084,148	8,608	2,344,770			-1	12
392,933					3,414,110	13
524,274		963,804			-3,165	14
4,213,605	3,604	16,295,208				15
14,783,469	12,212	34,820,858			3,503,839	16
						17
						18
1,283,252	1,014	2,551,577			-32	19
323,548		788,487			593,825	20
1,123		2,227			-2,227	21
-20,001		3,665			600,876	22
1,010,921		1,029,237				23
237,369	180,144	142,666			2,982,093	24
						25
		156,060			-156,060	26
-2,361						27
						28
						29
		-12,986			12,986	30
2,833,851	181,158	4,660,933			4,031,461	31
						32
						33
						34
3,230,762		6,462,145			73	35
229,572	2,981,939	115,871			-1,161,355	36
		2,882,002			-2,882,002	37
						38
3,460,334	2,981,939	9,460,018			-4,043,284	39
						40
23,981,263	9,931,732	69,696,969			-992,674	41

Name of Respondent El Paso Electric Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2008/Q4
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ACCUMULATED DEFERRED INVESTMENT TAX CREDITS (Account 255)

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

Line No.	Account Subdivisions (a)	Balance at Beginning of Year (b)	Deferred for Year		Allocations to Current Year's Income		Adjustments (g)
			Account No. (c)	Amount (d)	Account No. (e)	Amount (f)	
1	Electric Utility						
2	3%	6,386					
3	4%	114,307			411.4	39,564	
4	7%						
5	10%	29,941,805			420.0	1,415,832	740,721
6							
7							
8	TOTAL	30,062,498				1,455,396	740,721
9	Other (List separately and show 3%, 4%, 7%, 10% and TOTAL)						
10	10% Note A				411.4	1,560,144	740,721
11					420.0	-104,748	
12							
13							
14							
15							
16							
17							
18							
19							
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48							

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

Balance at End of Year (h)	Average Period of Allocation to Income (i)	ADJUSTMENT EXPLANATION	Line No.
			1
6,386	25 Years		2
74,743	25 Years		3
			4
29,266,694	25 Years		5
			6
			7
29,347,823			8
			9
			10
-819,423			10
104,748			11
			12
			13
			14
			15
			16
			17
			18
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			20
			21
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			23
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			46
			47
			48

Name of Respondent El Paso Electric Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2008/Q4
FOOTNOTE DATA			

Schedule Page: 266 Line No.: 5 Column: g

Adjustment to ITC as a result of amended returns.

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>2008/Q4</u>
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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 \$10,000, 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				10,200,000
2						
3	Transmission Access					
4	PNM	320,277				320,277
5	Other	886,942	131	179,615	1,201,296	1,908,623
6						
7	OPEB					
8	Palo Verde	1,421,142	131	284,229		1,136,913
9	Four Corners	765,413	131	17,552		747,861
10						
11	Environmental Accrual	1,418,568	131	136,374	200,000	1,482,194
12						
13	Texas Docket 23530 Settlement	5,599,660	131	1,642,610	260,114	4,217,164
14						
15	Other	1,423,357	1823/131	688,524	393,026	1,127,859
16						
17						
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25						
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46						
47	TOTAL	22,035,359		2,948,904	2,054,436	21,140,891

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 2008/Q4
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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	331,271,795	43,957,342	40,920,554
3	Gas			
4				
5	TOTAL (Enter Total of lines 2 thru 4)	331,271,795	43,957,342	40,920,554
6				
7				
8				
9	TOTAL Account 282 (Enter Total of lines 5 thru 8)	331,271,795	43,957,342	40,920,554
10	Classification of TOTAL			
11	Federal Income Tax	331,271,795	43,957,342	40,920,554
12	State Income Tax			
13	Local Income Tax			

NOTES

Name of Respondent El Paso Electric Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2008/Q4
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ACCUMULATED DEFERRED INCOME TAXES - OTHER PROPERTY (Account 282) (Continued)

3. Use footnotes as required.

CHANGES DURING YEAR		ADJUSTMENTS				Balance at End of Year (k)	Line No.
Amounts Debited to Account 410.2 (e)	Amounts Credited to Account 411.2 (f)	Debits		Credits			
		Account Credited (g)	Amount (h)	Account Debited (i)	Amount (j)		
							1
3,597,084	548,316	182/190	3,119,482			334,237,869	2
							3
							4
3,597,084	548,316		3,119,482			334,237,869	5
							6
							7
							8
3,597,084	548,316		3,119,482			334,237,869	9
							10
3,597,084	548,316		3,119,482			334,237,869	11
							12
							13

NOTES (Continued)

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) / /	2008/Q4
FOOTNOTE DATA			

Schedule Page: 274 Line No.: 2 Column: b

	Balance at Beginning of Year	Balance at End of Year
Electric:		
Allowance For Borrowed Funds	\$ 28,625,505	\$ 29,023,567
Allowance For Equity Funds	28,339,984	30,806,405
Liberalized Depreciation & Other Basis Differences	256,122,602	255,356,644
AFUDC Amortization	384,363	384,363
Taxes, Pensions & Other	17,799,341	18,666,890
Total - Electric Other	\$331,271,795	\$334,237,869

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 2008/Q4
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ACCUMULATED DEFERRED INCOME TAXES - OTHER (Account 283)

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

Line No.	Account (a)	Balance at Beginning of Year (b)	CHANGES DURING YEAR	
			Amounts Debited to Account 410.1 (c)	Amounts Credited to Account 411.1 (d)
1	Account 283			
2	Electric			
3				
4	Deferred Federal Tax	37,030,406	17,327	
5				
6	Deferred State Taxes	17,690,037	1,734,321	795,200
7	Deferred Fuel	9,693,661	19,266,613	12,560,338
8	Other Debt Costs/TOTF	8,999,515	5,609,353	3,430,910
9	TOTAL Electric (Total of lines 3 thru 8)	73,413,619	26,627,614	16,786,448
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)	73,413,619	26,627,614	16,786,448
20	Classification of TOTAL			
21	Federal Income Tax	55,723,582	24,893,293	15,991,248
22	State Income Tax	17,690,037	1,734,321	795,200
23	Local Income Tax			

NOTES

Name of Respondent El Paso Electric Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of <u>2008/Q4</u>
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ACCUMULATED DEFERRED INCOME TAXES - OTHER (Account 283) (Continued)

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

CHANGES DURING YEAR		ADJUSTMENTS				Balance at End of Year (k)	Line No.
Amounts Debited to Account 410.2 (e)	Amounts Credited to Account 411.2 (f)	Debits		Credits			
		Account Credited (g)	Amount (h)	Account Debited (i)	Amount (j)		
							1
							2
							3
		182.3	2,645,966	182.3	2,882,358	37,284,125	4
							5
		219	1,187,684	219	186,634	17,628,108	6
						16,399,936	7
	319,406			190	2,121,036	12,979,588	8
	319,406		3,833,650		5,190,028	84,291,757	9
							10
							11
							12
							13
							14
							15
							16
							17
							18
	319,406		3,833,650		5,190,028	84,291,757	19
							20
	319,406		2,645,966		5,003,394	66,663,649	21
			1,187,684		186,634	17,628,108	22
							23

NOTES (Continued)

Name of Respondent El Paso Electric Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2008/Q4
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OTHER REGULATORY LIABILITIES (Account 254)

1. Report below the particulars (details) called for concerning other regulatory liabilities, including rate order docket number, if applicable.
2. Minor items (5% of the Balance in Account 254 at end of period, or amounts less than \$50,000 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	SFAS No. 109 Taxes regulatory Liabilities	65,015,520	Various	4,942,337	2,326,734	62,399,917
2						
3	Texas Energy Efficiency Program	280,701	131	280,701		
4						
5	Net Overcollection of Fuel Revenues: New Mexico	1,460,154	440	1,460,154		
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	TOTAL	66,756,375		6,683,192	2,326,734	62,399,917

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>2008/Q4</u>
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ELECTRIC OPERATING REVENUES (Account 400)

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

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	284,701,220	270,693,702
3	(442) Commercial and Industrial Sales		
4	Small (or Comm.) (See Instr. 4)	274,662,805	253,427,328
5	Large (or Ind.) (See Instr. 4)	80,408,109	82,601,751
6	(444) Public Street and Highway Lighting	5,852,285	5,513,361
7	(445) Other Sales to Public Authorities	132,532,168	118,969,321
8	(446) Sales to Railroads and Railways		
9	(448) Interdepartmental Sales		
10	TOTAL Sales to Ultimate Consumers	778,156,587	731,205,463
11	(447) Sales for Resale	235,802,461	127,893,397
12	TOTAL Sales of Electricity	1,013,959,048	859,098,860
13	(Less) (449.1) Provision for Rate Refunds	-3,576,220	3,169,986
14	TOTAL Revenues Net of Prov. for Refunds	1,017,532,268	855,928,874
15	Other Operating Revenues		
16	(450) Forfeited Discounts	1,089,772	1,025,444
17	(451) Miscellaneous Service Revenues	2,420,365	2,578,741
18	(453) Sales of Water and Water Power		
19	(454) Rent from Electric Property	2,234,732	1,095,798
20	(455) Interdepartmental Rents		
21	(456) Other Electric Revenues	339,085	520,227
22	(456.1) Revenues from Transmission of Electricity of Others	15,136,532	16,096,324
23	(457.1) Regional Control Service Revenues		
24	(457.2) Miscellaneous Revenues		
25			
26	TOTAL Other Operating Revenues	21,220,486	21,316,534
27	TOTAL Electric Operating Revenues	1,038,755,754	877,245,408

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ELECTRIC OPERATING REVENUES (Account 400)

5. 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.)
6. See pages 108-109, Important Changes During Period, for important new territory added and important rate increase or decreases.
7. For Lines 2,4,5,and 6, see Page 304 for amounts relating to unbilled revenue by accounts.
8. 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
2,227,838	2,232,668	320,323	315,114	2
				3
2,255,585	2,216,428	35,767	34,199	4
1,102,277	1,195,038	52	56	5
47,500	45,983	219	227	6
1,401,154	1,338,397	4,673	4,607	7
				8
				9
7,034,354	7,028,514	361,034	354,203	10
4,266,070	3,082,286	29	28	11
11,300,424	10,110,800	361,063	354,231	12
				13
11,300,424	10,110,800	361,063	354,231	14

Line 12, column (b) includes \$ 776,000 of unbilled revenues.
Line 12, column (d) includes 9,898 MWH relating to unbilled revenues

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FOOTNOTE DATA			

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

Includes 709,152 MWhs related to the Company's Power Purchase and Sales Agreement with Phelps Dodge dated December 16, 2005.

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

Includes 832,702 MWhs related to the Company's Power Purchase and Sales Agreement with Phelps Dodge dated December 16, 2005.

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

Includes 709,152 MWhs related to the Company's Power Purchase and Sales Agreement with Phelps Dodge dated December 16, 2005.

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

Includes 832,702 MWhs related to the Company's Power Purchase and Sales Agreement with Phelps Dodge dated December 16, 2005.

Schedule Page: 300 Line No.: 13 Column: b

Represents the reversal of a provision for rate refunds related to TEP transmission revenues for the period of October 2006 through September 2008 pursuant to a FERC order.

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

Includes 709,152 MWhs related to the Company's Power Purchase and Sales Agreement with Phelps Dodge dated December 16, 2005.

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

Includes 832,702 MWhs related to the Company's Power Purchase and Sales Agreement with Phelps Dodge dated December 16, 2005.

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 2008/Q4
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SALES OF ELECTRICITY BY RATE SCHEDULES

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

Line No.	Number and Title of Rate schedule (a)	MWh Sold (b)	Revenue (c)	Average Number of Customers (d)	KWh of Sales Per Customer (e)	Revenue Per KWh Sold (f)
1	(440)					
2	RESIDENTIAL SALES-TX					
3	01 Residential Service	1,632,701	199,456,759	242,465	6,734	0.1222
4	28 Private Area Lighting Service	1,821	326,212	223	8,166	0.1791
5	Deferred Fuel		10,114,513			
6	Unbilled Revenue	3,620	309,000			0.0854
7	Deferred Fuel Recovered					
8	through a Surcharge		-5,880,793			
9	Renewable Energy Credit		-202,555			
10						
11	RESIDENTIAL SALES-NM					
12	01 Residential Service	585,369	76,392,691	77,283	7,574	0.1305
13	12 Private Area Lighting Service	2,735	652,505	352	7,770	0.2386
14	Deferred Fuel		3,452,243			
15	Unbilled Revenue	1,592	117,000			0.0735
16	Renewable Energy Credit		-36,355			
17	Total (440)	2,227,838	284,701,220	320,323	6,955	0.1278
18						
19	(442)					
20	C & I SALES SMALL-TX					
21	02 Small Commercial Service	235,200	36,791,390	20,931	11,237	0.1564
22	07 Outdoor Recreational Lighting	385	45,629	21	18,333	0.1185
23	22 Irrigation Service	1,393	201,908	48	29,021	0.1449
24	24 General Service	1,301,791	149,683,228	5,487	237,250	0.1150
25	25 Large Power Service	214,904	21,827,468	48	4,477,167	0.1016
26	28 Private Area Lighting Service	14,285	2,063,904	367	38,924	0.1445
27	34 Cotton Gin Service	1,955	162,618	2	977,500	0.0832
28	Deferred Fuel		11,021,309			
29	Unbilled Revenue	2,610	160,000			0.0613
30	Deferred Fuel Recovered					
31	through a Surcharge		-10,185,847			
32	Renewable Energy Credit		-4,276			
33						
34						
35						
36						
37						
38						
39						
40						
41	TOTAL Billed	7,024,456	777,380,587	361,034	19,456	0.1107
42	Total Unbilled Rev.(See Instr. 6)	9,898	776,000	0	0	0.0784
43	TOTAL	7,034,354	778,156,587	361,034	19,484	0.1106

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SALES OF ELECTRICITY BY RATE SCHEDULES

- Report below for each rate schedule in effect during the year the MWh of electricity sold, revenue, average number of customer, average Kwh per customer, and average revenue per Kwh, excluding date for Sales for Resale which is reported on Pages 310-311.
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- The average number of customers should be the number of bills rendered during the year divided by the number of billing periods during the year (12 if all billings are made monthly).
- For any rate schedule having a fuel adjustment clause state in a footnote the estimated additional revenue billed pursuant thereto.
- Report amount of unbilled revenue as of end of year for each applicable revenue account subheading.

Line No.	Number and Title of Rate schedule (a)	MWh Sold (b)	Revenue (c)	Average Number of Customers (d)	KWh of Sales Per Customer (e)	Revenue Per KWh Sold (f)
1						
2						
3	C & I SALES SMALL-NM					
4	03 Small Commercial Service	172,658	24,509,631	7,747	22,287	0.1420
5	04 General Service	241,720	27,033,860	425	568,753	0.1118
6	05 Irrigation Service	31,789	3,866,146	579	54,903	0.1216
7	07 City and County Service	2,611	276,824	9	290,111	0.1060
8	08 Municipal Water Pumping	2,269	246,611	23	98,652	0.1087
9	09 Large Power Service	19,725	2,216,668	4	4,931,250	0.1124
10	12 Private Area Lighting Service	2,117	499,406	49	43,204	0.2359
11	14 Subdivision Street Lighting	17	4,560	2	8,500	0.2682
12	19 Seasonal Agr. Processing Svc.	3,396	513,934	8	424,500	0.1513
13	25 Outdoor Recreational Lighting	86	13,545	12	7,167	0.1575
14	29 Interrupt. Svc. for Lg Power	2,397	160,184	1	2,397,000	0.0668
15	30 Load Retention	2,841	145,018	4	710,250	0.0510
16	Deferred Fuel		3,317,683			
17	Unbilled Revenue	1,436	92,000			0.0641
18	Renewable Energy Credit		-596			
19						
20	C & I SALES LARGE-TX					
21	15 Electrolytic Refining	100,631	6,389,291	1	100,631,000	0.0635
22	24 General Service	12,762	820,605	2	6,381,000	0.0643
23	25 Large Power Service	349,217	35,355,387	34	10,271,088	0.1012
24	26 Petroleum Refinery Service	331,653	18,879,280	1	331,653,000	0.0569
25	27 Interruptible Power Service	136,640	5,733,181	1	136,640,000	0.0420
26	28 Private Area Lighting Service	211	28,883			0.1369
27	30 Electric Furnace	23,397	2,198,374			0.0940
28	38 Interrupt. Svc. for Lg Power	56,400	2,789,380	6	9,400,000	0.0495
29	Deferred Fuel		6,434,016			
30	Unbilled Revenue	-5,659	-75,000			0.0133
31	Deferred Fuel Recovered					
32	through a Surcharge		-4,969,437			
33						
34	C & I SALES LARGE-NM					
35	09 Large Power Service	31,815	3,300,606	2	15,907,500	0.1037
36	29 Interrupt. Svc. for Lg Power	35,997	2,356,357	3	11,999,000	0.0655
37	30 Load Retention	29,194	1,448,451	2	14,597,000	0.0496
38	Deferred Fuel		-309,265			
39	Unbilled Revenue	19	28,000			1.4737
40	Total (442)	3,357,862	355,070,914	35,819	93,745	0.1057
41	TOTAL Billed	7,024,456	777,380,587	361,034	19,456	0.1107
42	Total Unbilled Rev.(See Instr. 6)	9,898	776,000	0	0	0.0784
43	TOTAL	7,034,354	778,156,587	361,034	19,484	0.1106

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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						
4	(444)					
5	PUBLIC ST. & HIGHWAY LIGHT-TX					
6	08 Gov't Street Lights and Signal	44,171	5,237,662	199	221,965	0.1186
7	Deferred Fuel		192,596			
8	Unbilled Revenue	71	4,000			0.0563
9	Deferred Fuel Recovered					
10	through a Surcharge		-185,242			
11						
12	PUBLIC ST. & HIGHWAY LIGHT-NM					
13	11 Municipal Street Lighting	3,255	580,580	20	162,750	0.1784
14	Deferred Fuel		22,689			
15	Unbilled Revenue	3				
16	Total (444)	47,500	5,852,285	219	216,895	0.1232
17						
18	(445)					
19	OTHER SALES PUB AUTH-TX					
20	01 Residential Service	2,756	337,012	360	7,656	0.1223
21	02 Small Commercial Service	7,544	1,202,149	891	8,467	0.1594
22	07 Outdoor Recreational Lighting	4,318	492,373	153	28,222	0.1140
23	11 Municipal Pumping Service	150,292	13,330,544	411	365,674	0.0887
24	22 Irrigation	854	110,429	9	94,889	0.1293
25	24 General Service	96,207	11,082,884	320	300,647	0.1152
26	25 Large Power Service	61,807	6,101,907	9	6,867,444	0.0987
27	27 Interruptible Power Service	156,620	6,939,909	1	156,620,000	0.0443
28	28 Private Area Lighting	9,316	1,270,658	92	101,261	0.1364
29	31 Military Reservation Service	68,444	6,051,649			0.0884
30	38 Interruptible Service Large Po	28,965	1,259,104	1	28,965,000	0.0435
31	41 City and County Service	309,801	34,522,671	1,096	282,665	0.1114
32	43 University Service	63,577	5,810,345	5	12,715,400	0.0914
33	45 Supplemental Power	9,946	941,253	1	9,946,000	0.0946
34	Deferred Fuel		5,916,812			
35	Unbilled Revenue	5,170	105,000			0.0203
36	University Discount		-893,481			
37	Deferred Fuel Recovered					
38	through a Surcharge		-4,791,991			
39						
40						
41	TOTAL Billed	7,024,456	777,380,587	361,034	19,456	0.1107
42	Total Unbilled Rev.(See Instr. 6)	9,898	776,000	0	0	0.0784
43	TOTAL	7,034,354	778,156,587	361,034	19,484	0.1106

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 2008/Q4
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SALES OF ELECTRICITY BY RATE SCHEDULES

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

Line No.	Number and Title of Rate schedule (a)	MWh Sold (b)	Revenue (c)	Average Number of Customers (d)	KWh of Sales Per Customer (e)	Revenue Per KWh Sold (f)
1						
2						
3						
4						
5						
6	OTHER SALES PUB AUTH-NM					
7	01 Residential Service	193	30,101	88	2,193	0.1560
8	03 Small Commercial Service	4,867	679,834	194	25,088	0.1397
9	04 General Service	18,179	1,961,047	29	626,862	0.1079
10	05 Irrigation Service	73	10,106	3	24,333	0.1384
11	07 City and County Service	79,035	9,651,643	832	94,994	0.1221
12	08 Municipal Pumping Service	25,989	2,719,883	122	213,025	0.1047
13	09 Large Power Service	55,113	5,351,222	5	11,022,600	0.0971
14	10 Military Research & Dev. Power	185,407	14,768,289	2	92,703,500	0.0797
15	12 Private Area Lighting	353	81,209	26	13,577	0.2301
16	25 Outdoor Recreational Lighting	493	67,869	21	23,476	0.1377
17	26 State University Service	54,702	4,842,834	1	54,702,000	0.0885
18	30 Load Retention	97	7,718	1	97,000	0.0796
19	Deferred Fuel		2,661,601			
20	Unbilled Revenue	1,036	36,000			0.0347
21	Renewable Energy Credit		-126,415			
22	Total (445)	1,401,154	132,532,168	4,673	299,840	0.0946
23						
24						
25						
26						
27						
28						
29						
30						
31						
32						
33						
34						
35						
36						
37						
38						
39						
40						
41	TOTAL Billed	7,024,456	777,380,587	361,034	19,456	0.1107
42	Total Unbilled Rev.(See Instr. 6)	9,898	776,000	0	0	0.0784
43	TOTAL	7,034,354	778,156,587	361,034	19,484	0.1106

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 2008/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	\$61,954,373
28 Private Area Lighting Service	68,292
Deferred Fuel	10,114,513
Deferred Fuel Recovered through a Surcharge	<u>(5,880,793)</u>

Total - Texas 66,256,385

NEW MEXICO

01 Residential Service	4,547,272
12 Private Area Lighting Service	21,485
Deferred Fuel	<u>3,452,243</u>

Total - New Mexico 8,021,000

Total (440) \$74,277,385

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

There were less than 128 duplicate customers for all rate schedules combined in 2008.

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

Estimated Fuel Clause Revenues by Rate Schedule

(442) COMMERCIAL AND INDUSTRIAL SALES

SMALL-TEXAS

02 Small Commercial Service	\$ 9,289,851
07 Outdoor Recreational Lighting	15,272
22 Irrigation Service	62,630
24 General Service	52,318,247
25 Large Power Service	8,715,655
28 Private Area Lighting Service	533,985
34 Cotton Gin Service	56,139
Deferred Fuel	11,021,309
Deferred Fuel Recovered through a Surcharge	<u>(10,185,847)</u>

Total - Small - Texas 71,827,241

SMALL-NEW MEXICO

03 Small Commercial Service	1,428,757
04 General Service	1,998,821
05 Irrigation Service	259,537
07 City and County Service	28,286
08 Municipal Water Pumping	24,696
09 Large Power Service	161,055
12 Private Area Lighting Service	16,733
14 Subdivision Street Lighting	130
19 Seasonal Agri. Processing Service	34,330
25 Outdoor Recreational Lighting	721
29 Interruptible Service Large Power	23,534
30 Load Retention Rider	(7,178)
Deferred Fuel	<u>3,317,683</u>

Total - Small - New Mexico 7,287,105

LARGE-TEXAS

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 2008/Q4
FOOTNOTE DATA			

15	Electrolytic Refining	3,838,026
24	General Service	471,610
25	Large Power Service	13,761,321
26	Petroleum Refinery Service	11,941,953
27	Interruptible Power Service	4,503,760
28	Private Area Lighting Service	7,883
30	Electric Furnace	1,170,474
38	Interruptible Service Large Power	2,152,103
	Deferred Fuel	6,434,016
	Deferred Fuel Recovered through a Surcharge	<u>(4,969,437)</u>
	Total - Large - Texas	<u>39,311,709</u>
LARGE-NEW MEXICO		
09	Large Power Service	298,408
29	Interruptible Service Large Power	329,609
30	Load Retention Rider	298,542
	Deferred Fuel	<u>(309,265)</u>
	Total - Large - New Mexico	<u>617,294</u>
	Total (442)	<u>\$119,043,349</u>

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 Street Lights & Signals	\$ 1,715,158
	Deferred Fuel	192,596
	Deferred Fuel Recovered through a Surcharge	<u>(185,242)</u>
	Total - Texas	<u>1,722,512</u>

NEW MEXICO

11	Municipal Street Lights & Signals	25,662
	Deferred Fuel	<u>22,689</u>
	Total - New Mexico	<u>48,351</u>
	Total (444)	<u>\$ 1,770,863</u>

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	\$ 104,886
02	Small Commercial Service	298,726
07	Outdoor Recreational Lighting Service	170,669
11	Municipal Pumping Service	5,921,664
22	Irrigation Service	37,959
24	General Service	3,831,536
25	Large Power Service	2,478,553
27	Interruptible Power Service	5,637,658
28	Private Area Lighting Service	348,572

Name of Respondent	This Report is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
El Paso Electric Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	/ /	2008/Q4
FOOTNOTE DATA			

31	Military Reservation Service	2,538,319
38	Interruptible Service for Large	945,679
41	City and County Service	12,156,713
43	University Service	2,381,622
45	Supplemental Power	361,168
	Deferred Fuel	5,916,812
	Deferred Fuel Recovered through a Surcharge	(4,791,991)
	Total - Texas	<u>38,338,545</u>
NEW MEXICO		
01	Residential Service	1,564
03	Small Commercial Service	38,730
04	General Service	146,876
05	Irrigation Service	671
07	City and County Service	644,365
08	Municipal Pumping Service	209,562
09	Large Power Service	413,468
10	Military Research & Development Power	1,380,597
12	Private Area Lighting	2,778
25	Outdoor Recreational Lighting Service	4,292
26	State University Service	453,815
30	Load Retention Rider	(424)
	Deferred Fuel	<u>2,661,601</u>
	Total - New Mexico	<u>5,957,895</u>
	Total (445)	<u>\$44,296,440</u>

Name of Respondent El Paso Electric Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2008/Q4
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SALES FOR RESALE (Account 447)

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

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

3. In column (b), enter a Statistical Classification Code based on the original contractual terms and conditions of the service as follows:
RQ - for requirements service. Requirements service is service which the supplier plans to provide on an ongoing basis (i.e., the supplier includes projected load for this service in its system resource planning). In addition, the reliability of requirements service must be the same as, or second only to, the supplier's service to its own ultimate consumers.
LF - for long-term service. "Long-term" means five years or Longer and "firm" means that service cannot be interrupted for economic reasons and is intended to remain reliable even under adverse conditions (e.g., the supplier must attempt to buy emergency energy from third parties to maintain deliveries of LF service). This category should not be used for Long-term firm service which meets the definition of RQ service. For all transactions identified as LF, provide in a footnote the termination date of the contract defined as the earliest date that either buyer or setter can unilaterally get out of the contract.
IF - for intermediate-term firm service. The same as LF service except that "intermediate-term" means longer than one year but Less than five years.
SF - for short-term firm service. Use this category for all firm services where the duration of each period of commitment for service is one year or less.
LU - for Long-term service from a designated generating unit. "Long-term" means five years or Longer. The availability and reliability of service, aside from transmission constraints, must match the availability and reliability of designated unit.
IU - for intermediate-term service from a designated generating unit. The same as LU service except that "intermediate-term" means Longer than one year but Less than five years.

Line No.	Name of Company or Public Authority (Footnote Affiliations) (a)	Statistical Classification (b)	FERC Rate Schedule or Tariff Number (c)	Average Monthly Billing Demand (MW) (d)	Actual Demand (MW)	
					Average Monthly NCP Demand (e)	Average Monthly CP Demand (f)
1	Rio Grande Electric Cooperative	RQ	18/19	6.4	7.2	4.7
2	Rio Grande Electric Cooperative	RQ	18	6.7	9.1	6.8
3	Arizona Electric Power Cooperative, Inc	SF	1			
4	Arizona Public Service Company	SF	1			
5	Barclays Bank, PLC	SF	1			
6	Bear Energy LP	SF	1			
7	BP Energy Company	SF	1			
8	Cargill Power Markets, LLC	SF	1			
9	City of Burbank	SF	1			
10	Citigroup Energy Inc	SF	1			
11	ConocoPhillips Company	SF	1			
12	Constellation Energy Commodities Group	SF	1			
13	Constellation Energy Commodities Group	OS	1			
14	Coral Power, LLC	SF	1			
	Subtotal RQ			0	0	0
	Subtotal non-RQ			0	0	0
	Total			0	0	0

Name of Respondent El Paso Electric Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2008/Q4
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SALES FOR RESALE (Account 447) (Continued)

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

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

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

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

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

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

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

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

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

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

MegaWatt Hours Sold (g)	REVENUE			Total (\$) (h+i+j) (k)	Line No.
	Demand Charges (\$) (h)	Energy Charges (\$) (i)	Other Charges (\$) (j)		
9,879	129,351	141,927	51,081	322,359	1
40,269	1,080,699	1,899,147		2,979,846	2
4,690		363,525		363,525	3
13,161		903,724		903,724	4
61,252		4,217,286		4,217,286	5
25		750		750	6
2,000		87,050		87,050	7
41,180		2,749,220		2,749,220	8
9,400		602,520		602,520	9
95,728		5,592,191		5,592,191	10
24,331		1,392,417		1,392,417	11
156,167		9,460,951		9,460,951	12
			300	300	13
54,838		2,763,351		2,763,351	14
50,148	1,210,050	2,041,074	51,081	3,302,205	
4,215,922	26,496,000	205,006,474	997,782	232,500,256	
4,266,070	27,706,050	207,047,548	1,048,863	235,802,461	

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 2008/Q4
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SALES FOR RESALE (Account 447)

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

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

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

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

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

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

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

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

Line No.	Name of Company or Public Authority (Footnote Affiliations) (a)	Statistical Classification (b)	FERC Rate Schedule or Tariff Number (c)	Average Monthly Billing Demand (MW) (d)	Actual Demand (MW)	
					Average Monthly NCP Demand (e)	Average Monthly CP Demand (f)
1	Credit Suisse Energy LLC	SF	1			
2	Credit Suisse Energy LLC	IF	1			
3	Dynegy Power Marketing, Inc	SF	1			
4	Dynegy Power Marketing, Inc	OS	1			
5	Fortis Energy Marketing & Trading, GP	SF	1			
6	Gila River Power LP	SF	1			
7	Gila River Power LP	OS	1			
8	Iberdrola Renewables, Inc	SF	1			
9	Idaho Power Company Marketing	SF	1			
10	IID Energy Supply & Trading	SF	1			
11	IID Energy Supply & Trading	IF	1	150	150	150
12	IID Energy Supply & Trading	OS	1			
13	IID Energy Supply & Trading	OS	1			
14	J. Aron & Company	SF	1			
	Subtotal RQ			0	0	0
	Subtotal non-RQ			0	0	0
	Total			0	0	0

Name of Respondent El Paso Electric Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2008/Q4
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SALES FOR RESALE (Account 447) (Continued)

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

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

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

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

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

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

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

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

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

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

MegaWatt Hours Sold (g)	REVENUE			Total (\$) (h+i+j) (k)	Line No.
	Demand Charges (\$) (h)	Energy Charges (\$) (i)	Other Charges (\$) (j)		
248,773		12,502,536		12,502,536	1
160		2,400		2,400	2
5,213		334,242		334,242	3
			5,585	5,585	4
42,258		2,256,054		2,256,054	5
62,562		4,819,617		4,819,617	6
			51,112	51,112	7
8,815		368,363		368,363	8
600		36,200		36,200	9
11,885		649,387	18,193	667,580	10
716,402	16,176,000	43,731,098	17,403	59,924,501	11
211,189		12,815,836	29,395	12,845,231	12
			645,000	645,000	13
400		53,800		53,800	14
50,148	1,210,050	2,041,074	51,081	3,302,205	
4,215,922	26,496,000	205,006,474	997,782	232,500,256	
4,266,070	27,706,050	207,047,548	1,048,863	235,802,461	

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>2008/Q4</u>
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SALES FOR RESALE (Account 447)

1. Report all sales for resale (i.e., sales to purchasers other than ultimate consumers) transacted on a settlement basis other than power exchanges during the year. Do not report exchanges of electricity (i.e., transactions involving a balancing of debits and credits for energy, capacity, etc.) and any settlements for imbalanced exchanges on this schedule. Power exchanges must be reported on the Purchased Power schedule (Page 326-327).
2. Enter the name of the purchaser in column (a). Do not abbreviate or truncate the name or use acronyms. Explain in a footnote any ownership interest or affiliation the respondent has with the purchaser.
3. In column (b), enter a Statistical Classification Code based on the original contractual terms and conditions of the service as follows:
RQ - for requirements service. Requirements service is service which the supplier plans to provide on an ongoing basis (i.e., the supplier includes projected load for this service in its system resource planning). In addition, the reliability of requirements service must be the same as, or second only to, the supplier's service to its own ultimate consumers.
LF - for long-term service. "Long-term" means five years or Longer and "firm" means that service cannot be interrupted for economic reasons and is intended to remain reliable even under adverse conditions (e.g., the supplier must attempt to buy emergency energy from third parties to maintain deliveries of LF service). This category should not be used for Long-term firm service which meets the definition of RQ service. For all transactions identified as LF, provide in a footnote the termination date of the contract defined as the earliest date that either buyer or setter can unilaterally get out of the contract.
IF - for intermediate-term firm service. The same as LF service except that "intermediate-term" means longer than one year but Less than five years.
SF - for short-term firm service. Use this category for all firm services where the duration of each period of commitment for service is one year or less.
LU - for Long-term service from a designated generating unit. "Long-term" means five years or Longer. The availability and reliability of service, aside from transmission constraints, must match the availability and reliability of designated unit.
IU - for intermediate-term service from a designated generating unit. The same as LU service except that "intermediate-term" means Longer than one year but Less than five years.

Line No.	Name of Company or Public Authority (Footnote Affiliations) (a)	Statistical Classification (b)	FERC Rate Schedule or Tariff Number (c)	Average Monthly Billing Demand (MW) (d)	Actual Demand (MW)	
					Average Monthly NCP Demand (e)	Average Monthly CP Demand (f)
1	JP Morgan Ventures Energy Corp	SF	1			
2	Lehman Brothers Commodity Services, Inc	SF	1			
3	Los Alamos County	SF	1			
4	Los Alamos County	OS	1			
5	Los Angeles Department of Water & Power	SF	1			
6	Los Angeles Department of Water & Power	OS	1			
7	Morgan Stanley Capital Group, Inc	SF	1			
8	PacifiCorp	SF	1			
9	Phelps Dodge Energy Services, LLP	LU	2			
10	PowerEx Corp	SF	1			
11	PPL EnergyPlus, LLC	SF	1			
12	PPM Energy, Inc	SF	1			
13	Public Service Company of Colorado	SF	1			
14	Public Service Company of New Mexico	SF	1			
	Subtotal RQ			0	0	0
	Subtotal non-RQ			0	0	0
	Total			0	0	0

Name of Respondent El Paso Electric Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2008/Q4
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SALES FOR RESALE (Account 447) (Continued)

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

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

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

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

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

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

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

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

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

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

MegaWatt Hours Sold (g)	REVENUE			Total (\$) (h+i+j) (k)	Line No.
	Demand Charges (\$) (h)	Energy Charges (\$) (i)	Other Charges (\$) (j)		
75		3,350		3,350	1
21,825		1,380,531		1,380,531	2
12,429		713,476		713,476	3
			178,769	178,769	4
10,010		516,475		516,475	5
			600	600	6
142,143		8,717,002		8,717,002	7
71,611		4,089,102		4,089,102	8
709,152		1,434,850		1,434,850	9
120,543		6,056,277		6,056,277	10
400		11,900		11,900	11
642		46,168		46,168	12
11,575		676,128		676,128	13
58,959		3,466,592		3,466,592	14
50,148	1,210,050	2,041,074	51,081	3,302,205	
4,215,922	26,496,000	205,006,474	997,782	232,500,256	
4,266,070	27,706,050	207,047,548	1,048,863	235,802,461	

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 2008/Q4
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SALES FOR RESALE (Account 447)

- 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).
- 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.
- 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	Public Service Company of New Mexico	OS	1			
2	Sempra Energy Trading LLC	SF	1			
3	Sempra Energy Trading LLC	IF	1	100	100	100
4	Shell Energy North America (US), LP	SF	1			
5	Southwestern Public Service Company	SF	1			
6	Salt River Project Agricultural Improv	SF	1			
7	Salt River Project Agricultural Improv	OS	1			
8	Transalta Energy Marketing (US), Inc	SF	1			
9	Tri-State G&T Power Marketing	SF	1			
10	Tri-State G&T Power Marketing	OS	1			
11	Tucson Electric Power Marketing	SF	1			
12	Tucson Electric Power Marketing	OS	1			
13	Western Area Power Administration-DSW	SF	1			
14	Westar Energy Generation & Marketing	OS	1			
	Subtotal RQ			0	0	0
	Subtotal non-RQ			0	0	0
	Total			0	0	0

Name of Respondent El Paso Electric Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2008/Q4
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SALES FOR RESALE (Account 447) (Continued)

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

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

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

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

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

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

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

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

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

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

MegaWatt Hours Sold (g)	REVENUE			Total (\$) (h+i+j) (k)	Line No.
	Demand Charges (\$) (h)	Energy Charges (\$) (i)	Other Charges (\$) (j)		
			31,730	31,730	1
30,338		1,810,147		1,810,147	2
486,400	10,320,000	29,298,368		39,618,368	3
455,893		20,318,282		20,318,282	4
64,929		4,644,611		4,644,611	5
63,993		4,246,250		4,246,250	6
40,661		2,642,965		2,642,965	7
2,866		138,199		138,199	8
56,634		3,958,737		3,958,737	9
			450	450	10
52,173		3,199,538	14	3,199,552	11
			505	505	12
20		1,400		1,400	13
6,115		463,845		463,845	14
50,148	1,210,050	2,041,074	51,081	3,302,205	
4,215,922	26,496,000	205,006,474	997,782	232,500,256	
4,266,070	27,706,050	207,047,548	1,048,863	235,802,461	

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 2008/Q4
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SALES FOR RESALE (Account 447)

1. Report all sales for resale (i.e., sales to purchasers other than ultimate consumers) transacted on a settlement basis other than power exchanges during the year. Do not report exchanges of electricity (i.e., transactions involving a balancing of debits and credits for energy, capacity, etc.) and any settlements for imbalanced exchanges on this schedule. Power exchanges must be reported on the Purchased Power schedule (Page 326-327).
2. Enter the name of the purchaser in column (a). Do not abbreviate or truncate the name or use acronyms. Explain in a footnote any ownership interest or affiliation the respondent has with the purchaser.
3. In column (b), enter a Statistical Classification Code based on the original contractual terms and conditions of the service as follows:
RQ - for requirements service. Requirements service is service which the supplier plans to provide on an ongoing basis (i.e., the supplier includes projected load for this service in its system resource planning). In addition, the reliability of requirements service must be the same as, or second only to, the supplier's service to its own ultimate consumers.
LF - for long-term service. "Long-term" means five years or Longer and "firm" means that service cannot be interrupted for economic reasons and is intended to remain reliable even under adverse conditions (e.g., the supplier must attempt to buy emergency energy from third parties to maintain deliveries of LF service). This category should not be used for Long-term firm service which meets the definition of RQ service. For all transactions identified as LF, provide in a footnote the termination date of the contract defined as the earliest date that either buyer or setter can unilaterally get out of the contract.
IF - for intermediate-term firm service. The same as LF service except that "intermediate-term" means longer than one year but Less than five years.
SF - for short-term firm service. Use this category for all firm services where the duration of each period of commitment for service is one year or less.
LU - for Long-term service from a designated generating unit. "Long-term" means five years or Longer. The availability and reliability of service, aside from transmission constraints, must match the availability and reliability of designated unit.
IU - for intermediate-term service from a designated generating unit. The same as LU service except that "intermediate-term" means Longer than one year but Less than five years.

Line No.	Name of Company or Public Authority (Footnote Affiliations) (a)	Statistical Classification (b)	FERC Rate Schedule or Tariff Number (c)	Average Monthly Billing Demand (MW) (d)	Actual Demand (MW)	
					Average Monthly NCP Demand (e)	Average Monthly CP Demand (f)
1	Westar Energy Generation & Marketing	SF	1			
2	Arizona Electric Power Coop, Inc.	SF	104			
3	Arizona Public Service Company	SF	104			
4	Dynegy	SF	104			
5	HGMA	SF	104			
6	Incorporated County of Los Alamos	SF	104			
7	Panda Gila River	SF	104			
8	Public Service Co of New Mexico	SF	104			
9	Salt River Project	SF	104			
10	Southwest Transmission Cooperative	SF	104			
11	Tucson Electric Power Comopany	SF	104			
12	TRI-STATE	SF	104			
13	Western Area Power Administration	SF	104			
14						
	Subtotal RQ			0	0	0
	Subtotal non-RQ			0	0	0
	Total			0	0	0

Name of Respondent El Paso Electric Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2008/Q4
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SALES FOR RESALE (Account 447) (Continued)

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

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

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

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

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

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

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

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

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

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

MegaWatt Hours Sold (g)	REVENUE			Total (\$) (h+i+j) (k)	Line No.
	Demand Charges (\$) (h)	Energy Charges (\$) (i)	Other Charges (\$) (j)		
21,315		1,142,247		1,142,247	1
381		32,468		32,468	2
54		4,058		4,058	3
274		22,457	1,703	24,160	4
940		74,146		74,146	5
			4,580	4,580	6
532		40,493		40,493	7
820		65,988	7,313	73,301	8
67		4,459		4,459	9
			1,560	1,560	10
538		38,740	3,570	42,310	11
571		44,707		44,707	12
15					13
					14
50,148	1,210,050	2,041,074	51,081	3,302,205	
4,215,922	26,496,000	205,006,474	997,782	232,500,256	
4,266,070	27,706,050	207,047,548	1,048,863	235,802,461	

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) / /	2008/Q4
FOOTNOTE DATA			

Schedule Page: 310 Line No.: 1 Column: c

Contract terminated on March 31, 2008.

Schedule Page: 310 Line No.: 1 Column: j

Transmission services.

Schedule Page: 310 Line No.: 2 Column: c

Contract effective April 1, 2008.

Schedule Page: 310 Line No.: 3 Column: c

1=WSPP Agreement - Rate Schedule FERC No.6

Schedule Page: 310 Line No.: 12 Column: b

System contingent.

Schedule Page: 310 Line No.: 13 Column: b

Spinning reserves.

Schedule Page: 310 Line No.: 13 Column: j

Spinning reserves.

Schedule Page: 310.1 Line No.: 4 Column: b

Spinning reserves.

Schedule Page: 310.1 Line No.: 4 Column: j

Spinning reserves.

Schedule Page: 310.1 Line No.: 7 Column: b

Spinning reserves.

Schedule Page: 310.1 Line No.: 7 Column: j

Spinning reserves.

Schedule Page: 310.1 Line No.: 10 Column: j

Transmission services.

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

Transmission services.

Schedule Page: 310.1 Line No.: 12 Column: j

Transmission services.

Schedule Page: 310.1 Line No.: 13 Column: b

Represents additional amounts billed for October, November and December resulting from a modification to the contract.

Schedule Page: 310.1 Line No.: 13 Column: j

Represents additional amounts billed for October, November and December resulting from a modification to the contract.

Schedule Page: 310.2 Line No.: 4 Column: b

Spinning reserves.

Schedule Page: 310.2 Line No.: 4 Column: j

Spinning reserves.

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.: 7 Column: b

Non-firm energy sales.

Schedule Page: 310.3 Line No.: 7 Column: j

Non-firm energy sales.

Schedule Page: 310.3 Line No.: 10 Column: b

Spinning reserves.

Schedule Page: 310.3 Line No.: 10 Column: j

Spinning reserves.

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 2008/Q4
FOOTNOTE DATA			

Schedule Page: 310.3 Line No.: 11 Column: j
Transmission services.

Schedule Page: 310.3 Line No.: 12 Column: b
Spinning reserves.

Schedule Page: 310.3 Line No.: 12 Column: j
Spinning reserves.

Schedule Page: 310.3 Line No.: 14 Column: b
Non-firm energy sales.

Schedule Page: 310.4 Line No.: 4 Column: j
Other charges are for SRSG penalty received.

Schedule Page: 310.4 Line No.: 6 Column: j
Other charges are for SRSG penalty received.

Schedule Page: 310.4 Line No.: 8 Column: j
Other charges are for SRSG penalty received.

Schedule Page: 310.4 Line No.: 10 Column: j
Other charges are for SRSG penalty received.

Schedule Page: 310.4 Line No.: 11 Column: j
Other charges are for SRSG penalty received.

Schedule Page: 310.4 Line No.: 13 Column: j
There are no monetary charges associated to this transaction. Transaction settles in-kind exchange of energy.

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 2008/Q4
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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	1,149,286	1,207,670
5	(501) Fuel	260,744,458	224,759,253
6	(502) Steam Expenses	3,724,506	3,617,920
7	(503) Steam from Other Sources		
8	(Less) (504) Steam Transferred-Cr.		
9	(505) Electric Expenses	2,292,678	2,497,062
10	(506) Miscellaneous Steam Power Expenses	4,191,889	3,733,445
11	(507) Rents	1,217,906	935,216
12	(509) Allowances		
13	TOTAL Operation (Enter Total of Lines 4 thru 12)	273,320,723	236,750,566
14	Maintenance		
15	(510) Maintenance Supervision and Engineering	1,251,233	1,194,328
16	(511) Maintenance of Structures	1,233,943	1,154,506
17	(512) Maintenance of Boiler Plant	6,463,884	5,296,599
18	(513) Maintenance of Electric Plant	8,428,553	4,990,564
19	(514) Maintenance of Miscellaneous Steam Plant	2,184,719	2,035,495
20	TOTAL Maintenance (Enter Total of Lines 15 thru 19)	19,562,332	14,671,492
21	TOTAL Power Production Expenses-Steam Power (Entr Tot lines 13 & 20)	292,883,055	251,422,058
22	B. Nuclear Power Generation		
23	Operation		
24	(517) Operation Supervision and Engineering	6,804,392	5,986,114
25	(518) Fuel	26,080,537	24,527,429
26	(519) Coolants and Water	4,828,552	3,973,497
27	(520) Steam Expenses	5,114,297	4,394,972
28	(521) Steam from Other Sources		
29	(Less) (522) Steam Transferred-Cr.		
30	(523) Electric Expenses	5,437,608	4,970,642
31	(524) Miscellaneous Nuclear Power Expenses	25,591,404	19,551,545
32	(525) Rents	33,248	2,696
33	TOTAL Operation (Enter Total of lines 24 thru 32)	73,890,038	63,406,895
34	Maintenance		
35	(528) Maintenance Supervision and Engineering	5,602,922	4,961,625
36	(529) Maintenance of Structures	1,704,458	1,730,745
37	(530) Maintenance of Reactor Plant Equipment	13,399,043	10,743,787
38	(531) Maintenance of Electric Plant	8,682,081	7,127,077
39	(532) Maintenance of Miscellaneous Nuclear Plant	3,401,353	3,577,528
40	TOTAL Maintenance (Enter Total of lines 35 thru 39)	32,789,857	28,140,762
41	TOTAL Power Production Expenses-Nuc. Power (Entr tot lines 33 & 40)	106,679,895	91,547,657
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	74,628	42,845
63	(547) Fuel	3,142,690	2,036,009
64	(548) Generation Expenses	86,715	40,640
65	(549) Miscellaneous Other Power Generation Expenses	58,495	9,488
66	(550) Rents	5,766	18,507
67	TOTAL Operation (Enter Total of lines 62 thru 66)	3,368,294	2,147,489
68	Maintenance		
69	(551) Maintenance Supervision and Engineering	10,119	769
70	(552) Maintenance of Structures	4,938	7,028
71	(553) Maintenance of Generating and Electric Plant	743,909	782,861
72	(554) Maintenance of Miscellaneous Other Power Generation Plant	58,161	-47,564
73	TOTAL Maintenance (Enter Total of lines 69 thru 72)	817,127	743,094
74	TOTAL Power Production Expenses-Other Power (Enter Tot of 67 & 73)	4,185,421	2,890,583
75	E. Other Power Supply Expenses		
76	(555) Purchased Power	210,482,734	126,833,412
77	(556) System Control and Load Dispatching	1,008,449	715,609
78	(557) Other Expenses		
79	TOTAL Other Power Supply Exp (Enter Total of lines 76 thru 78)	211,491,183	127,549,021
80	TOTAL Power Production Expenses (Total of lines 21, 41, 59, 74 & 79)	615,239,554	473,409,319
81	2. TRANSMISSION EXPENSES		
82	Operation		
83	(560) Operation Supervision and Engineering	930,619	796,436
84	(561) Load Dispatching		
85	(561.1) Load Dispatch-Reliability	86,966	67,328
86	(561.2) Load Dispatch-Monitor and Operate Transmission System	417,818	392,136
87	(561.3) Load Dispatch-Transmission Service and Scheduling	413,347	404,226
88	(561.4) Scheduling, System Control and Dispatch Services	701,687	668,722
89	(561.5) Reliability, Planning and Standards Development	777,571	722,059
90	(561.6) Transmission Service Studies	19,887	
91	(561.7) Generation Interconnection Studies		
92	(561.8) Reliability, Planning and Standards Development Services	263	483
93	(562) Station Expenses	123,110	255,003
94	(563) Overhead Lines Expenses	127,175	140,838
95	(564) Underground Lines Expenses		
96	(565) Transmission of Electricity by Others	8,169,069	7,972,880
97	(566) Miscellaneous Transmission Expenses	2,449,313	2,227,233
98	(567) Rents	133,592	309,113
99	TOTAL Operation (Enter Total of lines 83 thru 98)	14,350,417	13,956,457
100	Maintenance		
101	(568) Maintenance Supervision and Engineering	12,174	15,572
102	(569) Maintenance of Structures	6,747	5,072
103	(569.1) Maintenance of Computer Hardware		
104	(569.2) Maintenance of Computer Software		-2,944
105	(569.3) Maintenance of Communication Equipment		
106	(569.4) Maintenance of Miscellaneous Regional Transmission Plant		
107	(570) Maintenance of Station Equipment	772,461	811,633
108	(571) Maintenance of Overhead Lines	1,591,065	1,021,124
109	(572) Maintenance of Underground Lines		
110	(573) Maintenance of Miscellaneous Transmission Plant	335,849	576,512
111	TOTAL Maintenance (Total of lines 101 thru 110)	2,718,296	2,426,969
112	TOTAL Transmission Expenses (Total of lines 99 and 111)	17,068,713	16,383,426

Name of Respondent El Paso Electric Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2008/Q4
ELECTRIC OPERATION AND MAINTENANCE EXPENSES (Continued)					
If the amount for previous year is not derived from previously reported figures, explain in footnote.					
Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)		
113	3. REGIONAL MARKET EXPENSES				
114	Operation				
115	(575.1) Operation Supervision				
116	(575.2) Day-Ahead and Real-Time Market Facilitation				
117	(575.3) Transmission Rights Market Facilitation				
118	(575.4) Capacity Market Facilitation				
119	(575.5) Ancillary Services Market Facilitation				
120	(575.6) Market Monitoring and Compliance				
121	(575.7) Market Facilitation, Monitoring and Compliance Services				
122	(575.8) Rents				
123	Total Operation (Lines 115 thru 122)				
124	Maintenance				
125	(576.1) Maintenance of Structures and Improvements				
126	(576.2) Maintenance of Computer Hardware				
127	(576.3) Maintenance of Computer Software				
128	(576.4) Maintenance of Communication Equipment				
129	(576.5) Maintenance of Miscellaneous Market Operation Plant				
130	Total Maintenance (Lines 125 thru 129)				
131	TOTAL Regional Transmission and Market Op Expns (Total 123 and 130)				
132	4. DISTRIBUTION EXPENSES				
133	Operation				
134	(580) Operation Supervision and Engineering	930,226	832,483		
135	(581) Load Dispatching				
136	(582) Station Expenses	1,522,670	1,327,660		
137	(583) Overhead Line Expenses	1,054,048	1,062,507		
138	(584) Underground Line Expenses	561,276	458,797		
139	(585) Street Lighting and Signal System Expenses	1,206,629	805,152		
140	(586) Meter Expenses	2,652,446	2,409,563		
141	(587) Customer Installations Expenses	499,234	548,088		
142	(588) Miscellaneous Expenses	5,037,299	3,922,825		
143	(589) Rents	309,380	294,687		
144	TOTAL Operation (Enter Total of lines 134 thru 143)	13,773,208	11,661,762		
145	Maintenance				
146	(590) Maintenance Supervision and Engineering	34	1,498		
147	(591) Maintenance of Structures	3,289	5,817		
148	(592) Maintenance of Station Equipment	1,003,491	686,378		
149	(593) Maintenance of Overhead Lines	3,438,919	3,538,107		
150	(594) Maintenance of Underground Lines	303,432	276,664		
151	(595) Maintenance of Line Transformers	2,414	440		
152	(596) Maintenance of Street Lighting and Signal Systems	179,172	110,674		
153	(597) Maintenance of Meters	13,041	23,409		
154	(598) Maintenance of Miscellaneous Distribution Plant	1,095,186	2,557,141		
155	TOTAL Maintenance (Total of lines 146 thru 154)	6,038,978	7,200,128		
156	TOTAL Distribution Expenses (Total of lines 144 and 155)	19,812,186	18,861,890		
157	5. CUSTOMER ACCOUNTS EXPENSES				
158	Operation				
159	(901) Supervision	235,656	255,443		
160	(902) Meter Reading Expenses	2,230,124	2,654,792		
161	(903) Customer Records and Collection Expenses	8,311,501	8,248,851		
162	(904) Uncollectible Accounts	3,021,754	2,622,681		
163	(905) Miscellaneous Customer Accounts Expenses	534,657	1,092,665		
164	TOTAL Customer Accounts Expenses (Total of lines 159 thru 163)	14,333,692	14,874,432		

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>2008/Q4</u>
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ELECTRIC OPERATION AND MAINTENANCE EXPENSES (Continued)

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

Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)
165	6. CUSTOMER SERVICE AND INFORMATIONAL EXPENSES		
166	Operation		
167	(907) Supervision		
168	(908) Customer Assistance Expenses	368,855	1,062,635
169	(909) Informational and Instructional Expenses	102,749	-28,855
170	(910) Miscellaneous Customer Service and Informational Expenses		
171	TOTAL Customer Service and Information Expenses (Total 167 thru 170)	471,604	1,033,780
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	19,607,993	22,114,102
182	(921) Office Supplies and Expenses	3,893,441	3,502,626
183	(Less) (922) Administrative Expenses Transferred-Credit		
184	(923) Outside Services Employed	14,937,507	13,077,879
185	(924) Property Insurance	1,668,956	1,642,540
186	(925) Injuries and Damages	4,214,903	4,735,707
187	(926) Employee Pensions and Benefits	25,521,291	33,362,938
188	(927) Franchise Requirements		
189	(928) Regulatory Commission Expenses	4,437,696	4,044,458
190	(929) (Less) Duplicate Charges-Cr.		
191	(930.1) General Advertising Expenses	1,724,190	1,414,501
192	(930.2) Miscellaneous General Expenses	13,711,296	11,782,832
193	(931) Rents	1,556,572	1,982,052
194	TOTAL Operation (Enter Total of lines 181 thru 193)	91,273,845	97,659,635
195	Maintenance		
196	(935) Maintenance of General Plant	5,183,539	3,791,825
197	TOTAL Administrative & General Expenses (Total of lines 194 and 196)	96,457,384	101,451,460
198	TOTAL Elec Op and Maint Expns (Total 80,112,131,156,164,171,178,197)	763,383,133	626,014,307

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

1. Report all power purchases made during the year. Also report exchanges of electricity (i.e., transactions involving a balancing of debits and credits for energy, capacity, etc.) and any settlements for imbalanced exchanges.
2. Enter the name of the seller or other party in an exchange transaction in column (a). Do not abbreviate or truncate the name or use acronyms. Explain in a footnote any ownership interest or affiliation the respondent has with the seller.
3. In column (b), enter a Statistical Classification Code based on the original contractual terms and conditions of the service as follows:

RQ - for requirements service. Requirements service is service which the supplier plans to provide on an ongoing basis (i.e., the supplier includes projects load for this service in its system resource planning). In addition, the reliability of requirement service must be the same as, or second only to, the supplier's service to its own ultimate consumers.

LF - for long-term firm service. "Long-term" means five years or longer and "firm" means that service cannot be interrupted for economic reasons and is intended to remain reliable even under adverse conditions (e.g., the supplier must attempt to buy emergency energy from third parties to maintain deliveries of LF service). This category should not be used for long-term firm service 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	Barclays Bank PLC	SF	1			
3	Bear Energy LP	SF	1			
4	BP Energy Company	SF	1			
5	Cargill Power Markets, LLC	SF	1			
6	City of Burbank	SF	1			
7	Citigroup Energy Inc.	SF	1			
8	Citigroup Energy Inc.	OS	1			
9	Conoco Phillips Company	SF	1			
10	Constellation Energy Commodities Group	SF	1			
11	Coral Power, L.L.C.	SF	1			
12	Credit Suisse Energy, LLC	SF	1			
13	Credit Suisse Energy, LLC	IF	1			
14	Credit Suisse Energy, LLC	OS	1	200	200	200
	Total					

Name of Respondent El Paso Electric Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2008/Q4
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PURCHASED POWER (Account 555) (Continued)
(Including power exchanges)

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

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

MegaWatt Hours Purchased (g)	POWER EXCHANGES		COST/SETTLEMENT OF POWER				Line No.
	MegaWatt Hours Received (h)	MegaWatt Hours Delivered (i)	Demand Charges (\$) (j)	Energy Charges (\$) (k)	Other Charges (\$) (l)	Total (j+k+l) of Settlement (\$) (m)	
21,843				1,400,765		1,400,765	1
13,300				881,165		881,165	2
1,773				204,865		204,865	3
33				1,650		1,650	4
27,701				1,968,819		1,968,819	5
1,600				106,400		106,400	6
51,480				4,398,600		4,398,600	7
					9,600	9,600	8
9,201				825,562		825,562	9
34,757				2,368,952		2,368,952	10
2,721				228,852		228,852	11
114,550				6,324,162		6,324,162	12
1,048,800				63,709,793		63,709,793	13
			20,740,000			20,740,000	14
3,823,514	101,072	63,038	30,044,680	179,684,899	753,155	210,482,734	

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>2008/Q4</u>
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**PURCHASED POWER (Account 555)
(Including power exchanges)**

1. Report all power purchases made during the year. Also report exchanges of electricity (i.e., transactions involving a balancing of debits and credits for energy, capacity, etc.) and any settlements for imbalanced exchanges.
2. Enter the name of the seller or other party in an exchange transaction in column (a). Do not abbreviate or truncate the name or use acronyms. Explain in a footnote any ownership interest or affiliation the respondent has with the seller.
3. In column (b), enter a Statistical Classification Code based on the original contractual terms and conditions of the service as follows:

RQ - for requirements service. Requirements service is service which the supplier plans to provide on an ongoing basis (i.e., the supplier includes projects load for this service in its system resource planning). In addition, the reliability of requirement service must be the same as, or second only to, the supplier's service to its own ultimate consumers.

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

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

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

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

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

EX - For exchanges of electricity. Use this category for transactions involving a balancing of debits and credits for energy, capacity, etc. and any settlements for imbalanced exchanges.

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

Line No.	Name of Company or Public Authority (Footnote Affiliations) (a)	Statistical Classification (b)	FERC Rate Schedule or Tariff Number (c)	Average Monthly Billing Demand (MW) (d)	Actual Demand (MW)	
					Average Monthly NCP Demand (e)	Average Monthly CP Demand (f)
1	Credit Suisse Energy, LLC	OS	1			
2	Dynegy Power Marketing, Inc.	SF	1			
3	Fortis Energy Marketing and Trading	SF	1			
4	Fortis Energy Marketing and Trading	OS	1			
5	Four Peaks Energy Inc.	OS	1			
6	Gila River Power, L.P.	SF	1			
7	Gila River Power, L.P.	OS	1			
8	Gila River Power, L.P.	OS	1			
9	Iberdrola Renewables, Inc	SF	1			
10	Idaho Power Company Marketing	SF	1			
11	IID Energy Supply & Trading	SF	1			
12	J.Aron & Company	SF	1			
13	JP Morgan Ventures Energy Corp.	SF	1			
14	Lehman Brothers Commodity Services	SF	1			
	Total					

Name of Respondent El Paso Electric Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2008/Q4
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PURCHASED POWER(Account 555) (Continued)
(including power exchanges)

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

4. In column (c), identify the FERC Rate Schedule Number or Tariff, or, for non-FERC jurisdictional sellers, include an appropriate designation for the contract. On separate lines, list all FERC rate schedules, tariffs or contract designations under which service, as identified in column (b), is provided.
5. For requirements RQ purchases and any type of service involving demand charges imposed on a monthly (or longer) basis, enter the monthly average billing demand in column (d), the average monthly non-coincident peak (NCP) demand in column (e), and the average monthly coincident peak (CP) demand in column (f). For all other types of service, enter NA in columns (d), (e) and (f). Monthly NCP demand is the maximum metered hourly (60-minute integration) demand in a month. Monthly CP demand is the metered demand during the hour (60-minute integration) in which the supplier's system reaches its monthly peak. Demand reported in columns (e) and (f) must be in megawatts. Footnote any demand not stated on a megawatt basis and explain.
6. Report in column (g) the megawatthours shown on bills rendered to the respondent. Report in columns (h) and (i) the megawatthours of power exchanges received and delivered, used as the basis for settlement. Do not report net exchange.
7. Report demand charges in column (j), energy charges in column (k), and the total of any other types of charges, including out-of-period adjustments, in column (l). Explain in a footnote all components of the amount shown in column (l). Report in column (m) the total charge shown on bills received as settlement by the respondent. For power exchanges, report in column (m) the settlement amount for the net receipt of energy. If more energy was delivered than received, enter a negative amount. If the settlement amount (l) include credits or charges other than incremental generation expenses, or (2) excludes certain credits or charges covered by the agreement, provide an explanatory footnote.
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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)	
					585,000	585,000	1
2,453				146,854		146,854	2
62,590				3,087,268		3,087,268	3
19				1,292		1,292	4
2,770				163,504		163,504	5
157,352				9,931,725		9,931,725	6
					16,771	16,771	7
25				1,625		1,625	8
949				86,135		86,135	9
178				4,323		4,323	10
597				37,840		37,840	11
3,800				265,350		265,350	12
542				28,003		28,003	13
1,600				154,200		154,200	14
3,823,514	101,072	63,038	30,044,680	179,684,899	753,155	210,482,734	

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>2008/Q4</u>
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PURCHASED POWER (Account 555)
(Including power exchanges)

1. Report all power purchases made during the year. Also report exchanges of electricity (i.e., transactions involving a balancing of debits and credits for energy, capacity, etc.) and any settlements for imbalanced exchanges.
2. Enter the name of the seller or other party in an exchange transaction in column (a). Do not abbreviate or truncate the name or use acronyms. Explain in a footnote any ownership interest or affiliation the respondent has with the seller.
3. In column (b), enter a Statistical Classification Code based on the original contractual terms and conditions of the service as follows:

RQ - for requirements service. Requirements service is service which the supplier plans to provide on an ongoing basis (i.e., the supplier includes projects load for this service in its system resource planning). In addition, the reliability of requirement service must be the same as, or second only to, the supplier's service to its own ultimate consumers.

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

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

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

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

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

EX - For exchanges of electricity. Use this category for transactions involving a balancing of debits and credits for energy, capacity, etc. and any settlements for imbalanced exchanges.

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

Line No.	Name of Company or Public Authority (Footnote Affiliations) (a)	Statistical Classification (b)	FERC Rate Schedule or Tariff Number (c)	Average Monthly Billing Demand (MW) (d)	Actual Demand (MW)	
					Average Monthly NCP Demand (e)	Average Monthly CP Demand (f)
1	Los Alamos County	OS	1			
2	Los Angeles Dept of Water and Power	SF	1			
3	Los Angeles Dept of Water and Power	OS	1			
4	Mirant Energy Trading, LLC	SF	1			
5	Morgan Stanley Capital Group, Inc.	SF	1			
6	PacifiCorp	SF	1			
7	Phelps Dodge Energy Services, LLP	LU	2			
8	PowerEx Corp.	SF	1			
9	PPM Energy Plus, LLC	SF	1			
10	Public Service Company of Colorado	SF	1			
11	Public Service Company of New Mexico	SF	1			
12	Public Service Company of New Mexico	OS	1			
13	Rainbow Energy Marketing Corporation	SF	1			
14	Sempra Energy Trading, LLC.	SF	1			
	Total					

Name of Respondent El Paso Electric Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of <u>2008/Q4</u>
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PURCHASED POWER(Account 555) (Continued)
(Including power exchanges)

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

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

MegaWatt Hours Purchased (g)	POWER EXCHANGES		COST/SETTLEMENT OF POWER				Line No.
	MegaWatt Hours Received (h)	MegaWatt Hours Delivered (i)	Demand Charges (\$) (j)	Energy Charges (\$) (k)	Other Charges (\$) (l)	Total (j+k+l) of Settlement (\$) (m)	
					-540	-540	1
5,600				609,655		609,655	2
					27,644	27,644	3
1,618				119,022		119,022	4
65,081				4,686,870		4,686,870	5
38,639				2,611,665		2,611,665	6
709,215							7
29,489				2,411,254		2,411,254	8
285				32,475		32,475	9
2,169				199,276		199,276	10
34,899				2,282,748		2,282,748	11
					3,372	3,372	12
45				1,510		1,510	13
55,656				3,513,147		3,513,147	14
3,823,514	101,072	63,038	30,044,680	179,684,899	753,155	210,482,734	

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>2008/Q4</u>
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**PURCHASED POWER (Account 555)
(Including power exchanges)**

1. Report all power purchases made during the year. Also report exchanges of electricity (i.e., transactions involving a balancing of debits and credits for energy, capacity, etc.) and any settlements for imbalanced exchanges.
2. Enter the name of the seller or other party in an exchange transaction in column (a). Do not abbreviate or truncate the name or use acronyms. Explain in a footnote any ownership interest or affiliation the respondent has with the seller.
3. In column (b), enter a Statistical Classification Code based on the original contractual terms and conditions of the service as follows:

RQ - for requirements service. Requirements service is service which the supplier plans to provide on an ongoing basis (i.e., the supplier includes projects load for this service in its system resource planning). In addition, the reliability of requirement service must be the same as, or second only to, the supplier's service to its own ultimate consumers.

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

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

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

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

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

EX - For exchanges of electricity. Use this category for transactions involving a balancing of debits and credits for energy, capacity, etc. and any settlements for imbalanced exchanges.

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

Line No.	Name of Company or Public Authority (Footnote Affiliations) (a)	Statistical Classification (b)	FERC Rate Schedule or Tariff Number (c)	Average Monthly Billing Demand (MW) (d)	Actual Demand (MW)	
					Average Monthly NCP Demand (e)	Average Monthly CP Demand (f)
1	Sempra Energy Trading, LLC.	OS	1			
2	Shell Energy North America (U.S.),L.P.	SF	1			
3	Southwestern Public Service Company	RQ	1	133	133	133
4	Southwestern Public Service Company	OS	1			
5	Salt River Project Agricultural Improv	SF	1			
6	Salt River Project Agricultural Improv	OS	1			
7	Southwest Environmental Center	OS	1			
8	Tri-State G&T Power Marketing	SF	1			
9	Tucson Electric Power Marketing	OS	1			
10	Tucson Electric Power Marketing	SF	1			
11	Transalta Energy Marketing U.S., Inc.	SF	1			
12	Western Area Power Administration-DSW	SF	1			
13	Arizona Electric Power Cooperative	SF	104			
14	Arizona Public Service Company	SF	104			
	Total					

Name of Respondent El Paso Electric Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2008/Q4
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PURCHASED POWER (Account 555) (Continued)
(Including power exchanges)

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

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

MegaWatt Hours Purchased (g)	POWER EXCHANGES		COST/SETTLEMENT OF POWER				Line No.
	MegaWatt Hours Received (h)	MegaWatt Hours Delivered (i)	Demand Charges (\$) (j)	Energy Charges (\$) (k)	Other Charges (\$) (l)	Total (j+k+l) of Settlement (\$) (m)	
					95,992	95,992	1
512,098				23,449,828		23,449,828	2
650,259			9,304,680	32,845,670		42,150,350	3
					8,844	8,844	4
47,839				3,640,002		3,640,002	5
40,661				2,642,965	3,975	2,646,940	6
9				992		992	7
28,637				1,661,056		1,661,056	8
					1,135	1,135	9
36,442				2,405,171		2,405,171	10
3,120				167,895		167,895	11
80				6,000		6,000	12
73				1,915		1,915	13
261				14,503		14,503	14
3,823,514	101,072	63,038	30,044,680	179,684,899	753,155	210,482,734	

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 2008/Q4
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**PURCHASED POWER (Account 555)
(Including power exchanges)**

1. Report all power purchases made during the year. Also report exchanges of electricity (i.e., transactions involving a balancing of debits and credits for energy, capacity, etc.) and any settlements for imbalanced exchanges.
2. Enter the name of the seller or other party in an exchange transaction in column (a). Do not abbreviate or truncate the name or use acronyms. Explain in a footnote any ownership interest or affiliation the respondent has with the seller.
3. In column (b), enter a Statistical Classification Code based on the original contractual terms and conditions of the service as follows:

RQ - for requirements service. Requirements service is service which the supplier plans to provide on an ongoing basis (i.e., the supplier includes projects load for this service in its system resource planning). In addition, the reliability of requirement service must be the same as, or second only to, the supplier's service to its own ultimate consumers.

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

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

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

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

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

EX - For exchanges of electricity. Use this category for transactions involving a balancing of debits and credits for energy, capacity, etc. and any settlements for imbalanced exchanges.

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

Line No.	Name of Company or Public Authority (Footnote Affiliations) (a)	Statistical Classification (b)	FERC Rate Schedule or Tariff Number (c)	Average Monthly Billing Demand (MW) (d)	Actual Demand (MW)	
					Average Monthly NCP Demand (e)	Average Monthly CP Demand (f)
1	Dynegy	SF	104			
2	City of Farmington	SF	104			
3	HGMA	SF	104			
4	Incorporated County of Los Alamos	SF	104			
5	Panda Gila River	SF	104			
6	Salt River Project	SF	104			
7	Tucson Electric Power Company	SF	104			
8	TRI-STATE	SF	104			
9	Western Area Power Administration	SF	104			
10	Arizona Electric Power Cooperative	EX	01			
11	Arizona Public Service Company	EX	53			
12	Arizona Public Serv Company (Start Up)	EX	53			
13	Coral Power	EX	01			
14	Public Service Co of New Mexico	EX	23			
	Total					

Name of Respondent El Paso Electric Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2008/Q4
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PURCHASED POWER (Account 555) (Continued)
(Including power exchanges)

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

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

MegaWatt Hours Purchased (g)	POWER EXCHANGES		COST/SETTLEMENT OF POWER				Line No.
	MegaWatt Hours Received (h)	MegaWatt Hours Delivered (i)	Demand Charges (\$) (j)	Energy Charges (\$) (k)	Other Charges (\$) (l)	Total (j+k+l) of Settlement (\$) (m)	
67				5,422	-371	5,051	1
24				996		996	2
102				10,397	-2,531	7,866	3
12				889		889	4
125				9,679		9,679	5
149				13,740		13,740	6
80				6,568		6,568	7
91				5,885		5,885	8
55					4,264	4,264	9
	1,242						10
		378					11
		384					12
	142						13
	21,953	6,386					14
3,823,514	101,072	63,038	30,044,680	179,684,899	753,155	210,482,734	

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>2008/Q4</u>
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PURCHASED POWER (Account 555)
(including power exchanges)

1. Report all power purchases made during the year. Also report exchanges of electricity (i.e., transactions involving a balancing of debits and credits for energy, capacity, etc.) and any settlements for imbalanced exchanges.
2. Enter the name of the seller or other party in an exchange transaction in column (a). Do not abbreviate or truncate the name or use acronyms. Explain in a footnote any ownership interest or affiliation the respondent has with the seller.
3. In column (b), enter a Statistical Classification Code based on the original contractual terms and conditions of the service as follows:

RQ - for requirements service. Requirements service is service which the supplier plans to provide on an ongoing basis (i.e., the supplier includes projects load for this service in its system resource planning). In addition, the reliability of requirement service must be the same as, or second only to, the supplier's service to its own ultimate consumers.

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

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

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

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

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

EX - For exchanges of electricity. Use this category for transactions involving a balancing of debits and credits for energy, capacity, etc. and any settlements for imbalanced exchanges.

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

Line No.	Name of Company or Public Authority (Footnote Affiliations) (a)	Statistical Classification (b)	FERC Rate Schedule or Tariff Number (c)	Average Monthly Billing Demand (MW) (d)	Actual Demand (MW)	
					Average Monthly NCP Demand (e)	Average Monthly CP Demand (f)
1	Salt River Project	EX	48			
2	Tri-State G&T Association, Inc.	EX	80			
3	Tucson Electric Power Company	EX	38			
4	Western Area Power Administration	EX	01			
5	Inadvertent					
6						
7						
8						
9						
10						
11						
12						
13						
14						
	Total					

Name of Respondent El Paso Electric Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of <u>2008/Q4</u>
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PURCHASED POWER(Account 555) (Continued)
(Including power exchanges)

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

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

MegaWatt Hours Purchased (g)	POWER EXCHANGES		COST/SETTLEMENT OF POWER				Line No.
	MegaWatt Hours Received (h)	MegaWatt Hours Delivered (i)	Demand Charges (\$)(j)	Energy Charges (\$)(k)	Other Charges (\$)(l)	Total (j+k+l) of Settlement (\$)(m)	
		24,380					1
	19,691						2
	26,889						3
	344						4
	30,811	31,510					5
							6
							7
							8
							9
							10
							11
							12
							13
							14
3,823,514	101,072	63,038	30,044,680	179,684,899	753,155	210,482,734	

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) / /	2008/Q4
FOOTNOTE DATA			

Schedule Page: 326	Line No.: 1	Column: c	1=WSPF Agreement - Rate Schedule FERC No.6
Schedule Page: 326	Line No.: 8	Column: b	Option purchases.
Schedule Page: 326	Line No.: 8	Column: l	Option purchases.
Schedule Page: 326.1	Line No.: 1	Column: b	Option premium.
Schedule Page: 326.1	Line No.: 1	Column: l	Option premium.
Schedule Page: 326.1	Line No.: 4	Column: b	Non-firm energy 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.: 7	Column: b	Spinning reserve purchases.
Schedule Page: 326.1	Line No.: 7	Column: l	Spinning reserve purchases.
Schedule Page: 326.1	Line No.: 8	Column: b	Non-firm energy purchases.
Schedule Page: 326.2	Line No.: 1	Column: b	Spinning reserve adjustment.
Schedule Page: 326.2	Line No.: 1	Column: l	Spinning reserve adjustment.
Schedule Page: 326.2	Line No.: 3	Column: b	Spinning reserve purchases.
Schedule Page: 326.2	Line No.: 3	Column: l	Spinning reserve purchases.
Schedule Page: 326.2	Line No.: 7	Column: g	The 709,215 MWhs related to purchases from Phelps Dodge related to the Company's Power Purchase and Sales Agreement with Phelps Dodge dated December 16, 2005.
Schedule Page: 326.2	Line No.: 12	Column: b	Spinning reserve purchases.
Schedule Page: 326.2	Line No.: 12	Column: l	Spinning reserve purchases.
Schedule Page: 326.3	Line No.: 1	Column: b	Option purchases.
Schedule Page: 326.3	Line No.: 1	Column: l	Option purchases.
Schedule Page: 326.3	Line No.: 4	Column: b	Texas Renewable Energy Certificates.
Schedule Page: 326.3	Line No.: 4	Column: l	Texas Renewable Energy Certificates.
Schedule Page: 326.3	Line No.: 6	Column: b	Non-firm and spinning reserve purchases.
Schedule Page: 326.3	Line No.: 6	Column: l	Non-firm and spinning reserve purchases.
Schedule Page: 326.3	Line No.: 7	Column: b	Renewable Purchase Power Agreement between Southwest Environmental Center and El Paso Electric Company. Contract is a minimum twenty year term beginning 2008.
Schedule Page: 326.3	Line No.: 9	Column: b	Spinning reserve purchases.
Schedule Page: 326.3	Line No.: 9	Column: l	Spinning reserve purchases.

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 2008/Q4
FOOTNOTE DATA			

Spinning reserve purchases.

Schedule Page: 326.4 Line No.: 1 Column: l

Prior Period Adjustment.

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

Prior Period Adjustment.

Schedule Page: 326.4 Line No.: 9 Column: k

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

Schedule Page: 326.4 Line No.: 9 Column: l

Other Charges are for SRSG penalty paid.

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 2008/Q4
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TRANSMISSION OF ELECTRICITY FOR OTHERS (Account 456.1)
(Including transactions referred to as "wheeling")

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

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

Name of Respondent El Paso Electric Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of <u>2008/Q4</u>
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TRANSMISSION OF ELECTRICITY FOR OTHERS (Account 456)(Continued)
(Including transactions referred to as "wheeling")

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

FERC Rate Schedule of Tariff Number (e)	Point of Receipt (Substation or Other Designation) (f)	Point of Delivery (Substation or Other Designation) (g)	Billing Demand (MW) (h)	TRANSFER OF ENERGY		Line No.
				MegaWatt Hours Received (i)	MegaWatt Hours Delivered (j)	
01	EPE System	Coyote/Farmer	9	14,832	14,832	1
01	Jojoba	Palo Verde				2
01	Jojoba	Palo Verde		235	235	3
01	Palo Verde	Westwing		12	12	4
01	EPE System	Coyote/Farmer	21	37,143	37,143	5
01	Palo Verde	Westwing		2,788	2,788	6
01	Westwing	Palo Verde		25	25	7
01	Palo Verde	Westwing		671	671	8
01	Palo Verde	Westwing	17	14,666	14,666	9
01	Palo Verde	Westwing	35	65,790	65,790	10
01	Palo Verde	Westwing	50	156,065	156,065	11
01	Palo Verde	Westwing				12
01	Palo Verde	Westwing				13
01	Westwing	Palo Verde				14
01	Palo Verde	Westwing		68	68	15
01	Westwing	Palo Verde		668	668	16
01	Westwing	Palo Verde		21	21	17
01	Palo Verde	Westwing		15,173	15,173	18
01	Springerville	Eddy		302	302	19
01	Westmesa	Eddy		71	71	20
01	Palo Verde	Westwing		15,934	15,934	21
01	Westwing	Palo Verde		26	26	22
01	Palo Verde	Westwing		7,492	7,492	23
01	Westwing	Palo Verde		3	3	24
01	Palo Verde	Westwing		60	60	25
01	Westwing	Palo Verde				26
01	Palo Verde	Westwing		25	25	27
01	Palo Verde	Westwing		43,805	43,805	28
01	Palo Verde	Jojoba		240	240	29
01	Palo Verde	Westwing		344	344	30
01	Westwing	Palo Verde		556	556	31
01	Luna	Springerville		9,905	9,905	32
01	Palo Verde	Westwing		100	100	33
01	Palo Verde	Westwing	25	19,373	19,373	34
			3,051	6,962,152	6,962,152	

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 2008/Q4
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TRANSMISSION OF ELECTRICITY FOR OTHERS (Account 456) (Continued)
(Including transactions referred to as 'wheeling')

9. In column (k) through (n), report the revenue amounts as shown on bills or vouchers. In column (k), provide revenues from demand charges related to the billing demand reported in column (h). In column (l), provide revenues from energy charges related to the amount of energy transferred. In column (m), provide the total revenues from all other charges on bills or vouchers rendered, including out of period adjustments. Explain in a footnote all components of the amount shown in column (m). Report in column (n) the total charge shown on bills rendered to the entity Listed in column (a). If no monetary settlement was made, enter zero (11011) in column (n). Provide a footnote explaining the nature of the non-monetary settlement, including the amount and type of energy or service rendered.

10. The total amounts in columns (i) and (j) must be reported as Transmission Received and Transmission Delivered for annual report purposes only on Page 401, Lines 16 and 17, respectively.

11. Footnote entries and provide explanations following all required data.

REVENUE FROM TRANSMISSION OF ELECTRICITY FOR OTHERS

Demand Charges (\$) (k)	Energy Charges (\$) (l)	(Other Charges) (\$) (m)	Total Revenues (\$) (k+l+m) (n)	Line No.
				1
				2
				3
				4
149,471	165,194		314,665	5
	2,462		2,462	6
	23		23	7
	614		614	8
83,352			83,352	9
171,604			171,604	10
245,152			245,152	11
	21		21	12
	28		28	13
	21		21	14
	87		87	15
	576		576	16
	23		23	17
	18,952		18,952	18
	3,116		3,116	19
	782		782	20
	27,272		27,272	21
	15		15	22
	11,854		11,854	23
	3		3	24
	67		67	25
	11		11	26
	374		374	27
	70,369		70,369	28
	584		584	29
	564		564	30
	1,426		1,426	31
	110,165		110,165	32
	377		377	33
122,576	8,200		130,776	34
14,689,960	446,572	0	15,136,532	

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 2008/Q4
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TRANSMISSION OF ELECTRICITY FOR OTHERS (Account 456.1)
(Including transactions referred to as 'wheeling')

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

Line No.	Payment By (Company of Public Authority) (Footnote Affiliation) (a)	Energy Received From (Company of Public Authority) (Footnote Affiliation) (b)	Energy Delivered To (Company of Public Authority) (Footnote Affiliation) (c)	Statistical Classification (d)
1	Coral Power	Salt River Project	Arizona Public Service Company	LFP
2	Coral Power	Salt River Project	Salt River Project	LFP
3	Dynegy Power Services	Salt River Project	Arizona Public Service Company	NF
4	FPL Energy Power Marketing Inc	Salt River Project	Arizona Public Service Company	NF
5	Imperial Irrigation District	Salt River Project	Arizona Public Service Company	NF
6	Imperial Irrigation District	Salt River Project	Arizona Public Service Company	SFP
7	J.P. Morgan Ventures Energy Corp	Salt River Project	Arizona Public Service Company	NF
8	Lehman Brothers Commodity Services, I	Salt River Project	Arizona Public Service Company	NF
9	Merrill Lynch Commodities, Inc	Arizona Public Service Company	Salt River Project	SFP
10	Merrill Lynch Commodities, Inc	Arizona Public Service Company	Salt River Project	NF
11	Morgan Stanley	Salt River Project	Salt River Project	NF
12	Morgan Stanley	Salt River Project	Arizona Public Service Company	NF
13	Morgan Stanley	Arizona Public Service Company	Salt River Project	NF
14	Morgan Stanley	Salt River Project	Salt River Project	SFP
15	Morgan Stanley	Salt River Project	Arizona Public Service Company	SFP
16	Morgan Stanley	Arizona Public Service Company	Salt River Project	SFP
17	PacifiCorp	Salt River Project	Arizona Public Service Company	NF
18	PacifiCorp	Salt River Project	Arizona Public Service Company	SFP
19	Panda Gila River	Salt River Project	Salt River Project	AD
20	Panda Gila River	Salt River Project	Salt River Project	NF
21	Panda Gila River	Salt River Project	Salt River Project	NF
22	Panda Gila River	Salt River Project	Arizona Public Service Company	NF
23	Panda Gila River	Salt River Project	Salt River Project	NF
24	Panda Gila River	Salt River Project	Arizona Public Service Company	NF
25	Panda Gila River	Tucson Electric Power Company	Southwestern Public Service Compa	NF
26	Panda Gila River	Public Service Company of New Mex	Southwestern Public Service Compa	NF
27	Panda Gila River	Arizona Public Service Company	Salt River Project	NF
28	Panda Gila River	Salt River Project	Salt River Project	SFP
29	Panda Gila River	Salt River Project	Salt River Project	SFP
30	Panda Gila River	Salt River Project	Arizona Public Service Company	SFP
31	Panda Gila River	Salt River Project	Salt River Project	SFP
32	Panda Gila River	Salt River Project	Arizona Public Service Company	SFP
33	Panda Gila River	Arizona Public Service Company	Salt River Project	SFP
34	Panda Gila River	Salt River Project	Salt River Project	LFP
	TOTAL			

Name of Respondent El Paso Electric Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2008/Q4
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TRANSMISSION OF ELECTRICITY FOR OTHERS (Account 456)(Continued)
(Including transactions referred to as 'wheeling')

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

FERC Rate Schedule of Tariff Number (e)	Point of Receipt (Substation or Other Designation) (f)	Point of Delivery (Substation or Other Designation) (g)	Billing Demand (MW) (h)	TRANSFER OF ENERGY		Line No.
				MegaWatt Hours Received (i)	MegaWatt Hours Delivered (j)	
01	Palo Verde	Westwing	100	122,435	122,435	1
01	Palo Verde	Kyrene	133			2
01	Palo Verde	Westwing		286	286	3
01	Palo Verde	Westwing		727	727	4
01	Palo Verde	Westwing		50	50	5
01	Palo Verde	Westwing		1,088	1,088	6
01	Palo Verde	Westwing		229	229	7
01	Palo Verde	Westwing		502	502	8
01	Westwing	Palo Verde		400	400	9
01	Westwing	Palo Verde		200	200	10
01	Jojoba	Kyrene		2,565	2,565	11
01	Palo Verde	Westwing	150	560,474	560,474	12
01	Westwing	Palo Verde		4,723	4,723	13
01	Jojoba	Palo Verde		4	4	14
01	Palo Verde	Westwing		12,915	12,915	15
01	Westwing	Palo Verde		1,018	1,018	16
01	Palo Verde	Westwing				17
01	Palo Verde	Westwing	125	31,142	31,142	18
01	Jojoba	Palo Verde	-221			19
01	Jojoba	Kyrene		2,931	2,931	20
01	Jojoba	Palo Verde		86,849	86,849	21
01	Jojoba	Westwing		15,433	15,433	22
01	Palo Verde	Jojoba		1,152	1,152	23
01	Palo Verde	Westwing		8,603	8,603	24
01	Springerville	Eddy		131	131	25
01	Westmesa	Eddy		26	26	26
01	Westwing	Palo Verde		2,880	2,880	27
01	Jojoba	Kyrene		1,073	1,073	28
01	Jojoba	Palo Verde		500,544	500,544	29
01	Jojoba	Westwing		1,532	1,532	30
01	Palo Verde	Jojoba		549	549	31
01	Palo Verde	Westwing		1,398	1,398	32
01	Westwing	Palo Verde		119	119	33
01	Jojoba	Palo Verde	630	972,126	972,126	34
			3,051	6,962,152	6,962,152	

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 2008/Q4
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TRANSMISSION OF ELECTRICITY FOR OTHERS (Account 456) (Continued)
(Including transactions referred to as 'wheeling')

9. In column (k) through (n), report the revenue amounts as shown on bills or vouchers. In column (k), provide revenues from demand charges related to the billing demand reported in column (h). In column (l), provide revenues from energy charges related to the amount of energy transferred. In column (m), provide the total revenues from all other charges on bills or vouchers rendered, including out of period adjustments. Explain in a footnote all components of the amount shown in column (m). Report in column (n) the total charge shown on bills rendered to the entity Listed in column (a). If no monetary settlement was made, enter zero (11011) in column (n). Provide a footnote explaining the nature of the non-monetary settlement, including the amount and type of energy or service rendered.

10. The total amounts in columns (i) and (j) must be reported as Transmission Received and Transmission Delivered for annual report purposes only on Page 401, Lines 16 and 17, respectively.

11. Footnote entries and provide explanations following all required data.

REVENUE FROM TRANSMISSION OF ELECTRICITY FOR OTHERS

Demand Charges (\$) (k)	Energy Charges (\$) (l)	(Other Charges) (\$) (m)	Total Revenues (\$) (k+l+m) (n)	Line No.
258,794	45,161		303,955	1
24,922			24,922	2
	387		387	3
	1,728		1,728	4
	71		71	5
	3,313		3,313	6
	261		261	7
	498		498	8
	252		252	9
	145		145	10
	6,231		6,231	11
61,500	645,073		706,573	12
	4,923		4,923	13
	6		6	14
	13,977		13,977	15
	807		807	16
	766		766	17
51,250	9,759		61,009	18
-138,854			-138,854	19
	7,574		7,574	20
	210,026		210,026	21
	42,864		42,864	22
	2,099		2,099	23
	8,048		8,048	24
	994		994	25
	286		286	26
	3,357		3,357	27
	2,624		2,624	28
	927,290		927,290	29
	4,549		4,549	30
	1,222		1,222	31
	1,377		1,377	32
	119		119	33
1,355,858	66,790		1,422,648	34
14,689,960	446,572	0	15,136,532	

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 2008/Q4
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TRANSMISSION OF ELECTRICITY FOR OTHERS (Account 456.1)
(Including transactions referred to as 'wheeling')

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

Line No.	Payment By (Company of Public Authority) (Footnote Affiliation) (a)	Energy Received From (Company of Public Authority) (Footnote Affiliation) (b)	Energy Delivered To (Company of Public Authority) (Footnote Affiliation) (c)	Statistical Classification (d)
1	Panda Gila River	Salt River Project	Salt River Project	SFP
2	Powerex	Salt River Project	Arizona Public Service Company	AD
3	Powerex	Southwestern Public Service Compa	Tucson Electric Power Company	NF
4	Powerex	Salt River Project	Salt River Project	NF
5	Powerex	Salt River Project	Arizona Public Service Company	NF
6	Powerex	Arizona Public Service Company	Salt River Project	NF
7	Powerex	Salt River Project	Salt River Project	SFP
8	Powerex	Salt River Project	Arizona Public Service Company	SFP
9	Powerex	Arizona Public Service Company	Salt River Project	SFP
10	Powerex	Salt River Project	Arizona Public Service Company	AD
11	Powerex	Salt River Project	Arizona Public Service Company	SFP
12	Powerex	Salt River Project	Arizona Public Service Company	AD
13	Powerex	Salt River Project	Arizona Public Service Company	LFP
14	Powerex	Salt River Project	Arizona Public Service Company	SFP
15	Powerex	Salt River Project	Arizona Public Service Company	SFP
16	Powerex	Salt River Project	Arizona Public Service Company	SFP
17	Powerex	Salt River Project	Arizona Public Service Company	SFP
18	Powerex	Salt River Project	Arizona Public Service Company	SFP
19	PPM Energy	Salt River Project	Arizona Public Service Company	NF
20	PPM Energy	Arizona Public Service Company	Salt River Project	NF
21	Public Service Company of New Mexico	Public Service Company of New Mex	Public Service Company of New Mex	AD
22	Public Service Company of New Mexico	Public Service Company of New Mex	Tucson Electric Power Company	NF
23	Public Service Company of New Mexico	Public Service Company of New Mex	Public Service Company of New Mex	NF
24	Public Service Company of New Mexico	Public Service Company of New Mex	Public Service Company of New Mex	NF
25	Public Service Company of New Mexico	Public Service Company of New Mex	Tucson Electric Power Company	NF
26	Public Service Company of New Mexico	Public Service Company of New Mex	Public Service Company of New Mex	NF
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	NF
29	Public Service Company of New Mexico	Public Service Company of New Mex	Tucson Electric Power Company	NF
30	Public Service Company of New Mexico	Tucson Electric Power Company	Public Service Company of New Mex	NF
31	Public Service Company of New Mexico	Public Service Company of New Mex	Public Service Company of New Mex	NF
32	Public Service Company of New Mexico	Public Service Company of New Mex	Public Service Company of New Mex	SFP
33	Public Service Company of New Mexico	Public Service Company of New Mex	Tucson Electric Power Company	SFP
34	Public Service Company of New Mexico	Public Service Company of New Mex	Public Service Company of New Mex	SFP
	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	Palo Verde	630	966,327	966,327	1
01	Palo Verde	Westwing				2
01	Eddy	Springerville				3
01	Jojoba	Palo Verde		50	50	4
01	Palo Verde	Westwing		396,099	396,099	5
01	Westwing	Palo Verde		7,094	7,094	6
01	Jojoba	Palo Verde		200	200	7
01	Palo Verde	Westwing		30,629	30,629	8
01	Westwing	Palo Verde		420	420	9
01	Palo Verde	Westwing	9			10
01	Palo Verde	Westwing	9	13,692	13,692	11
01	Palo Verde	Westwing	23			12
01	Palo Verde	Westwing	23	42,941	42,941	13
01	Palo Verde	Westwing	23	16,494	16,494	14
01	Palo Verde	Westwing	32	40,767	40,767	15
01	Palo Verde	Westwing	40	22,582	22,582	16
01	Palo Verde	Westwing	68	8,418	8,418	17
01	Palo Verde	Westwing	165	69,511	69,511	18
01	Palo Verde	Westwing		17	17	19
01	Westwing	Palo Verde		57	57	20
01	Afton	Westmesa				21
01	Afton	Greenlee		469	469	22
01	Afton	Hidalgo		94	94	23
01	Afton	Luna		2,079	2,079	24
01	Afton	Springerville		1,199	1,199	25
01	Afton	Westmesa		90,679	90,679	26
01	Las Cruces	Amrad				27
01	Luna	Afton		9	9	28
01	Luna	Springerville		206	206	29
01	Springerville	Luna		2	2	30
01	Westmesa	Amrad		324	324	31
01	Afton	Luna		67,039	67,039	32
01	Afton	Springerville		7,521	7,521	33
01	Afton	Westmesa		39,149	39,149	34
			3,051	6,962,152	6,962,152	

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 2008/Q4
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TRANSMISSION OF ELECTRICITY FOR OTHERS (Account 456) (Continued)
(Including transactions referred to as 'wheeling')

9. In column (k) through (n), report the revenue amounts as shown on bills or vouchers. In column (k), provide revenues from demand charges related to the billing demand reported in column (h). In column (l), provide revenues from energy charges related to the amount of energy transferred. In column (m), provide the total revenues from all other charges on bills or vouchers rendered, including out of period adjustments. Explain in a footnote all components of the amount shown in column (m). Report in column (n) the total charge shown on bills rendered to the entity Listed in column (a). If no monetary settlement was made, enter zero (11011) in column (n). Provide a footnote explaining the nature of the non-monetary settlement, including the amount and type of energy or service rendered.

10. The total amounts in columns (i) and (j) must be reported as Transmission Received and Transmission Delivered for annual report purposes only on Page 401, Lines 16 and 17, respectively.

11. Footnote entries and provide explanations following all required data.

REVENUE FROM TRANSMISSION OF ELECTRICITY FOR OTHERS

Demand Charges (\$) (k)	Energy Charges (\$) (l)	(Other Charges) (\$) (m)	Total Revenues (\$) (k+l+m) (n)	Line No.
1,944,447	144,873		2,089,320	1
	-8,803		-8,803	2
	74		74	3
	123		123	4
	453,393		453,393	5
	6,700		6,700	6
	478		478	7
	42,081		42,081	8
	637		637	9
-3,690			-3,690	10
21,824	4,648		26,472	11
-9,430			-9,430	12
64,319	21,610		85,929	13
18,860	13,061		31,921	14
26,071	11,459		37,530	15
16,386	5,412		21,798	16
27,394	2,960		30,354	17
67,457	12,554		80,011	18
	19		19	19
	122		122	20
	-17,997		-17,997	21
	4,565		4,565	22
	513		513	23
	17,481		17,481	24
	6,526		6,526	25
	569,210		569,210	26
	456		456	27
	37		37	28
	1,998		1,998	29
	11		11	30
	1,775		1,775	31
	445,052		445,052	32
	47,258		47,258	33
	219,777		219,777	34
14,689,960	446,572	0	15,136,532	

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 2008/Q4
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TRANSMISSION OF ELECTRICITY FOR OTHERS (Account 456.1)
(Including transactions referred to as 'wheeling')

1. Report all transmission of electricity, i.e., wheeling, provided for other electric utilities, cooperatives, other public authorities, qualifying facilities, non-traditional utility suppliers and ultimate customers for the quarter.
2. Use a separate line of data for each distinct type of transmission service involving the entities listed in column (a), (b) and (c).
3. Report in column (a) the company or public authority that paid for the transmission service. Report in column (b) the company or public authority that the energy was received from and in column (c) the company or public authority that the energy was delivered to. Provide the full name of each company or public authority. Do not abbreviate or truncate name or use acronyms. Explain in a footnote any ownership interest in or affiliation the respondent has with the entities listed in columns (a), (b) or (c)
4. In column (d) enter a Statistical Classification code based on the original contractual terms and conditions of the service as follows: FNO - Firm Network Service for Others, FNS - Firm Network Transmission Service for Self, LFP - "Long-Term Firm Point to Point Transmission Service, OLF - Other Long-Term Firm Network 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	SFP
2	Public Service Company of New Mexico	Public Service Company of New Mex	Public Service Company of New Mex	SFP
3	Public Service Company of New Mexico	Public Service Company of New Mex	Tucson Electric Power Company	SFP
4	Public Service Company of New Mexico	Public Service Company of New Mex	Public Service Company of New Mex	LFP
5	Public Service Company of New Mexico	Public Service Company of New Mex	Public Service Company of New Mex	SFP
6	Public Service Company of New Mexico	Public Service Company of New Mex	Public Service Company of New Mex	LFP
7	Public Service Company of New Mexico	Public Service Company of New Mex	Tucson Electric Power Company	SFP
8	Public Service Company of New Mexico	Salt River Project	Arizona Public Service Company	LFP
9	Public Service Company of New Mexico	Salt River Project	Arizona Public Service Company	LFP
10	Public Service Company of New Mexico	Public Service Company of New Mex	Tucson Electric Power Company	LFP
11	Public Service Company of New Mexico	Public Service Company of New Mex	Public Service Company of New Mex	LFP
12	Public Service Company of New Mexico	Public Service Company of New Mex	Public Service Company of New Mex	OLF
13	Public Service Company of New Mexico	Public Service Company of New Mex	Tucson Electric Power Company	SFP
14	Public Service Company of New Mexico	Salt River Project	Salt River Project	LFP
15	Public Service Company of New Mexico	Public Service Company of New Mex	Tucson Electric Power Company	SFP
16	Sempra Energy Trading	Salt River Project	Arizona Public Service Company	NF
17	Sempra Energy Trading	Arizona Public Service Company	Salt River Project	NF
18	Sempra Energy Trading	Salt River Project	Arizona Public Service Company	SFP
19	Sempra Energy Trading	Arizona Public Service Company	Salt River Project	SFP
20	Southwestern Public Service Company	Tucson Electric Power Company	Southwestern Public Service Compa	NF
21	TransAlta Energy Marketing U.S. Inc.	Salt River Project	Arizona Public Service Company	SFP
22	TransAlta Energy Marketing U.S. Inc.	Salt River Project	Arizona Public Service Company	NF
23	Tristate Generating and Transmission	Tucson Electric Power Company	Public Service Company of New Mex	LFP
24	Tucson Electric Power	Public Service Company of New Mex	Tucson Electric Power Company	AD
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	NF
28	Tucson Electric Power	Salt River Project	Arizona Public Service Company	NF
29	Tucson Electric Power	Arizona Public Service Company	Salt River Project	NF
30	Tucson Electric Power	Public Service Company of New Mex	Tucson Electric Power Company	SFP
31	Tucson Electric Power	Public Service Company of New Mex	Tucson Electric Power Company	SFP
32	Tucson Electric Power	Salt River Project	Arizona Public Service Company	SFP
33	Western Area Power Admin	Public Service Company of New Mex	Public Service Company of New Mex	LFP
34	Western Area Power Admin - DSW	Salt River Project	Arizona Public Service Company	NF
	TOTAL			

Name of Respondent El Paso Electric Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of <u>2008/Q4</u>
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TRANSMISSION OF ELECTRICITY FOR OTHERS (Account 456)(Continued)
(Including transactions referred to as 'wheeling')

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

FERC Rate Schedule of Tariff Number (e)	Point of Receipt (Substation or Other Designation) (f)	Point of Delivery (Substation or Other Designation) (g)	Billing Demand (MW) (h)	TRANSFER OF ENERGY		Line No.
				MegaWatt Hours Received (i)	MegaWatt Hours Delivered (j)	
01	Las Cruces	Amrad		18,800	18,800	1
01	Luna	Afton		202	202	2
01	Luna	Springerville		135,642	135,642	3
01	Westmesa	Amrad	25	111,003	111,003	4
01	Westmesa	Amrad	25	111,463	111,463	5
01	Afton	Westmesa	30	90,159	90,159	6
01	Luna	Springerville	30	31,632	31,632	7
01	Palo Verde	Westwing	37	1,559	1,559	8
01	Palo Verde	Westwing	63	804	804	9
01	Afton	Springerville	94	289,594	289,594	10
01	Afton	Westmesa	111	181,652	181,652	11
01	Afton	Westmesa	111	75,684	75,684	12
01	Luna	Springerville	111	36,161	36,161	13
01	Palo Verde	Kyrene	133			14
01	Luna	Springerville	133	88,507	88,507	15
01	Palo Verde	Westwing		5,131	5,131	16
01	Westwing	Palo Verde		139	139	17
01	Palo Verde	Westwing		1,291	1,291	18
01	Westwing	Palo Verde		21	21	19
01	Springerville	Eddy		2,945	2,945	20
01	Palo Verde	Westwing		1,012	1,012	21
01	Palo Verde	Westwing		1,754	1,754	22
80	Springerville	Las Cruces/Hidalgo	50	425,822	425,822	23
01	Luna	Springerville				24
01	Luna	Greenlee		168	168	25
01	Luna	Springerville		5,282	5,282	26
01	Luna	Springerville		5,960	5,960	27
01	Palo Verde	Westwing		43,666	43,666	28
01	Westwing	Palo Verde		119	119	29
01	Luna	Springerville		534,366	534,366	30
01	Luna	Springerville		98,303	98,303	31
01	Palo Verde	Westwing		79,511	79,511	32
01	Westmesa	Holloman	2	8,887	8,887	33
01	Palo Verde	Westwing		9,105	9,105	34
			3,051	6,962,152	6,962,152	

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 2008/Q4
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TRANSMISSION OF ELECTRICITY FOR OTHERS (Account 456) (Continued)
(Including transactions referred to as 'wheeling')

9. In column (k) through (n), report the revenue amounts as shown on bills or vouchers. In column (k), provide revenues from demand charges related to the billing demand reported in column (h). In column (l), provide revenues from energy charges related to the amount of energy transferred. In column (m), provide the total revenues from all other charges on bills or vouchers rendered, including out of period adjustments. Explain in a footnote all components of the amount shown in column (m). Report in column (n) the total charge shown on bills rendered to the entity Listed in column (a). If no monetary settlement was made, enter zero (11011) in column (n). Provide a footnote explaining the nature of the non-monetary settlement, including the amount and type of energy or service rendered.

10. The total amounts in columns (i) and (j) must be reported as Transmission Received and Transmission Delivered for annual report purposes only on Page 401, Lines 16 and 17, respectively.

11. Footnote entries and provide explanations following all required data.

REVENUE FROM TRANSMISSION OF ELECTRICITY FOR OTHERS

Demand Charges (\$) (k)	Energy Charges (\$) (l)	(Other Charges) (\$) (m)	Total Revenues (\$) (k+l+m) (n)	Line No.
	104,985		104,985	1
	963		963	2
	1,827,059		1,827,059	3
363,638			363,638	4
363,600			363,600	5
574,099			574,099	6
217,756			217,756	7
83,946			83,946	8
142,380			142,380	9
2,702,859			2,702,859	10
1,411,065			1,411,065	11
476,216			476,216	12
805,967			805,967	13
328,755			328,755	14
1,216,232			1,216,232	15
	5,870		5,870	16
	114		114	17
	1,723		1,723	18
	120		120	19
	30,391		30,391	20
	900		900	21
	1,951		1,951	22
1,386,000			1,386,000	23
	-9,756,476		-9,756,476	24
	580		580	25
	29,260		29,260	26
				27
	39,790		39,790	28
	108		108	29
	3,630,596		3,630,596	30
				31
	67,997		67,997	32
58,184			58,184	33
	11,487		11,487	34
14,689,960	446,572	0	15,136,532	

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 2008/Q4
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TRANSMISSION OF ELECTRICITY FOR OTHERS (Account 456.1)
(Including transactions referred to as 'wheeling')

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

Line No.	Payment By (Company of Public Authority) (Footnote Affiliation) (a)	Energy Received From (Company of Public Authority) (Footnote Affiliation) (b)	Energy Delivered To (Company of Public Authority) (Footnote Affiliation) (c)	Statistical Classification (d)
1	Western Area Power Admin - DSW	Arizona Public Service Company	Salt River Project	NF
2	Western Area Power Admin - DSW	Salt River Project	Arizona Public Service Company	SFP
3	Western Area Power Admin - DSW	Arizona Public Service Company	Salt River Project	SFP
4	WPS Energy Services Inc	Southwestern Public Service Compa	Southwestern Public Service Compa	NF
5	WPS Energy Services Inc	Tucson Electric Power Company	Southwestern Public Service Compa	NF
6	WPS Energy Services Inc	Public Service Company of New Mex	Southwestern Public Service Compa	NF
7				
8				
9				
10				
11				
12				
13				
14				
15				
16				
17				
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33				
34				
	TOTAL			

Name of Respondent El Paso Electric Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2008/Q4
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TRANSMISSION OF ELECTRICITY FOR OTHERS (Account 456)(Continued)
(Including transactions referred to as 'wheeling')

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

FERC Rate Schedule of Tariff Number (e)	Point of Receipt (Substation or Other Designation) (f)	Point of Delivery (Substation or Other Designation) (g)	Billing Demand (MW) (h)	TRANSFER OF ENERGY		Line No.
				MegaWatt Hours Received (i)	MegaWatt Hours Delivered (j)	
01	Westwing	Palo Verde		30	30	1
01	Palo Verde	Westwing		722	722	2
01	Westwing	Palo Verde		150	150	3
01	Eddy	Eddy				4
01	Springerville	Eddy		305	305	5
01	Westmesa	Eddy		36	36	6
						7
						8
						9
						10
						11
						12
						13
						14
						15
						16
						17
						18
						19
						20
						21
						22
						23
						24
						25
						26
						27
						28
						29
						30
						31
						32
						33
						34
			3,051	6,962,152	6,962,152	

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>2008/Q4</u>
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TRANSMISSION OF ELECTRICITY FOR OTHERS (Account 456) (Continued)
(Including transactions referred to as 'wheeling')

9. In column (k) through (n), report the revenue amounts as shown on bills or vouchers. In column (k), provide revenues from demand charges related to the billing demand reported in column (h). In column (l), provide revenues from energy charges related to the amount of energy transferred. In column (m), provide the total revenues from all other charges on bills or vouchers rendered, including out of period adjustments. Explain in a footnote all components of the amount shown in column (m). Report in column (n) the total charge shown on bills rendered to the entity Listed in column (a). If no monetary settlement was made, enter zero (11011) in column (n). Provide a footnote explaining the nature of the non-monetary settlement, including the amount and type of energy or service rendered.

10. The total amounts in columns (i) and (j) must be reported as Transmission Received and Transmission Delivered for annual report purposes only on Page 401, Lines 16 and 17, respectively.

11. Footnote entries and provide explanations following all required data.

REVENUE FROM TRANSMISSION OF ELECTRICITY FOR OTHERS

Demand Charges (\$) (k)	Energy Charges (\$) (l)	(Other Charges) (\$) (m)	Total Revenues (\$) (k+l+m) (n)	Line No.
	30		30	1
	761		761	2
	148		148	3
	17		17	4
	3,786		3,786	5
	592		592	6
				7
				8
				9
				10
				11
				12
				13
				14
				15
				16
				17
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				22
				23
				24
				25
				26
				27
				28
				29
				30
				31
				32
				33
				34
14,689,960	446,572	0	15,136,532	

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) / /	2008/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: d
Network Integration Transmission Service expiration March 31, 2012.
Schedule Page: 328 Line No.: 9 Column: d
Firm transmission contract, expiration January 1, 2021
Schedule Page: 328 Line No.: 10 Column: d
Firm transmission contract, expiration January 1, 2021
Schedule Page: 328 Line No.: 11 Column: d
Firm transmission contract, expiration January 1, 2009
Schedule Page: 328 Line No.: 34 Column: d
Firm transmission contract, expiration January 1, 2021
Schedule Page: 328.1 Line No.: 1 Column: d
Firm transmission contract, expiration January 1, 2021
Schedule Page: 328.1 Line No.: 2 Column: d
Pro-rated yearly contract transferred from PNM to CORAL on 10/25/08 at 00:00 AM; Then CORAL reassigned back to PNM on a yearly basis starting 11/07/08 at 00:00 AM and ending on 01/01/10.
Schedule Page: 328.1 Line No.: 19 Column: d
Adjustment to June 2008 transactions.
Schedule Page: 328.1 Line No.: 34 Column: d
Firm transmission contract, expiration October 1, 2013. Service was partially redirected to Hourly services.
Schedule Page: 328.2 Line No.: 2 Column: d
Adjustment to correct February 2008 transactions.
Schedule Page: 328.2 Line No.: 10 Column: d
Adjustment to correct September 2008 transactions.
Schedule Page: 328.2 Line No.: 12 Column: d
Adjustment to correct September 2008 transactions.
Schedule Page: 328.2 Line No.: 13 Column: d
Firm transmission contract, expiration January 1, 2021. However service was partially redirected to hourly, daily and/or monthly services.
Schedule Page: 328.2 Line No.: 21 Column: d
Adustments to November 2007 transactions.
Schedule Page: 328.3 Line No.: 4 Column: d
Firm transmission contract, expiration July 1, 2013.
Schedule Page: 328.3 Line No.: 6 Column: d
Firm transmission contract, expiration January 1, 2014. However service was partially redirected to monthly, daily and/or hourly contracts.
Schedule Page: 328.3 Line No.: 8 Column: d
Firm transmission contract was to expire on January 1, 2021. However on 6/20/08 at 00:00 AM yearly contract was transferred from PNM to Coral.
Schedule Page: 328.3 Line No.: 9 Column: d
Firm transmission contract was to expire on January 1, 2021. However on 6/20/08 at 00:00 AM yearly contract was transferred from PNM to Coral.
Schedule Page: 328.3 Line No.: 10 Column: d
Firm transmission contract, expiration August 1, 2009.
Schedule Page: 328.3 Line No.: 11 Column: d

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) / /	2008/Q4
FOOTNOTE DATA			

Firm transmission contract, expiration January 1, 2014. However service was partially redirected to hourly contracts.

Schedule Page: 328.3 Line No.: 12 Column: d

Firm transmission contract, expiration April 4, 2014. However service was partially redirected to monthly, daily and hourly contracts.

Schedule Page: 328.3 Line No.: 14 Column: d

Pro-rated yearly contract transferred from PNM to CORAL on 10/25/08 at 00:00 AM. Then CORAL reassigned back to PNM on a yearly basis starting 11/07/08 at 00:00 AM and ending on 01/01/10. Service was partially redirected to daily and hourly services.

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

Firm transmission contract, expiration January 1, 2026.

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

Refers to the reversal done under protest of all transmission revenue received from TEP during the period from February 2006 to September 2008 for transmission service provided from LUNA substation per FERC decision dated November 13, 2008. Docket Nos. EL 06-45-003 and EL 06-46-003.

Schedule Page: 328.3 Line No.: 25 Column: d

For transmission service prior to FERC decision dated November 13, 2008. Docket Nos. EL 06-45-003 and EL 06-46-003.

Schedule Page: 328.3 Line No.: 26 Column: d

For transmission service prior to FERC decision dated November 13, 2008. Docket Nos. EL 06-45-003 and EL 06-46-003.

Schedule Page: 328.3 Line No.: 27 Column: i

To record actual MWh for transmission service provided from LUNA substation for October, November and December 2008, pending results from appeal of FERC decision dated November 13, 2008.

Schedule Page: 328.3 Line No.: 27 Column: j

To record actual MWh for transmission service provided from LUNA substation for October, November and December 2008, pending results from appeal of FERC decision dated November 13, 2008.

Schedule Page: 328.3 Line No.: 30 Column: d

For transmission service prior to FERC decision dated November 13, 2008.

Schedule Page: 328.3 Line No.: 31 Column: i

To record actual MWh for transmission service provided from LUNA substation for October, November and December 2008, pending results from appeal of FERC decision dated November 13, 2008.

Schedule Page: 328.3 Line No.: 31 Column: j

To record actual MWh for transmission service provided from LUNA substation for October, November and December 2008, pending results from appeal of FERC decision dated November 13, 2008.

Schedule Page: 328.3 Line No.: 33 Column: d

Firm transmission contract, expiration October 1, 2024.

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 2008/Q4
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TRANSMISSION OF ELECTRICITY BY OTHERS (Account 565)
(Including transactions referred to as "wheeling")

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

Line No.	Name of Company or Public Authority (Footnote Affiliations) (a)	Statistical Classification (b)	TRANSFER OF ENERGY		EXPENSES FOR TRANSMISSION OF ELECTRICITY BY OTHERS			
			Magawatt-hours Received (c)	Magawatt-hours Delivered (d)	Demand Charges (\$) (e)	Energy Charges (\$) (f)	Other Charges (\$) (g)	Total Cost of Transmission (\$) (h)
1	Arizona Public Service	SFP	7,540	7,540		27,641		27,641
2	Arizona Public Service	NF	9,439	9,439		31,131		31,131
3	Public Serv. Co. of NM	OLF	42,066	42,066	521,640			521,640
4	Public Serv. Co. of NM	LFP	693,494	693,494	2,830,776			2,830,776
5	Public Serv. Co. of NM	SFP	95,375	95,375	475,091	97,956		573,047
6	Public Serv. Co. of NM	NF	6,435	6,435		32,721		32,721
7	Salt River Project	OLF	157,257	157,257	1,258,083			1,258,083
8	Salt River Project	SFP	8,461	8,461		32,286		32,286
9	Salt River Project	NF	1,190	1,190		1,676		1,676
10	Soutwestern Public Serv	LFP			2,771,273		22,213	2,793,486
11	Tucson Electric Power	OLF	488,383	488,383				
12	Tucson Electric Power	NF	8,260	8,260		66,103		66,103
13	Western Area Power Admi	NF	80	80		479		479
14								
15								
16								
	TOTAL		1,517,980	1,517,980	7,856,863	289,993	22,213	8,169,069

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 2008/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, 2010.

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.

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.

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) / /	2008/Q4
FOOTNOTE DATA			

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

Contract expires September 30, 2009.

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

Represents cost of transmission purchased by SPS merchant from SPS transmission provider to deliver power to the Company at the delivery point. Includes a \$(195,984) refund from Southwestern Public Service Company related to March 2007 through May 2008 SPP Schedule 2 Reactive Supply and Voltage charges.

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

Scheduling charges per contract.

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

Service Schedule C terminates on the date of retirement of the last generating unit at Palo Verde Nuclear Generating Station, subject to twelve-month notice of termination by the Company.

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

Amounts shown based on actual energy flows.

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

Amounts shown based on actual energy flows.

Schedule Page: 332 Line No.: 11 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.: 12 Column: c

Amounts shown based on transmission reservations.

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

Amounts shown based on transmission reservations.

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

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

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

Amounts shown based on transmission reservations.

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

Amounts shown based on transmission reservations.

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

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

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 2008/Q4
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MISCELLANEOUS GENERAL EXPENSES (Account 930.2) (ELECTRIC)

Line No.	Description (a)	Amount (b)
1	Industry Association Dues	336,421
2	Nuclear Power Research Expenses	
3	Other Experimental and General Research Expenses	
4	Pub & Dist Info to Stkhldrs...expn servicing outstanding Securities	785,096
5	Oth Expn >=5,000 show purpose, recipient, amount. Group if < \$5,000	3,260
6	Palo Verde General Expenses	9,173,708
7	Guard Services	148,916
8	Director's Fees and Expenses	2,353,418
9	Four Corners General Expenses	746,120
10	Palo Verde Trans Line Costs	60,667
11	Other Board of Director Expenses	33,459
12	Relocating employees to new location	70,231
13		
14		
15		
16		
17		
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45		
46	TOTAL	13,711,296

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 2008/Q4
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DEPRECIATION AND AMORTIZATION OF ELECTRIC PLANT (Account 403, 404, 405)
(Except amortization of acquisition adjustments)

- 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).
- 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.
- 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.
- 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			4,177,093		4,177,093
2	Steam Production Plant	7,600,487	2,541			7,603,028
3	Nuclear Production Plant	20,257,006	301,750			20,558,756
4	Hydraulic Production Plant-Conventional					
5	Hydraulic Production Plant-Pumped Storage					
6	Other Production Plant	838,181	378			838,559
7	Transmission Plant	5,009,770				5,009,770
8	Distribution Plant	17,368,748				17,368,748
9	Regional Transmission and Market Operation					
10	General Plant	11,231,850				11,231,850
11	Common Plant-Electric					
12	TOTAL	62,306,042	304,669	4,177,093		66,787,804

B. Basis for Amortization Charges

	Term	Amount	Amortization	Method
Computer Software	3.0 To 10.0 Yrs.	31,390,452	4,177,093	St. Line

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 2008/Q4
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DEPRECIATION AND AMORTIZATION OF ELECTRIC PLANT (Continued)

C. Factors Used in Estimating Depreciation Charges

Line No.	Account No. (a)	Depreciable Plant Base (In Thousands) (b)	Estimated Avg. Service Life (c)	Net Salvage (Percent) (d)	Applied Depr. rates (Percent) (e)	Mortality Curve Type (f)	Average Remaining Life (g)
12							
13							
14							
15							
16							
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Name of Respondent El Paso Electric Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2008/Q4
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REGULATORY COMMISSION EXPENSES

1. Report particulars (details) of regulatory commission expenses incurred during the current year (or incurred in previous years, if being amortized) relating to format cases before a regulatory body, or cases in which such a body was a party.
2. Report in columns (b) and (c), only the current year's expenses that are not deferred and the current year's amortization of amounts deferred in previous years.

Line No.	Description (Furnish name of regulatory commission or body the docket or case number and a description of the case) (a)	Assessed by Regulatory Commission (b)	Expenses of Utility (c)	Total Expense for Current Year (b) + (c) (d)	Deferred in Account 182.3 at Beginning of Year (e)
1	Federal Energy Regulatory Commission				
2	FERC General and Other		85,493	85,493	
3	FERC Annual Fee		345,827	345,827	
4					
5	Public Utility Commission of Texas				
6	Texas Fuel Case		378,977	378,977	
7	Texas Standard Offer Program		89,601	89,601	
8	Texas General and Other		-5,311	-5,311	
9					
10	New Mexico Public Regulatory Commission				
11	New Mexico Fuel Case		553	553	
12	New Mexico General and Other		533,007	533,007	
13	New Mexico Rate Case Costs		261	261	476,107
14	New Mexico Transition Cost				1,149,998
15					
16	Nuclear Regulatory Commission				
17	PVNGS Unit 1 Fees		918,869	918,869	
18	PVNGS Unit 2 Fees		897,243	897,243	
19	PVNGS Unit 3 Fees		1,185,913	1,185,913	
20	PVNG Common Fees		88	88	
21					
22	Other		7,175	7,175	
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		4,437,696	4,437,696	1,626,105

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				Line No.
CURRENTLY CHARGED TO			Deferred to Account 182.3 (i)	Contra Account (j)	Amount (k)	Deferred in Account 182.3 End of Year (l)	
Department (f)	Account No. (g)	Amount (h)					
							1
	928	85,493					2
	928	345,827					3
							4
							5
	928	378,977					6
	928	89,601					7
	928	-5,311					8
							9
							10
	928	553					11
	928	533,007					12
	928	261	3,543		185,880	293,770	13
					575,004	574,994	14
							15
							16
	928	918,869					17
	928	897,243					18
	928	1,185,913					19
	928	88					20
							21
	928	7,175					22
							23
							24
							25
							26
							27
							28
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							42
							43
							44
							45
		4,437,696	3,543		760,884	868,764	46

Name of Respondent	This Report is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
El Paso Electric Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	//	2008/Q4
FOOTNOTE DATA			

Schedule Page: 350 Line No.: 13 Column: a

New Mexico rate case costs approved in Case No. 06-00258-UT will be amortized over a 3 year period beginning July 2007.

Schedule Page: 350 Line No.: 14 Column: a

New Mexico transition costs approved for recovery in Case No. 06-00258-UT will be amortized over a 30 month period beginning July 2007.

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 2008/Q4
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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	5,505,764		
4	Transmission	4,220,647		
5	Regional Market			
6	Distribution	8,005,690		
7	Customer Accounts	7,811,855		
8	Customer Service and Informational			
9	Sales			
10	Administrative and General	20,654,800		
11	TOTAL Operation (Enter Total of lines 3 thru 10)	46,198,756		
12	Maintenance			
13	Production	4,513,231		
14	Transmission	912,203		
15	Regional Market			
16	Distribution	2,038,377		
17	Administrative and General	195,818		
18	TOTAL Maintenance (Total of lines 13 thru 17)	7,659,629		
19	Total Operation and Maintenance			
20	Production (Enter Total of lines 3 and 13)	10,018,995		
21	Transmission (Enter Total of lines 4 and 14)	5,132,850		
22	Regional Market (Enter Total of Lines 5 and 15)			
23	Distribution (Enter Total of lines 6 and 16)	10,044,067		
24	Customer Accounts (Transcribe from line 7)	7,811,855		
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)	20,850,618		
28	TOTAL Oper. and Maint. (Total of lines 20 thru 27)	53,858,385	659,765	54,518,150
29	Gas			
30	Operation			
31	Production-Manufactured Gas			
32	Production-Nat. Gas (Including Expl. and Dev.)			
33	Other Gas Supply			
34	Storage, LNG Terminaling and Processing			
35	Transmission			
36	Distribution			
37	Customer Accounts			
38	Customer Service and Informational			
39	Sales			
40	Administrative and General			
41	TOTAL Operation (Enter Total of lines 31 thru 40)			
42	Maintenance			
43	Production-Manufactured Gas			
44	Production-Natural Gas (Including Exploration and Development)			
45	Other Gas Supply			
46	Storage, LNG Terminaling and Processing			
47	Transmission			

Name of Respondent 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 2008/Q4
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DISTRIBUTION OF SALARIES AND WAGES (Continued)

Line No.	Classification (a)	Direct Payroll Distribution (b)	Allocation of Payroll charged for Clearing Accounts (c)	Total (d)
48	Distribution			
49	Administrative and General			
50	TOTAL Maint. (Enter Total of lines 43 thru 49)			
51	Total Operation and Maintenance			
52	Production-Manufactured Gas (Enter Total of lines 31 and 43)			
53	Production-Natural Gas (Including Expl. and Dev.) (Total lines 32,			
54	Other Gas Supply (Enter Total of lines 33 and 45)			
55	Storage, LNG 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)	53,858,385	659,765	54,518,150
66	Utility Plant			
67	Construction (By Utility Departments)			
68	Electric Plant	13,037,785	1,193,862	14,231,647
69	Gas Plant			
70	Other (provide details in footnote):			
71	TOTAL Construction (Total of lines 68 thru 70)	13,037,785	1,193,862	14,231,647
72	Plant Removal (By Utility Departments)			
73	Electric Plant	14,487	3,343	17,830
74	Gas Plant			
75	Other (provide details in footnote):			
76	TOTAL Plant Removal (Total of lines 73 thru 75)	14,487	3,343	17,830
77	Other Accounts (Specify, provide details in footnote):			
78	In-Kind Donations and Exp for Certain Civic, Political & Rel	296,536	3,639	300,175
79	Other Various Accounts	-49,043	-34,824	-83,867
80				
81				
82				
83				
84				
85				
86				
87				
88				
89				
90				
91				
92				
93				
94				
95	TOTAL Other Accounts	247,493	-31,185	216,308
96	TOTAL SALARIES AND WAGES	67,158,150	1,825,785	68,983,935

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>2008/Q4</u>
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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

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 2008/Q4
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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		
		Number of Units (b)	Unit of Measure (c)	Dollars (d)	Usage - Related Billing Determinant		
					Number of Units (e)	Unit of Measure (f)	Dollars (g)
1	Scheduling, System Control and Dispatch	7,669,160	MWh	736,239	6,440,321	MWh	952,051
2	Reactive Supply and Voltage	7,669,160	MWh	460,150	2,013,951	MWh	157,282
3	Regulation and Frequency Response				35,439	MWh	1,642
4	Energy Imbalance						
5	Operating Reserve - Spinning				35,439	MWh	6,607
6	Operating Reserve - Supplement				35,439	MWh	6,607
7	Other						
8	Total (Lines 1 thru 7)	15,338,320		1,196,389	8,560,589		1,124,189

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 2008/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 1,067,966 MW-Day; 1,666,072 MW-Hour, (of which 247 MW-Hours were sold to El Paso Electric Marketing, an affiliate of El Paso Electric Company); 1,519,267 MW-Month (of which 14,832 MW-Months were sold to El Paso Electric Marketing, an affiliate of El Paso Electric Company); 32,375 MW-Week; and 2,154,641 MW-Year, (of which 35,439 MW-Years were sold to Rio Grande Electric Co-Op, a Network customer of El Paso Electric Company).

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

Unit of Measure MWh refers to MW-Year, MW-Month, MW-Week, MW-Day, or MW-Hour.

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

\$149,380 pertains to MW-Day; \$246 pertains to MW-Hour (of which \$25 pertains to El Paso Electric Marketing, an affiliate of El Paso Electric Company). Additionally, the MW-Hour amount was reduced by an adjustment of \$69,333 due to the reversal, done under protest, of all transmission revenue recieved from TEP during the period from February 2006 to September 2008 for transmission service provided from Luna Substation per FERC decision dated November 13, 2008 in Docket No. EL 06-45-003. \$300,617 pertains to MW-Month (of which \$2,240 pertains to El Paso Electric Marketing, an affiliate of El Paso Electric Company); \$5,625 pertains to MW-Week; and \$496,543 pertains to MW-Year, (of which \$4,278 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 123,183 MW-Day; 856,589 MW-Hour; 272,484 MW-Month (of which 14,832 MW-Months were sold to El Paso Electric Marketing, an affiliate of El Paso Electric Company); 761,695 MW-Year, (of which 35,439 MW-Years were sold to Rio Grande Electric Co-op, a Network customer of El Paso Electric Company).

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

Unit of Measure MWh refers to MW-Year, MW-Month, MW-Day or MW-Hour.

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

\$26,226 pertains to MW-Day; \$(52,066) pertains to MW-Hour (of which \$7,838 pertains to El Paso Electric Marketing, an affiliate of El Paso Electric Company). Additionally, the MW-Hour amount was reduced by an adjustemnt of \$59,904 due to the reversal, done under protest, of all transmission revenue recieved from TEP during the period from February 2006 to September 2008 for transmissioin service provided from Luna Substation per FERC decision dated November 13, 2008. \$48,707 pertains to MW-Month (of which \$1,408 pertains to El Paso Electric Marketing, an affiliate of El Paso Electric Company); \$134,415 pertains to MW-Year, (of which \$2,679 pertains to Rio Grande Electric Co-op, a Network customer of El Paso Electric Company).

Schedule Page: 398 Line No.: 3 Column: e

The Number of Units includes 35,439 MW-Year, all of which were sold to Rio Grande Electric Co-op, a Network customer of El Paso Electric Company.

Schedule Page: 398 Line No.: 3 Column: f

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 2008/Q4
FOOTNOTE DATA			

Unit of Measure refers to MW-Year.

Schedule Page: 398 Line No.: 3 Column: g

\$1,642 pertains to MW-Year, all of which pertains to Rio Grande Electric Co-op, a Network customer of El Paso Electric Company.

Schedule Page: 398 Line No.: 5 Column: e

The Number of Units includes 35,439 MW-Year, all of which were sold to Rio Grande Electric Co-op, a Network customer of El Paso Electric Company.

Schedule Page: 398 Line No.: 5 Column: f

Unit of Measure MWh refers to MW-Year.

Schedule Page: 398 Line No.: 5 Column: g

\$6,607 pertains to MW-Year, all of which pertains to Rio Grande Electric Co-op, a Network customer of El Paso Electric Company.

Schedule Page: 398 Line No.: 6 Column: e

The Number of Units includes 35,439 MW-Year, all of which were sold to Rio Grande Electric Co-op, a Network customer of El Paso Electric Company.

Schedule Page: 398 Line No.: 6 Column: f

Unit of Measure MWh refers to MW-Year.

Schedule Page: 398 Line No.: 6 Column: g

\$6,607 pertains to MW-Year, all of which pertains to Rio Grande Electric Co-op, a Network customer of El Paso Electric Company.

Name of Respondent El Paso Electric Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2008/Q4
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MONTHLY TRANSMISSION SYSTEM PEAK LOAD

- (1) Report the monthly peak load on the respondent's transmission system. If the respondent has two or more power systems which are not physically integrated, furnish the required information for each non-integrated system.
- (2) Report on Column (b) by month the transmission system's peak load.
- (3) Report on Columns (c) and (d) the specified information for each monthly transmission - system peak load reported on Column (b).
- (4) Report on Columns (e) through (j) by month the system' monthly maximum megawatt load by statistical classifications. See General Instruction for the definition of each statistical classification.

NAME OF SYSTEM:

Line No.	Month (a)	Monthly Peak MW - Total (b)	Day of Monthly Peak (c)	Hour of Monthly Peak (d)	Firm Network Service for Self (e)	Firm Network Service for Others (f)	Long-Term Firm Point-to-point Reservations (g)	Other Long-Term Firm Service (h)	Short-Term Firm Point-to-point Reservation (i)	Other Service (j)
1	January	1,000	14	2000			412	50	233	
2	February	1,020	5	2000			452	50	193	
3	March	973	3	2000			421	50	224	
4	Total for Quarter 1	2,993					1,285	150	650	
5	April	1,046	30	1500		7	410	50	244	
6	May	1,341	28	1500		7	482	50	240	
7	June	1,518	17	1500		10	462	50	822	
8	Total for Quarter 2	3,905				24	1,354	150	1,306	
9	July	1,424	16	1500		6	488	50	796	
10	August	1,424	11	1500		8	464	50	820	
11	September	1,312	2	1500		6	492	50	824	
12	Total for Quarter 3	4,160				20	1,444	150	2,440	
13	October	1,092	3	1500		8	1,107	50	342	
14	November	983	4	1900		5	1,116	50	168	
15	December	1,061	9	1900		4	1,119	50	298	
16	Total for Quarter 4	3,136				17	3,342	150	808	
17	Total Year to Date/Year	14,194				61	7,425	600	5,204	

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 2008/Q4
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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)	7,034,354
3	Steam	3,381,246	23	Requirements Sales for Resale (See instruction 4, page 311.)	50,148
4	Nuclear	4,622,840	24	Non-Requirements Sales for Resale (See instruction 4, page 311.)	4,215,922
5	Hydro-Conventional		25	Energy Furnished Without Charge	
6	Hydro-Pumped Storage		26	Energy Used by the Company (Electric Dept Only, Excluding Station Use)	13,285
7	Other	19,389	27	Total Energy Losses	571,314
8	Less Energy for Pumping		28	TOTAL (Enter Total of Lines 22 Through 27) (MUST EQUAL LINE 20)	11,885,023
9	Net Generation (Enter Total of lines 3 through 8)	8,023,475			
10	Purchases	3,823,514			
11	Power Exchanges:				
12	Received	101,072			
13	Delivered	63,038			
14	Net Exchanges (Line 12 minus line 13)	38,034			
15	Transmission For Other (Wheeling)				
16	Received	6,962,152			
17	Delivered	6,962,152			
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)	11,885,023			

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 2008/Q4
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MONTHLY PEAKS AND OUTPUT

- (1) Report the monthly peak load and energy output. If the respondent has two or more power which are not physically integrated, furnish the required information for each non-integrated system.
- (2) Report on line 2 by month the system's output in Megawatt hours for each month.
- (3) Report on line 3 by month the non-requirements sales for resale. Include in the monthly amounts any energy losses associated with the sales.
- (4) Report on line 4 by month the system's monthly maximum megawatt load (60 minute integration) associated with the system.
- (5) Report on lines 5 and 6 the specified information for each monthly peak load reported on line 4.

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	991,019	388,453	1,000	14	2000
30	February	1,028,536	479,203	1,020	5	2000
31	March	1,030,772	460,373	973	3	2000
32	April	817,546	241,912	1,046	30	1500
33	May	869,952	211,891	1,341	28	1500
34	June	1,031,386	253,481	1,518	17	1500
35	July	1,077,137	305,849	1,424	16	1500
36	August	1,129,502	349,962	1,424	11	1500
37	September	1,066,231	399,080	1,312	2	1500
38	October	958,827	353,016	1,092	3	1500
39	November	870,873	334,618	983	4	1900
40	December	1,013,242	438,084	1,061	9	1900
41	TOTAL	11,885,023	4,215,922			

Name of Respondent El Paso Electric Company	This Report is: (1) <u>X</u> An Original (2) <u> </u> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2008/Q4
FOOTNOTE DATA			

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

Includes 709,215 MWhs related to purchases from Phelps Dodge related to the Company's Power Purchase and Sales Agreement with Phelps Dodge dated December 16, 2005.

Schedule Page: 401 Line No.: 13 Column: b

Includes (63) MWhs related to the net variance between the purchases and sales to Phelps Dodge related to the Company's Purchase Power and Sales Agreement with Phelps Dodge dated December 16, 2005.

Schedule Page: 401 Line No.: 14 Column: b

Includes (63) MWhs related to the net variance between the purchases and sales to Phelps Dodge related to the Company's Purchase Power and Sales Agreement with Phelps Dodge dated December 16, 2005.

Schedule Page: 401 Line No.: 20 Column: b

Includes 709,215 MWhs related to purchases and (63) MWhs related to the net variance between the purchases and sales from Phelps Dodge related to the Company's Power Purchase and Sales Agreement with Phelps Dodge dated December 16, 2005.

Schedule Page: 401 Line No.: 24 Column: b

Includes 709,152 MWhs related to sales to Phelps Dodge related to the Company's Power Purchase and Sales Agreement with Phelps Dodge dated December 16, 2005.

Schedule Page: 401 Line No.: 28 Column: b

Includes 709,152 MWhs related to sales to 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: b

Includes 73,620 MWhs for sales to 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 73,620 MWhs for sales to 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 69,600 MWhs for sales to 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 69,600 MWhs for sales to 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 72,123 MWhs for sales to 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 72,123 MWhs for sales to 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 49,313 MWhs for sales to 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 49,313 MWhs for sales to 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 38,243 MWhs for sales to 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 38,243 MWhs for sales to 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 55,609 MWhs for sales to 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

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 2008/Q4
FOOTNOTE DATA			

Includes 55,609 MWhs for sales to 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 48,809 MWhs for sales to 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: c

Includes 48,809 MWhs for sales to 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 56,499 MWhs for sales to 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 56,499 MWhs for sales to 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 57,951 MWhs for sales to 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 57,951 MWhs for sales to 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 61,838 MWhs for sales to 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 61,838 MWhs for sales to 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 44,621 MWhs for sales to 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 44,621 MWhs for sales to 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 80,926 MWhs for sales to 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 80,926 MWhs for sales to Phelps Dodge related to the Company's Power Purchase and Sales Agreement with Phelps Dodge dated December 16, 2005.

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>2008/Q4</u>
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STEAM-ELECTRIC GENERATING PLANT STATISTICS (Large Plants)

1. Report data for plant in Service only. 2. Large plants are steam plants with installed capacity (name plate rating) of 25,000 Kw or more. Report in this page gas-turbine and internal combustion plants of 10,000 Kw or more, and nuclear plants. 3. Indicate by a footnote any plant leased or operated as a joint facility. 4. If net peak demand for 60 minutes is not available, give data which is available, specifying period. 5. If any employees attend more than one plant, report on line 11 the approximate average number of employees assignable to each plant. 6. If gas is used and purchased on a 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	1975				
5	Total Installed Cap (Max Gen Name Plate Ratings-MW)	266.00	575.00				
6	Net Peak Demand on Plant - MW (60 minutes)	220	434				
7	Plant Hours Connected to Load	8757	8784				
8	Net Continuous Plant Capability (Megawatts)	229	474				
9	When Not Limited by Condenser Water	229	474				
10	When Limited by Condenser Water	224	400				
11	Average Number of Employees	53	68				
12	Net Generation, Exclusive of Plant Use - KWh	736253000	1924042000				
13	Cost of Plant: Land and Land Rights	100946	1782				
14	Structures and Improvements	4519620	9173819				
15	Equipment Costs	50253805	129081717				
16	Asset Retirement Costs	76983	51530				
17	Total Cost	54951354	138308848				
18	Cost per KW of Installed Capacity (line 17/5) Including	206.5840	240.5371				
19	Production Expenses: Oper, Supv, & Engr	212330	851670				
20	Fuel	68639785	178815053				
21	Coolants and Water (Nuclear Plants Only)	0	0				
22	Steam Expenses	1759841	860400				
23	Steam From Other Sources	0	0				
24	Steam Transferred (Cr)	0	0				
25	Electric Expenses	78651	2106159				
26	Misc Steam (or Nuclear) Power Expenses	1400302	2244554				
27	Rents	0	298292				
28	Allowances	0	0				
29	Maintenance Supervision and Engineering	401434	761492				
30	Maintenance of Structures	454829	684088				
31	Maintenance of Boiler (or reactor) Plant	1556725	2506742				
32	Maintenance of Electric Plant	1874809	5926277				
33	Maintenance of Misc Steam (or Nuclear) Plant	642277	836920				
34	Total Production Expenses	77020983	195891647				
35	Expenses per Net KWh	0.1046	0.1018				
36	Fuel: Kind (Coal, Gas, Oil, or Nuclear)	Gas	Oil		Gas	Oil	
37	Unit (Coal-tons/Oil-barrel/Gas-mcf/Nuclear-indicate)	Mcf	BBL		Mcf	BBL	
38	Quantity (Units) of Fuel Burned	8325187	0	0	20121763	0	0
39	Avg Heat Cont - Fuel Burned (btu/indicate if nuclear)	1024000	0	0	1020000	0	0
40	Avg Cost of Fuel/unit, as Delvd f.o.b. during year	8.245	0.000	0.000	8.887	0.000	0.000
41	Average Cost of Fuel per Unit Burned	8.245	0.000	0.000	8.887	0.000	0.000
42	Average Cost of Fuel Burned per Million BTU	8.052	0.000	0.000	8.712	0.000	0.000
43	Average Cost of Fuel Burned per KWh Net Gen	0.093	0.000	0.000	0.093	0.000	0.000
44	Average BTU per KWh Net Generation	11579.000	0.000	0.000	10667.000	0.000	0.000

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STEAM-ELECTRIC GENERATING PLANT STATISTICS (Large Plants) (Continued)

9. Items under Cost of Plant are based on U. S. of A. Accounts. Production expenses do not include Purchased Power, System Control and Load Dispatching, and Other Expenses Classified as Other Power Supply Expenses. 10. For IC and GT plants, report Operating Expenses, Account Nos. 547 and 549 on Line 25 "Electric Expenses," and Maintenance Account Nos. 553 and 554 on Line 32, "Maintenance of Electric Plant." Indicate plants designed for peak load service. Designate automatically operated plants. 11. For a plant equipped with combinations of fossil fuel steam, nuclear steam, hydro, internal combustion or gas-turbine equipment, report each as a separate plant. However, if a gas-turbine unit functions in a combined cycle operation with a conventional steam unit, include the gas-turbine with the steam plant. 12. If a nuclear power generating plant, briefly explain by footnote (a) accounting method for cost of power generated including any excess costs attributed to research and development; (b) types of cost units used for the various components of fuel cost; and (c) any other informative data concerning plant type fuel used, fuel enrichment type and quantity for the report period and other physical and operating characteristics of plant.

Plant Name: <i>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						
110	62	640	6						
0	450	0	7						
0	62	0	8						
0	62	0	9						
0	62	0	10						
0	0	0	11						
720951000	18110000	4622840000	12						
8623	10000	1846320	13						
1793833	672410	426852562	14						
78435228	14173851	1184325141	15						
31491	15479	1341529	16						
80269175	14871740	1614365552	17						
0.0000	188.2499	0.0000	18						
85286	0	6804392	19						
13042122	3142690	26080537	20						
0	0	4828552	21						
1104265	0	5114297	22						
0	0	0	23						
0	0	0	24						
107868	99	5437608	25						
547033	58495	25591404	26						
919614	0	33248	27						
0	0	0	28						
88307	10119	5602922	29						
95026	4938	1704458	30						
2400417	743909	13399043	31						
627467	58161	8682081	32						
705522	0	3401353	33						
19722927	4018411	106679895	34						
0.0274	0.2219	0.0231	35						
Coal	Gas	Gas	Oil	Nuclear					36
Ton	Mcf	Mcf	BBL	MMbtu					37
392667	16251	0	295400	0	0	47704849	0	0	38
17858206	1010200	0	1019200	0	0	0	0	0	39
32.643	13.808	0.000	10.639	0.000	0.000	0.547	0.000	0.000	40
32.643	13.808	0.000	10.639	0.000	0.000	0.547	0.000	0.000	41
1.828	13.669	0.000	10.438	0.000	0.000	0.547	0.000	0.000	42
0.181	0.000	0.000	1.735	0.000	0.000	0.006	0.000	0.000	43
9749.000	0.000	0.000	16624.000	0.000	0.000	10319.000	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 2008/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.

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>2008/Q4</u>
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TRANSMISSION LINE STATISTICS

1. Report information concerning transmission lines, cost of lines, and expenses for year. List each transmission line having nominal voltage of 132 kilovolts or greater. Report transmission lines below these voltages in group totals only for each voltage.
2. Transmission lines include all lines covered by the definition of transmission system plant as given in the Uniform System of Accounts. Do not report substation costs and expenses on this page.
3. Report data by individual lines for all voltages if so required by a State commission.
4. Exclude from this page any transmission lines for which plant costs are included in Account 121, Nonutility Property.
5. Indicate whether the type of supporting structure reported in column (e) is: (1) single pole wood or steel; (2) H-frame wood, or steel poles; (3) tower; or (4) underground construction. If a transmission line has more than one type of supporting structure, indicate the mileage of each type of construction by the use of brackets and extra lines. Minor portions of a transmission line of a different type of construction need not be distinguished from the remainder of the line.
6. Report in columns (f) and (g) the total pole miles of each transmission line. Show in column (f) the pole miles of line on structures the cost of which is reported for the line designated; conversely, show in column (g) the pole miles of line on structures the cost of which is reported for another line. Report pole miles of line on leased or partly owned structures in column (g). In a footnote, explain the basis of such occupancy and state whether expenses with respect to such structures are included in the expenses reported for the line designated.

Line No.	DESIGNATION		VOLTAGE (KV) (Indicate where other than 60 cycle, 3 phase)		Type of Supporting Structure (e)	LENGTH (Pole miles) (In the case of underground lines report circuit miles)		Number Of Circuits (h)
	From (a)	To (b)	Operating (c)	Designed (d)		On Structure of Line Designated (f)	On Structures of Another Line (g)	
1	Palo Verde	Kyrene	500.00	500.00	(1),(3)		75.00	1
2	Palo Verde	Westwing	500.00	500.00	(3)		45.00	2
3								
4	Newman	West Mesa	345.00	345.00	(2)	232.20		1
5	Newman	Afton	345.00	345.00	(2)	29.88		1
6	Afton	Luna	345.00	345.00	(2)	57.26		1
7	Luna	Greenlee	345.00	345.00	(2)		109.80	1
8	Newman	Eddy County	345.00	345.00	(2)	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)	414.63	38.93	1
15	Various 69kV Lines		69.00	69.00	(1),(2)	205.88	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	1,328.25	419.93	12

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>2008/Q4</u>
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TRANSMISSION LINE STATISTICS (Continued)

7. Do not report the same transmission line structure twice. Report Lower voltage Lines and higher voltage lines as one line. Designate in a footnote if you do not include Lower voltage lines with higher voltage lines. If two or more transmission line structures support lines of the same voltage, report the pole miles of the primary structure in column (f) and the pole miles of the other line(s) in column (g)
8. Designate any transmission line or portion thereof for which the respondent is not the sole owner. If such property is leased from another company, give name of lessor, date and terms of Lease, and amount of rent for year. For any transmission line other than a leased line, or portion thereof, for which the respondent is not the sole owner but which the respondent operates or shares in the operation of, furnish a succinct statement explaining the arrangement and giving particulars (details) of such matters as percent ownership by respondent in the line, name of co-owner, basis of sharing expenses of the Line, and how the expenses borne by the respondent are accounted for, and accounts affected. Specify whether lessor, co-owner, or other party is an associated company.
9. Designate any transmission line leased to another company and give name of Lessee, date and terms of lease, annual rent for year, and how determined. Specify whether lessee is an associated company.
10. Base the plant cost figures called for in columns (j) to (l) on the book cost at end of year.

Size of Conductor and Material (i)	COST OF LINE (Include in Column (j) Land, Land rights, and clearing right-of-way)			EXPENSES, EXCEPT DEPRECIATION AND TAXES				Line No.
	Land (j)	Construction and Other Costs (k)	Total Cost (l)	Operation Expenses (m)	Maintenance Expenses (n)	Rents (o)	Total Expenses (p)	
1780 ACSR	1,560,377	7,027,603	8,587,980					1
1780 ACSR	1,203,340	5,419,588	6,622,928					2
								3
795 ACSR	930,038	11,508,727	12,438,765					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	17,239,345	20,346,753					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	1,990,024	36,784,643	38,774,667					14
Various	309,717	9,851,272	10,160,989					15
								16
								17
								18
								19
								20
								21
								22
								23
								24
								25
								26
								27
								28
								29
								30
								31
								32
								33
								34
								35
	11,711,142	174,506,196	186,217,338					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 2008/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.

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 2008/Q4
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SUBSTATIONS

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

Line No.	Name and Location of Substation (a)	Character of Substation (b)	VOLTAGE (In MVA)		
			Primary (c)	Secondary (d)	Tertiary (e)
1	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	Dyer El Paso	Dist. UA	69.00	14.40	
40	Dyer El Paso	Dist. UA	115.00	69.00	

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SUBSTATIONS (Continued)

5. Show in columns (l), (j), and (k) special equipment such as rotary converters, rectifiers, condensers, etc. and auxiliary equipment for increasing capacity.

6. Designate substations or major items of equipment leased from others, jointly owned with others, or operated otherwise than by reason of sole ownership by the respondent. For any substation or equipment operated under lease, give name of lessor, date and period of lease, and annual rent. For any substation or equipment operated other than by reason of sole ownership or lease, give name of co-owner or other party, explain basis of sharing expenses or other accounting between the parties, and state amounts and accounts affected in respondent's books of account. Specify in each case whether lessor, co-owner, or other party is an associated company.

Capacity of Substation (In Service) (In MVa) (f)	Number of Transformers In Service (g)	Number of Spare Transformers (h)	CONVERSION APPARATUS AND SPECIAL EQUIPMENT			Line No.
			Type of Equipment (i)	Number of Units (j)	Total Capacity (In MVa) (k)	
						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
70	1					14
100	1					15
40	2					16
8	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
50	2					39
100	1					40

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SUBSTATIONS

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

Line No.	Name and Location of Substation (a)	Character of Substation (b)	VOLTAGE (In MVa)		
			Primary (c)	Secondary (d)	Tertiary (e)
1	EMRLD New Mexico	Dist. UA	115.00	13.80	
2	Farah El Paso	Dist. UA	69.00	13.80	
3	Felipe El Paso	Dist. UA	69.00	214.90	
4	Fort Bliss El Paso	Dist. UA	115.00	13.80	
5	Global Reach El Paso	Dist. UA	115.00	13.80	
6	Hatch New Mexico	Dist. UA	115.00	24.90	
7	Hatch New Mexico	Dist. UA	23.90	4.16	
8	Lane Lower Valley	Dist. UA	115.00	69.00	
9	Lane Lower Valley	Dist. UA	115.00	13.80	
10	Las Cruces Las Cruces, NM	Dist. UA	115.00	24.00	
11	Las Cruces Las Cruces, NM	Dist. UA	23.90	4.16	
12	Las Cruces Las Cruces, NM	Dist. UA	115.00	23.90	
13	Leo El Paso	Dist. UA	69.00	14.40	
14	Leo El Paso	Dist. UA	13.80	4.16	
15	Mann Lower Valley	Dist. UA	69.00	14.40	
16	Mann Lower Valley	Dist. UA	69.00	14.40	
17	Mesa El Paso	Dist. UA	115.00	13.80	
18	Milagro El Paso	Dist. UA	115.00	69.00	
19	Milagro El Paso	Dist. UA	115.00	13.80	
20	Montoya Upper Valley, NM	Dist. UA	115.00	24.90	
21	Montwood El Paso	Dist. UA	115.00	23.90	
22	Newman El Paso	Trans. UA	345.00	115.00	13.80
23	Newman El Paso	Trans. UA	13.80	115.00	
24	Newman El Paso	Trans. UA	115.00	2.40	
25	Newman El Paso	Dist. UA	13.80	2.40	
26	Newman El Paso	Trans. UA	13.80	115.00	
27	Newman El Paso	Dist. UA	13.80	2.40	
28	Newman El Paso	Trans. UA	18.00	115.00	
29	Newman El Paso	Trans. UA	13.80	115.00	
30	Newman El Paso	Dist. UA	13.80	4.16	
31	Newman El Paso	Trans. UA	13.80	115.00	
32	Newman El Paso	Trans. UA	115.00	4.16	
33	Newman El Paso	Trans. UA	13.80	115.00	
34	Phelps Dodge El Paso	Dist. UA	69.00	14.40	
35	Phelps Dodge El Paso	Dist. UA	13.80	2.30	
36	Phelps Dodge El Paso	Dist. UA	13.80	4.16	
37	Picacho New Mexico	Dist. UA	115.00	24.90	
38	Redeye New Mexico	Dist. UA	115.00	13.80	
39	Rio Grande Sunland Park, New Mexico	Dist. UA	17.20	115.00	
40	Rio Grande Sunland Park, New Mexico	Dist. UA	115.00	69.00	

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SUBSTATIONS (Continued)

5. Show in columns (l), (j), and (k) special equipment such as rotary converters, rectifiers, condensers, etc. and auxiliary equipment for increasing capacity.

6. Designate substations or major items of equipment leased from others, jointly owned with others, or operated otherwise than by reason of sole ownership by the respondent. For any substation or equipment operated under lease, give name of lessor, date and period of lease, and annual rent. For any substation or equipment operated other than by reason of sole ownership or lease, give name of co-owner or other party, explain basis of sharing expenses or other accounting between the parties, and state amounts and accounts affected in respondent's books of account. Specify in each case whether lessor, co-owner, or other party is an associated company.

Capacity of Substation (In Service) (In MVA) (f)	Number of Transformers In Service (g)	Number of Spare Transformers (h)	CONVERSION APPARATUS AND SPECIAL EQUIPMENT			Line No.
			Type of Equipment (i)	Number of Units (j)	Total Capacity (In MVA) (k)	
13	1					1
20	1					2
15	1					3
50	2					4
30	1					5
30	1					6
2	1					7
100	1					8
30	1					9
40	2					10
6	1					11
120	2					12
20	1					13
5	2					14
30	1					15
24	1					16
60	2					17
100	1					18
90	3					19
110	3					20
30	1	1				21
230	1					22
112	1					23
6	1					24
10	2					25
99	1					26
6	1					27
125	1					28
112	1					29
10	1					30
112	1					31
20	1					32
125	1					33
10	3					34
10	2					35
5	1					36
25	1					37
13	1					38
348	1	1				39
200	2					40

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SUBSTATIONS

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

Line No.	Name and Location of Substation (a)	Character of Substation (b)	VOLTAGE (In MVa)		
			Primary (c)	Secondary (d)	Tertiary (e)
1	Rio Grande Sunland Park, New Mexico	Dist. UA	69.00	2.40	
2	Rio Grande Sunland Park, New Mexico	Dist. UA	13.80	4.16	
3	Rio Grande Sunland Park, New Mexico	Trans. UA	13.80	69.00	
4	Rio Grande Sunland Park, New Mexico	Trans. UA	13.80	69.00	
5	Rio Grande Sunland Park, New Mexico	Trans. UA	18.00	4.16	
6	Rio Grande Sunland Park, New Mexico	Dist. UA	69.00	14.40	
7	Rio Grande Sunland Park, New Mexico	Dist. UA	14.40	2.40	
8	Rio Grande Sunland Park, New Mexico	Dist. UA	13.80	2.30	
9	Rio Grande Sunland Park, New Mexico	Dist. UA	14.40	2.40	
10	Salopek Las Cruces, NM	Dist. UA	115.00	24.90	
11	Santa Fe El Paso	Dist. UA	69.00	13.80	
12	Santa Fe El Paso	Dist. UA	13.80	4.16	
13	Santa Teresa Santa Teresa	Dist. UA	115.00	24.90	
14	Scotsdale El Paso	Dist. UA	115.00	69.00	
15	Scotsdale El Paso	Dist. UA	69.00	14.40	
16	Shearman El Paso	Dist. UA	115.00	14.40	
17	Socorro Lower Valley	Dist. UA	69.00	13.80	
18	Sol El Paso	Dist. UA	115.00	13.80	
19	Sparks El Paso	Dist. UA	115.00	13.80	
20	Sunset El Paso	Dist. UA	69.00	14.40	
21	Sunset El Paso	Dist. UA	69.00	4.16	
22	Sunset North El Paso	Dist. UA	115.00	13.80	
23	Thorn El Paso	Dist. UA	115.00	13.80	
24	Viscount El Paso	Dist. UA	69.00	14.40	
25	Vista El Paso	Dist. UA	115.00	13.80	
26	White Sands New Mexico	Dist. UA	115.00	13.80	
27	Wrangler El Paso	Dist. UA	115.00	13.80	
28	Wrangler El Paso	Dist. UA	115.00	69.00	
29	Zaragosa Lower Valley	Dist. UA	69.00	14.40	
30	Zaragosa Lower Valley	Dist. UA	13.80	4.16	
31	Rio Bosque	Dist. UA	115.00	13.80	
32	5,000 to 10,000 kVA				
33					
34	Alamo Lower Valley	Dist. UA	69.00	24.00	
35	Clint Lower Valley	Dist. UA	69.00	14.40	
36	Clint Lower Valley	Dist. UA	69.00	4.16	
37	Darbyshire El Paso	Dist. UA	69.00	13.80	
38	Diana El Paso	Dist. UA	13.80	4.16	
39	Farmer Van Horn	Dist. UA	69.00	23.90	
40	Five Points El Paso	Dist. UA	13.80	4.16	

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)	
11	1					1
10	1					2
120	2					3
50	1					4
10	1					5
20	1					6
3	1					7
						8
8	2					9
78	3					10
25	1					11
11	3					12
30	1					13
100	1					14
50	2					15
30	1					16
30	1					17
60	2					18
30	1					19
30	2					20
10	3					21
60	2					22
60	2					23
30	1					24
60	2					25
30	1					26
50	1					27
100	1					28
20	1					29
2	1					30
30	1					31
						32
						33
13	1					34
8	1					35
1	1					36
6	3					37
6	7					38
5	3					39
6	3					40

Name of Respondent El Paso Electric Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2008/Q4
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SUBSTATIONS

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4. Indicate in column (b) the functional character of each substation, designating whether transmission or distribution and whether attended or unattended. At the end of the page, summarize according to function the capacities reported for the individual stations in column (f).

Line No.	Name and Location of Substation (a)	Character of Substation (b)	VOLTAGE (In MVa)		
			Primary (c)	Secondary (d)	Tertiary (e)
1	Horizon Horizon	Dist. UA	69.00	13.80	
2	Locust New Mexico	Dist. UA	23.90	4.16	
3	Mar New Mexico	Dist. UA	115.00	4.16	
4	Mar New Mexico	Dist. UA	24.90	4.16	
5	McGregor New Mexico	Dist. UA	69.00	13.80	
6	Proler Proler	Dist. UA	69.00	2.40	
7	S.P. Pipeline El Paso	Dist. UA	13.80	2.40	
8	Sierra Blanca Sierra Blanca	Dist. UA	69.00	24.00	
9	Sierra Blanca Sierra Blanca	Dist. UA	23.90	4.16	
10	Tobin El Paso	Dist. UA	13.80	4.16	
11	Valley Lower Valley	Dist. UA	69.00	14.40	
12					
13	1,000 to 5,000 kVA				
14					
15	Alameda Las Cruces, NM	Dist. UA	23.90	4.16	
16	Beaumont El Paso	Dist. UA	13.80	4.16	
17	Cadwallader El Paso	Dist. UA	13.80	4.16	
18	Canutillo Upper Valley	Dist. UA	23.90	4.16	
19	Cielo El Paso	Dist. UA	13.80	4.16	
20	Cinecue El Paso	Dist. UA	13.80	4.16	
21	Clardy El Paso	Dist. UA	13.80	4.16	
22	Coronado El Paso	Dist. UA	13.80	4.16	
23	Cotton El Paso	Dist. UA	13.80	4.16	
24	East El Paso	Dist. UA	13.80	4.16	
25	Fabens Lower Valley	Dist. UA	69.00	4.16	
26	Franklin El Paso	Dist. UA	13.80	4.16	
27	Fresno El Paso	Dist. UA	13.80	4.16	
28	Frontera Upper Valley	Dist. UA	13.80	4.16	
29	Grace El Paso	Dist. UA	14.40	4.16	
30	Griggs Upper Valley	Dist. UA	23.90	4.16	
31	Hacienda El Paso	Dist. UA	13.80	4.16	
32	Hanes New Mexico	Dist. UA	23.90	4.16	
33	Hueco El Paso	Dist. UA	69.00	23.90	
34	Hueco El Paso	Dist. UA	23.90	0.48	
35	Kemp El Paso	Dist. UA	13.80	4.16	
36	Latta El Paso	Dist. UA	13.80	4.16	
37	Lomaland El Paso	Dist. UA	13.80	4.16	
38	McClure Las Cruces, NM	Dist. UA	23.90	4.16	
39	Melendres Las Cruces, NM	Dist. UA	23.90	4.16	
40	Mesilla Park Mesilla Park, NM	Dist. UA	23.90	4.16	

SUBSTATIONS (Continued)

5. Show in columns (l), (j), and (k) special equipment such as rotary converters, rectifiers, condensers, etc. and auxiliary equipment for increasing capacity.

6. Designate substations or major items of equipment leased from others, jointly owned with others, or operated otherwise than by reason of sole ownership by the respondent. For any substation or equipment operated under lease, give name of lessor, date and period of lease, and annual rent. For any substation or equipment operated other than by reason of sole ownership or lease, give name of co-owner or other party, explain basis of sharing expenses or other accounting between the parties, and state amounts and accounts affected in respondent's books of account. Specify in each case whether lessor, co-owner, or other party is an associated company.

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

Name of Respondent El Paso Electric Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2008/Q4
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SUBSTATIONS

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

Line No.	Name and Location of Substation (a)	Character of Substation (b)	VOLTAGE (In MVA)		
			Primary (c)	Secondary (d)	Tertiary (e)
1	Mission El Paso	Dist. UA	13.80	4.16	
2	Missouri Las Cruces, NM	Dist. UA	23.90	4.16	
3	Morningside El Paso	Dist. UA	13.80	4.16	
4	Mountain El Paso	Dist. UA	13.80	4.16	
5	Mulberry Upper Valley	Dist. UA	13.80	4.16	
6	Nevada Las Cruces, NM	Dist. UA	23.90	4.16	
7	Nevins Nevins	Dist. UA	23.90	4.16	
8	Newell Newell	Dist. UA	13.80	2.40	
9	Newtex Upper Valley	Dist. UA	23.90	4.16	
10	Octavia El Paso	Dist. UA	13.80	4.16	
11	Parkdale El Paso	Dist. UA	13.80	4.16	
12	Prison El Paso	Dist. UA	23.90	2.40	
13	Railroad El Paso	Dist. UA	14.40	2.40	
14	Ranchland El Paso	Dist. UA	13.80	4.16	
15	Range New Mexico	Dist. UA	24.90	13.20	
16	River Upper Valley	Dist. UA	13.80	4.16	
17	Rosedale El Paso	Dist. UA	13.80	4.16	
18	Sierra Blanca Sierra Blanca	Dist. UA	69.00	24.90	
19	Sierra Blanca Sierra Blanca	Dist. UA	23.90	4.16	
20	Summit El Paso	Dist. UA	13.80	4.16	
21	UTEP El Paso	Dist. UA	13.80	4.16	
22	Van Horn Van Horn	Dist. UA	23.90	4.16	
23	Vinton New Mexico	Dist. UA	23.90	4.16	
24	Water Trtmnt El Paso	Dist. UA	13.80	2.40	
25	Westside Las Cruces, NM	Dist. UA	23.90	4.16	
26	White Upper Valley	Dist. UA	13.80	4.16	
27	Ysleta El Paso	Dist. UA	13.80	4.16	
28					
29	300 to 999 kVA				
30					
31	Chevron Pipeline New Mexico	Dist. UA	23.90	2.40	
32	Desert El Paso	Dist. UA	69.00	7.20	
33	Dona Ana New Mexico	Dist. UA	23.90	4.16	
34	Fort Hancock Hudspeth County	Dist. UA	24.90	4.16	
35	La Mesa New Mexico	Dist. UA	23.90	4.16	
36	La Posta New Mexico	Dist. UA	23.90	4.16	
37	Salem New Mexico	Dist. UA	24.40	4.16	
38	Tornillo Lower Valley	Dist. UA	24.40	4.16	
39	Wilson El Paso	Dist. UA	13.80	2.40	
40					

Name of Respondent El Paso Electric Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2008/Q4
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SUBSTATIONS (Continued)

5. Show in columns (l), (j), and (k) special equipment such as rotary converters, rectifiers, condensers, etc. and auxiliary equipment for increasing capacity.

6. Designate substations or major items of equipment leased from others, jointly owned with others, or operated otherwise than by reason of sole ownership by the respondent. For any substation or equipment operated under lease, give name of lessor, date and period of lease, and annual rent. For any substation or equipment operated other than by reason of sole ownership or lease, give name of co-owner or other party, explain basis of sharing expenses or other accounting between the parties, and state amounts and accounts affected in respondent's books of account. Specify in each case whether lessor, co-owner, or other party is an associated company.

Capacity of Substation (In Service) (In MVA) (f)	Number of Transformers In Service (g)	Number of Spare Transformers (h)	CONVERSION APPARATUS AND SPECIAL EQUIPMENT			Line No.
			Type of Equipment (i)	Number of Units (j)	Total Capacity (In MVA) (k)	
5	1					1
3	1					2
3	2					3
2	1					4
3	2					5
2	1					6
2	1					7
3	1					8
3	2					9
2	1					10
3	2					11
3	1					12
2	3					13
4	2					14
8	3					15
1	1					16
2	1					17
3	1					18
1	1					19
4	2					20
4	1					21
3	4					22
3	1					23
4	1					24
3	1					25
2	1					26
3	4					27
						28
						29
						30
1	1					31
	1					32
1	1					33
1	1					34
1	1					35
1	3					36
	1					37
1	1					38
1	1					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 End of 2008/Q4
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SUBSTATIONS

- Report below the information called for concerning substations of the respondent as of the end of the year.
- Substations which serve only one industrial or street railway customer should not be listed below.
- 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.
- 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	300 kVA (Distribution Racks)				
2					
3	Acala Hudspeth County	Dist. UA	23.90	2.40	
4	Allamore Hudspeth County	Dist. UA	23.90	2.40	
5	Camp 90 Hudspeth County	Dist. UA	23.90	2.40	
6	Country Club Anthony, NM	Dist. UA	13.80	2.40	
7	Eagler Flats Hudspeth County (Dees)	Dist. UA	23.90	2.40	
8	Faskin Hudspeth County	Dist. UA	23.90	2.40	
9	Gill-Neely Hudspeth County (Maverick)	Dist. UA	23.90	2.40	
10	Love Hudspeth County	Dist. UA	23.90	2.40	
11	Riverside Hudspeth County	Dist. UA	23.90	2.40	
12					
13					
14	PORTABLE SUBSTATIONS				
15	(All sizes)				
16	Mobile Substation	Dist. UA	13.80	0.48	
17	Mobile Substation	Dist. UA	115.00	13.80	
18	Mobile Substation	Dist. UA	115.00	13.80	
19	Mobile Substation	Dist. UA	69.00	2.40	
20	Mobile Substation No. 2	Dist. UA	24.90	2.40	
21	Mobile Substation No. 3	Dist. UA	13.80	2.40	
22					
23	SPARE TRANSFORMERS	N/A			
24					
25					
26					
27					
28					
29					
30					
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 End of 2008/Q4
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SUBSTATIONS (Continued)

5. Show in columns (l), (j), and (k) special equipment such as rotary converters, rectifiers, condensers, etc. and auxiliary equipment for increasing capacity.

6. Designate substations or major items of equipment leased from others, jointly owned with others, or operated otherwise than by reason of sole ownership by the respondent. For any substation or equipment operated under lease, give name of lessor, date and period of lease, and annual rent. For any substation or equipment operated other than by reason of sole ownership or lease, give name of co-owner or other party, explain basis of sharing expenses or other accounting between the parties, and state amounts and accounts affected in respondent's books of account. Specify in each case whether lessor, co-owner, or other party is an associated company.

Capacity of Substation (In Service) (In MVa) (f)	Number of Transformers In Service (g)	Number of Spare Transformers (h)	CONVERSION APPARATUS AND SPECIAL EQUIPMENT			Line No.
			Type of Equipment (i)	Number of Units (j)	Total Capacity (In MVa) (k)	
						1
						2
	1					3
	1					4
	1					5
	2					6
	1					7
	1					8
	1					9
	1					10
	1					11
						12
						13
						14
						15
						16
						17
						18
						19
		19				23
						24
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						39
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Name of Respondent El Paso Electric Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2008/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

Biggs substation is a switching distribution substation. The Company does not own the transformers on site.

Schedule Page: 426 Line No.: 20 Column: a

Biggs substation is a switching distribution substation. The company does not own the transformers on site.

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