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

Form 1 Approved
OMB No.1902-0021
(Expires 11/30/2022)
Form 1-F Approved
OMB No.1902-0029
(Expires 11/30/2022)
Form 3-Q Approved
OMB No.1902-0205
(Expires 11/30/2022)

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

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

Exact Legal Name of Respondent (Company)	**Year/Period of Report**
El Paso Electric Company	**End of** 2020/Q2

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/forms/form-1/elec-subm-soft.asp. The software is used to submit the electronic filing to the Commission via the Internet.

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

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

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

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

The CPA Certification Statement should:

a) Attest to the conformity, in all material aspects, of the below listed (schedules and pages) with the Commission's applicable Uniform System of Accounts (including applicable notes relating thereto and the Chief Accountant's published accounting releases), and

b) Be signed by independent certified public accountants or an independent licensed public accountant certified or licensed by a regulatory authority of a State or other political subdivision of the U. S. (See 18 C.F.R. §§ 41.10-41.12 for specific qualifications.)

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

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

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

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

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

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

(g) Federal, State and Local Governments and other authorized users may obtain additional blank copies of FERC Form 1 and 3-Q free of charge from http://www.ferc.gov/docs-filing/forms/form-1/form-1.pdf and http://www.ferc.gov/docs-filing/forms.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 1,168 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 168 hours per response.

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

GENERAL INSTRUCTIONS

I. Prepare this report in conformity with the Uniform System of Accounts (18 CFR Part 101) (USofA). Interpret all accounting words and phrases in accordance with the USofA.

II. Enter in whole numbers (dollars or MWH) only, except where otherwise noted. (Enter cents for averages and figures per unit where cents are important. The truncating of cents is allowed except on the four basic financial statements where rounding is required.) The amounts shown on all supporting pages must agree with the amounts entered on the statements that they support. When applying thresholds to determine significance for reporting purposes, use for balance sheet accounts the balances at the end of the current reporting period, and use for statement of income accounts the current year's year to date amounts.

III Complete each question fully and accurately, even if it has been answered in a previous report. Enter the word "None" where it truly and completely states the fact.

IV. For any page(s) that is not applicable to the respondent, omit the page(s) and enter "NA," "NONE," or "Not Applicable" in column (d) on the List of Schedules, pages 2 and 3.

V. Enter the month, day, and year for all dates. Use customary abbreviations. **The "Date of Report" included in the header of each page is to be completed only for resubmissions** (see VII. below).

VI. Generally, except for certain schedules, all numbers, whether they are expected to be debits or credits, must be reported as positive. Numbers having a sign that is different from the expected sign must be reported by enclosing the numbers in parentheses.

VII For any resubmissions, submit the electronic filing using the form submission software only. Please explain the reason for the resubmission in a footnote to the data field.

VIII. Do not make references to reports of previous periods/years or to other reports in lieu of required entries, except as specifically authorized.

IX. Wherever (schedule) pages refer to figures from a previous period/year, the figures reported must be based upon those shown by the report of the previous period/year, or an appropriate explanation given as to why the different figures were used.

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

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

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

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

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

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

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

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

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

DEFINITIONS

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

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

EXCERPTS FROM THE LAW

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

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

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

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

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

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

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

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

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

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

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

General Penalties

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

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

IDENTIFICATION

01 Exact Legal Name of Respondent El Paso Electric Company	02 Year/Period of Report End of 2020/Q2
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 Street, El Paso, TX	
05 Name of Contact Person Russell G. Gibson	06 Title of Contact Person Vice President & Controller
07 Address of Contact Person *(Street, City, State, Zip Code)* P.O. Box 982, El Paso, TX 79960-0982; 100 North Stanton Street, El Paso, TX	

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

QUARTERLY CORPORATE OFFICER CERTIFICATION

The undersigned officer certifies that:

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

01 Name /s/ Russell G. Gibson	03 Signature Russell G. Gibson /s/ Russell G. Gibson	04 Date Signed *(Mo, Da, Yr)* 08/25/2020
02 Title Vice President & Controller		

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

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
El Paso Electric Company	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2020/Q2

LIST OF SCHEDULES (Electric Utility)

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

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

Name of Respondent	This Report Is:	Date of Report	Year/Period of Report
El Paso Electric Company	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2020/Q2

IMPORTANT CHANGES DURING THE QUARTER/YEAR

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

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

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

1. Changes in and Important Additions to Franchise Rights:

None.

2. Acquisition of Ownership in Other Companies:

On June 1, 2019, El Paso Electric Company (the "Company") entered into an Agreement and Plan of Merger (the "Merger Agreement"), by and among the Company, Sun Jupiter Holdings LLC, a Delaware limited liability company ("Parent"), and Sun Merger Sub Inc., a Texas corporation and wholly owned subsidiary of Parent ("Merger Sub"). On July 29, 2020, pursuant to the Merger Agreement, Merger Sub merged with and into the Company (the "Merger"), with the Company continuing as the surviving corporation in the Merger and becoming a wholly owned subsidiary of Parent. Parent and Merger Sub are affiliates of Infrastructure Investments Fund, an investment vehicle advised by J.P. Morgan Investment Management Inc. ("IIF"). See additional discussion in Item 12 below.

Under the terms of the Merger Agreement and upon closing of the Merger on July 29, 2020, the Company's shareholders received $68.25 in cash for each share of the Company's common stock held. In connection with the closing of the Merger, the Company's common stock ceased trading on the New York Stock Exchange ("NYSE") after the market closed on July 29, 2020.

Also, see Notes C and L of "Notes to the Financial Statements."

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

None.

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

None.

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

None.

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

The Merger constituted a "Change in Control" under the Revolving Credit Facility ("RCF") and the consummation of the Merger would have resulted in an event of default under the RCF. On and subject to the terms and conditions of the Merger Agreement, the Company requested that the lenders under the RCF consent to the Merger and waive any default or event of default that would occur as a result of the Merger. On August 9, 2019, the lenders agreed to such consent and waiver.

See Notes C, E and K of "Notes to Financial Statements."

7. Changes in Articles of Incorporation:

Upon closing of the Merger on July 29, 2020, the Company's certificate of formation was amended and restated to conform to the certificate of formation of Merger Sub, as in effect immediately prior to the closing of the Merger.

8. Important Wage Scale Changes:

The annual merit award process salary increases for non-union employees were made effective December 23, 2019 for non-officers, and January 1, 2020 for officers. The total increase to base salaries for non-union employees was approximately $2.0 million, an average of approximately 3.2%.

9. Materially Important Legal Proceedings:

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

Also, see Notes C, G, and H of "Notes to Financial Statements."

10. Materially Important Transactions:

On July 29, 2020, pursuant to the Merger Agreement, Merger Sub merged with and into the Company, with the Company continuing as the surviving corporation in the Merger and becoming a wholly owned subsidiary of Parent. Parent and Merger Sub are affiliates of IIF. See additional discussions in Items 2 and 12.

11. Reserved

12. Important changes during the year:

Coronavirus Disease 2019 ("COVID-19") Impacts. Since the outbreak of COVID-19 earlier this year, federal, state, and local governments have imposed varying degrees of restrictions on businesses and the social activities of citizens to contain the spread of COVID-19, by initially issuing quarantine and "stay-at-home" orders and directives in the Company's service territory beginning in March 2020. In addition, both the Public Utilities Commission of Texas ("PUCT") and the New Mexico Public Regulation Commission ("NMPRC") have issued moratoriums on utilities from disconnecting service to their customers due to non-payment. As published statistics began to indicate positive responses towards containing the spread of COVID-19 that resulted from such orders and directives, in early May 2020 authorities, including those in Texas and New Mexico, began to relax confinement restrictions and allowed businesses to reopen with varying degrees of limitations. More recently, the positive trend of COVID-19 infection rate has reversed, and the Company's service territory is currently experiencing increases in the infection rate of COVID-19. In response, authorities have scaled back their plans to reopen the economy and have re-asserted the disconnect moratoriums. Furthermore, concerns have risen whether schools will open or partially open for the up-coming school year.

While the Company believes that sales for the three and six months ended June 30, 2020 were adversely affected by COVID-19, it is currently unable to quantify such affect. It has however, observed a migration of energy sales from the commercial and public authority customers to the residential customers class. Through the date of this report, the Company also experienced decreases in its collections primarily related to its residential and commercial customers. Accordingly, it has increased its bad debt reserve by $381,000 and $656,000 for the three and six months ended June 30, 2020. The Company is continuing to monitor its collection rates and bad debt write-offs and will record additional reserves as appropriate. Other incremental Operations and Maintenance costs incurred by the Company related to COVID-19 include contractors, medical claims, repairs and maintenance, material supplies, and rentals, and approximate $1.5 million for the six months ended June 30, 2020.

While the Company continues to assess the impact of COVID-19 on its business, the Company cannot predict the full impact that COVID-19 or the significant disruption and volatility currently being experienced in the markets will have on its business, cash flows, liquidity, financial condition, and results of operations at this time, due to the numerous uncertainties that exist. The ultimate impact will depend on future developments, including, among others, the ultimate geographic spread of COVID-19, the consequences of governmental and other measures designed to prevent the spread of COVID-19, the development of effective treatments and/or vaccines, the duration of the outbreak, actions taken by governmental authorities, customers, suppliers and other third parties, workforce availability, and the timing and extent to which normal economic and operating conditions resume. An extended slowdown of economic growth in the U.S. could result in lower growth and reduced demand for and usage of electricity in the Company's service territory as facilities continue to close or remain closed. The ability of customers, contractors and suppliers to meet their obligations to the Company, including payment obligations, could also be affected under the current economic conditions.

Merger. On March 30, 2020, the FERC issued an order (the "FERC Order") authorizing the Merger, subject to the FERC’s approval of mitigation to address certain discrete competitive effects of the Merger that could arise. The FERC concluded that the Merger, as conditioned, satisfies governing federal standards and authorized the Merger as consistent with the public interest. The FERC required that the proposed mitigation be filed within 45 days of the issuance of the FERC Order. On April 15, 2020, the Company and IIF filed proposed mitigation options with the FERC. On July 22, 2020, the FERC approved the proposed mitigation. Approval by the FERC was the final required regulatory approval under the Merger Agreement. The Company received approvals required to consummate the Merger from the NMPRC, the U.S. Nuclear Regulatory Commission, the PUCT, the City of El Paso, Texas, the Federal Trade Commission and the Antitrust Division of the Department of Justice. For additional information regarding these other regulatory approvals see the Company's 2019 FERC Form No. 1 and March 31, 2020 FERC Form 3-Q. On July 29, 2020, the Company announced that the Merger had closed.

On July 29, 2020, each share of common stock of the Company including outstanding and unvested restricted stock and unvested performance stock of the Company was cancelled and converted into the right to receive $68.25 in cash, without interest. Parent's acquisition of all the issued and outstanding shares of Company common stock for $68.25 per share in cash represents a total equity value of approximately $2.8 billion.

On July 29, 2020, in connection with the closing of the Merger, the Company notified the NYSE that the Merger had been consummated and requested that the NYSE delist shares of Company common stock and file with the SEC a notification on Form 25 to report the delisting of shares of Company common stock from the NYSE and to deregister shares of Company common stock under Section 12(b) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). Trading of the Company's common stock on the NYSE ceased after the market closed on July 29, 2020, and on July 31, 2020, the NYSE filed a Form 25 with the SEC.

On August 10, 2020, the Company filed a Form 15 with the SEC to terminate the registration of its common stock under the Exchange Act and to suspend its reporting obligations under Sections 12(g) and 15(d) of the Exchange Act.

The Company, Parent and IIF US Holding 2 LP have agreed to numerous regulatory commitments in connection with the Merger under the agreements with the PUCT, NMPRC, and the City of El Paso discussed above. Among the commitments that will apply to the Company as of the closing of the Merger are the issuance of rate credits to its Texas customers in a total aggregate amount of $21 million and to New Mexico customers of $8.7 million. Both rate credits will be distributed among customers in 36 monthly installments. The Company was required to make tariff filings to implement the rate credits no later than 45 days after the issuance of the PUCT final order approving the Merger in Docket No. 49849, which occurred on January 28, 2020, in Texas, and 7 days after the closing of the Merger, which occurred on July 29, 2020, in New Mexico. The Company made its required tariff filing in Texas under PUCT Docket No. 50477 on March 13, 2020, which was approved on June 30, 2020. The Company made its required tariff filing in New

Mexico through an Advice Notice pursuant to NMPRC Case No. 19-00234-UT on July 27, 2020, which was approved on August 5, 2020. The Merger rate credits became effective in Texas and New Mexico on August 1, 2020, and August 5, 2020, respectively, following final closing of the Merger. The Company has agreed not to attempt to recover the value of these rate credits in future rate cases.

In connection with the Merger, the Company recorded $1.1 million and $2.4 million of strategic transaction costs, including expenses for legal and other consulting costs, in the three and six months ended June 30, 2020, respectively, which are reflected in Other Deductions Account 426.5 in the Company's Regulatory-Basis Statement of Income. At the time of the closing of the Merger, the Company recorded an additional $58.8 million of strategic transaction costs including $29.7 million in rate credits as discussed above. The Company will not attempt to recover strategic transaction costs in future rate cases. The Company will reflect any non-deductible amounts in the effective tax rate at the Merger closing date.

COVID-19 Order in Texas. On March 13, 2020, in response to the growing threat of COVID-19, Governor Greg Abbott issued a Declaration of State of Disaster for all counties in Texas. On March 16, 2020, the PUCT opened Docket No. 50664 for *Issues Related to the State of Disaster for the Coronavirus Disease 2019*. That same day, the PUCT issued an order suspending certain of its rules related to filings and procedural requirements.

On March 26, 2020, the PUCT issued an order finding that the public emergency and imperative public necessity constitute good cause to grant exemptions to its rules related to utility authorization to disconnect service for nonpayment and the assessment of late payment fees for delinquent bills. On the same day, the PUCT issued a second order to provide regulated utility companies regulatory certainty by authorizing the use of an accounting mechanism and a subsequent process through which regulated utility companies may seek future recovery of expenses resulting from the effects of COVID-19. The PUCT order authorized electric, water, and sewer utilities to record as regulatory assets expenses resulting from the effects of COVID-19, including but not limited to non-payment of qualified customer bills as specified by the prior order. In future proceedings, the PUCT indicated it would consider whether each utility's request for recovery of these regulatory assets is reasonable and necessary.

On April 12, 2020, Governor Abbott renewed the disaster declaration proclamation for all counties in Texas. Finding that good cause continued to exist, the PUCT on April 17, 2020, extended its order finding exceptions to its rules until May 15, 2020 for residential customers. On May 14, 2020, the PUCT again extended the order to June 13, 2020 and subsequently extended the order on July 16, 2020. Exceptions are granted to the rule regarding disconnection of residential customers for nonpayment until August 31, 2020.

2020 New Mexico Rate Case Filing. Pursuant to an NMPRC order in Case No. 15-00109-UT, on May 29, 2020, the Company filed its Application for Revision of Retail Electric Rates, requesting a base revenue requirement increase of $6.9 million. The application was assigned Case No. 20-00104-UT, and hearings in the case are currently set to begin on November 30, 2020. The Company cannot predict the outcome of this case at this time.

Amendments to the New Mexico Renewable Energy Act (the "REA"). The REA requires electric utilities to meet a Renewable Portfolio Standard ("RPS") of twenty percent of its total retail sales to New Mexico customers by 2020. Effective June 14, 2019, the New Mexico Energy Transition Act amended the REA (the "Amended REA") to, among other things: (i) increase the RPS to forty percent by 2025, fifty percent by 2030, and eighty percent by 2040; (ii) impose a zero-carbon standard by 2045; (iii) eliminate the reduction to the RPS requirement for sales to qualifying large non-governmental customers whose costs are capped under the REA; (iv) set a statutory reasonable cost threshold; and (v) provide cost recovery for certain undepreciated investments and decommissioning costs, such as coal-fired generation, associated with generation required by the NMPRC to be discontinued and replaced with lower or zero-carbon generation. In administering the eighty percent RPS and zero-carbon standards, the Amended REA requires the NMPRC to consider certain factors, including safety, reliability and rate impact to customers. On October 10, 2019, the NMPRC initiated a rulemaking proceeding to implement the Amended REA in Case No. 19-00296-UT. The Company is currently evaluating the impact that the Amended REA may have on its operations. Further, the Company has not determined the costs associated with complying with the Amended REA including potential fines that could be associated with non-compliance.

COVID-19 Order in New Mexico. On March 19, 2020, the NMPRC issued an "Order Finding the Need for the Adoption and Issuance of an Immediate Temporary Emergency Rule Prohibiting the Discontinuation of Residential Customers Utility Service" adopting a temporary emergency rule prohibiting public utilities from discontinuing residential customer utility service during the period of the New Mexico Governor Lujan Grisham's Emergency Executive Orders related to the COVID-19. Based on those orders, the NMPRC found that a Public Health Emergency is in effect based on findings of an imminent peril to the public health, safety or welfare and the necessity for the preservation of the public, health, safety or general welfare. The NMPRC order does not prohibit disconnection of a residential customer's service during the time period during which the Emergency Executive Orders are in effect for emergency or safety reasons or upon customer request.

On June 24, 2020, in NMPRC Case No. 20-00069-UT, the NMPRC issued an order authorizing all public utilities regulated by the NMPRC to create regulatory assets for the accounting deferral of COVID-19 related uncollectible arrearages and other expenses incurred during the period beginning March 11, 2020 through the termination of the Governor of New Mexico's Executive Orders 2020-0004 through 2020-0010. The NMPRC order does not create a presumption of reasonableness or otherwise provide any guarantee of rate recovery of any costs or alleged lost revenues being deferred.

FERC Audit. On February 6, 2019, the FERC notified the Company that it is commencing an audit that is intended to evaluate the Company's compliance with: (i) the approved terms, conditions, and rates of its Open Access Transmission Tariff ("OATT"); (ii) the accounting requirements of the Uniform System of Accounts; (iii) the reporting requirements of the FERC Form No. 1 Annual Report and Supplemental Form 3-Q Quarterly Financial Reports; and (iv) the regulations regarding Open Access Same-time Information Systems. The audit covers the period January 1, 2016 to the present and was assigned FERC Docket No. PA19-3-000. The Company cannot predict the outcome or findings, if any, of the FERC audit at this time.

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

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

As discussed in Item 2 above, on June 1, 2019, the Company entered into the Merger Agreement.

On July 29, 2020, the Merger closed. In connection with the closing of the Merger, the Company's common stock ceased trading on the NYSE after the market closed on July 29, 2020.

On July 29, 2020, in accordance with the terms of the Merger Agreement, the following pre-closing board members resigned their directorships:

- Paul M. Barbas.
- James W. Cicconi.
- Eric B. Siegel.

– Stephen N. Wertheimer.

– Charles A. Yamarone.

On July 29, 2020, the Company established a new Board of Directors and the following directors were elected to the Board.

– Frank Cassidy, who will serve as the Chairman of the newly established Board of Directors.

– Kathy Alexander.

– Edward Escudero. Mr. Escudero previously served on the Company's pre-closing Board of Directors.

– L. Frederick Francis.

– Andrew Gilbert.

– Mike Jesanis.

– Peter Kind.

– Kathleen Lawler.

– Raymond Palacios. Mr. Palacios previously served on the Company's pre-closing Board of Directors.

– Adrian J. Rodriguez, the Company's Interim Chief Executive Officer. Mr. Rodriguez previously served on the Company's pre-closing Board of Directors.

On July 29, 2020, the Company's newly established Board of Directors appointed Kelly Tomblin as the Company's incoming Chief Executive Officer, effective September 1, 2020. Ms. Tomblin will succeed Interim Chief Executive Officer Adrian J. Rodriguez, who intends to depart from the Company and the Board of Directors on September 1, 2020.

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

None.

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
El Paso Electric Company	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2020/Q2

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	5,425,943,191	5,335,900,234
3	Construction Work in Progress (107)	200-201	169,600,662	157,850,999
4	TOTAL Utility Plant (Enter Total of lines 2 and 3)		5,595,543,853	5,493,751,233
5	(Less) Accum. Prov. for Depr. Amort. Depl. (108, 110, 111, 115)	200-201	2,428,373,250	2,381,984,861
6	Net Utility Plant (Enter Total of line 4 less 5)		3,167,170,603	3,111,766,372
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)		201,947,426	199,671,152
12	(Less) Accum. Prov. for Amort. of Nucl. Fuel Assemblies (120.5)	202-203	73,283,305	72,778,365
13	Net Nuclear Fuel (Enter Total of lines 7-11 less 12)		128,664,121	126,892,787
14	Net Utility Plant (Enter Total of lines 6 and 13)		3,295,834,724	3,238,659,159
15	Utility Plant Adjustments (116)		0	0
16	Gas Stored Underground - Noncurrent (117)		0	0
17	**OTHER PROPERTY AND INVESTMENTS**			
18	Nonutility Property (121)		613,325	1,070,267
19	(Less) Accum. Prov. for Depr. and Amort. (122)		0	0
20	Investments in Associated Companies (123)		0	0
21	Investment in Subsidiary Companies (123.1)	224-225	0	0
22	(For Cost of Account 123.1, See Footnote Page 224, line 42)			
23	Noncurrent Portion of Allowances	228-229	0	0
24	Other Investments (124)		1,600,470	1,608,814
25	Sinking Funds (125)		0	0
26	Depreciation Fund (126)		0	0
27	Amortization Fund - Federal (127)		0	0
28	Other Special Funds (128)		332,324,477	329,603,541
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)		334,538,272	332,282,622
33	**CURRENT AND ACCRUED ASSETS**			
34	Cash and Working Funds (Non-major Only) (130)		0	0
35	Cash (131)		12,713,918	10,281,061
36	Special Deposits (132-134)		0	0
37	Working Fund (135)		685,114	174,154
38	Temporary Cash Investments (136)		50,388,768	362,922
39	Notes Receivable (141)		0	0
40	Customer Accounts Receivable (142)		60,557,542	44,177,635
41	Other Accounts Receivable (143)		7,365,467	11,889,190
42	(Less) Accum. Prov. for Uncollectible Acct.-Credit (144)		2,260,828	1,900,275
43	Notes Receivable from Associated Companies (145)		0	0
44	Accounts Receivable from Assoc. Companies (146)		0	0
45	Fuel Stock (151)	227	1,613,358	1,900,338
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	61,715,262	58,914,476
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	56,084	56,084

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	298	1,145
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)		23,038,513	10,941,642
58	Advances for Gas (166-167)		0	0
59	Interest and Dividends Receivable (171)		1,799	5,219
60	Rents Receivable (172)		0	0
61	Accrued Utility Revenues (173)		41,138,000	25,643,000
62	Miscellaneous Current and Accrued Assets (174)		78,724	64,829
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)		257,092,019	162,511,420
68	**DEFERRED DEBITS**			
69	Unamortized Debt Expenses (181)		13,121,952	13,108,942
70	Extraordinary Property Losses (182.1)	230a	0	0
71	Unrecovered Plant and Regulatory Study Costs (182.2)	230b	0	0
72	Other Regulatory Assets (182.3)	232	79,444,304	80,234,601
73	Prelim. Survey and Investigation Charges (Electric) (183)		2,521,151	1,347,805
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)		-63,601	-48,574
77	Temporary Facilities (185)		0	0
78	Miscellaneous Deferred Debits (186)	233	6,308,626	6,138,919
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)		14,736,623	15,211,751
82	Accumulated Deferred Income Taxes (190)	234	178,821,606	177,952,554
83	Unrecovered Purchased Gas Costs (191)		0	0
84	Total Deferred Debits (lines 69 through 83)		294,890,661	293,945,998
85	TOTAL ASSETS (lines 14-16, 32, 67, and 84)		4,182,355,676	4,027,399,199

Name of Respondent	This Report is:	Date of Report (mo, da, yr)	Year/Period of Report
El Paso Electric Company	(1) [X] An Original (2) [ ] A Resubmission	/ /	end of 2020/Q2

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	64,428,688	64,428,688
3	Preferred Stock Issued (204)	250-251	0	0
4	Capital Stock Subscribed (202, 205)		0	0
5	Stock Liability for Conversion (203, 206)		0	0
6	Premium on Capital Stock (207)		309,669,870	309,669,870
7	Other Paid-In Capital (208-211)	253	3,966,657	3,668,075
8	Installments Received on Capital Stock (212)	252	0	0
9	(Less) Discount on Capital Stock (213)	254	0	0
10	(Less) Capital Stock Expense (214)	254b	340,939	340,939
11	Retained Earnings (215, 215.1, 216)	118-119	1,293,538,416	1,302,299,251
12	Unappropriated Undistributed Subsidiary Earnings (216.1)	118-119	0	0
13	(Less) Reaquired Capital Stock (217)	250-251	393,795,010	394,714,658
14	Noncorporate Proprietorship (Non-major only) (218)		0	0
15	Accumulated Other Comprehensive Income (219)	122(a)(b)	-48,607,909	-48,547,164
16	Total Proprietary Capital (lines 2 through 15)		1,228,859,773	1,236,463,123
17	LONG-TERM DEBT			
18	Bonds (221)	256-257	159,835,000	159,835,000
19	(Less) Reaquired Bonds (222)	256-257	0	0
20	Advances from Associated Companies (223)	256-257	0	0
21	Other Long-Term Debt (224)	256-257	1,125,000,000	1,125,000,000
22	Unamortized Premium on Long-Term Debt (225)		6,481,933	6,551,353
23	(Less) Unamortized Discount on Long-Term Debt-Debit (226)		3,298,794	3,367,474
24	Total Long-Term Debt (lines 18 through 23)		1,288,018,139	1,288,018,879
25	OTHER NONCURRENT LIABILITIES			
26	Obligations Under Capital Leases - Noncurrent (227)		69,664,924	70,093,764
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)		116,158,537	119,826,558
30	Accumulated Miscellaneous Operating Provisions (228.4)		0	0
31	Accumulated Provision for Rate Refunds (229)		0	0
32	Long-Term Portion of Derivative Instrument Liabilities		0	0
33	Long-Term Portion of Derivative Instrument Liabilities - Hedges		0	0
34	Asset Retirement Obligations (230)		114,070,185	110,105,088
35	Total Other Noncurrent Liabilities (lines 26 through 34)		299,893,646	300,025,410
36	CURRENT AND ACCRUED LIABILITIES			
37	Notes Payable (231)		256,000,000	84,000,000
38	Accounts Payable (232)		59,576,416	65,744,562
39	Notes Payable to Associated Companies (233)		0	0
40	Accounts Payable to Associated Companies (234)		0	0
41	Customer Deposits (235)		8,885,285	9,252,260
42	Taxes Accrued (236)	262-263	31,208,304	36,170,976
43	Interest Accrued (237)		12,312,173	12,340,157
44	Dividends Declared (238)		0	0
45	Matured Long-Term Debt (239)		0	0

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

Line No.	Title of Account (a)	Ref. Page No. (b)	Current Year End of Quarter/Year Balance (c)	Prior Year End Balance 12/31 (d)
46	Matured Interest (240)		0	0
47	Tax Collections Payable (241)		2,433,037	1,450,467
48	Miscellaneous Current and Accrued Liabilities (242)		31,570,111	27,191,910
49	Obligations Under Capital Leases-Current (243)		78,427,964	77,170,332
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)		480,413,290	313,320,664
55	DEFERRED CREDITS			
56	Customer Advances for Construction (252)		29,626,283	27,874,477
57	Accumulated Deferred Investment Tax Credits (255)	266-267	20,149,538	20,959,358
58	Deferred Gains from Disposition of Utility Plant (256)		0	0
59	Other Deferred Credits (253)	269	7,883,951	9,513,597
60	Other Regulatory Liabilities (254)	278	298,985,640	309,063,694
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)		494,138,614	489,812,397
64	Accum. Deferred Income Taxes-Other (283)		34,386,802	32,347,600
65	Total Deferred Credits (lines 56 through 64)		885,170,828	889,571,123
66	TOTAL LIABILITIES AND STOCKHOLDER EQUITY (lines 16, 24, 35, 54 and 65)		4,182,355,676	4,027,399,199

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
El Paso Electric Company	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2020/Q2

STATEMENT OF INCOME

Quarterly

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

Annual or Quarterly if applicable

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

Line No.	Title of Account (a)	(Ref.) Page No. (b)	Total Current Year to Date Balance for Quarter/Year (c)	Total Prior Year to Date Balance for Quarter/Year (d)	Current 3 Months Ended Quarterly Only No 4th Quarter (e)	Prior 3 Months Ended Quarterly Only No 4th Quarter (f)
1	UTILITY OPERATING INCOME					
2	Operating Revenues (400)	300-301	389,450,913	377,438,385	230,887,665	203,075,452
3	Operating Expenses					
4	Operation Expenses (401)	320-323	191,977,906	193,622,499	102,330,019	88,614,511
5	Maintenance Expenses (402)	320-323	40,408,264	38,079,599	21,137,582	19,602,911
6	Depreciation Expense (403)	336-337	48,715,798	46,507,910	24,482,674	23,271,706
7	Depreciation Expense for Asset Retirement Costs (403.1)	336-337	-663,795	-663,792	-331,897	-331,896
8	Amort. & Depl. of Utility Plant (404-405)	336-337	4,496,522	3,896,174	2,256,009	1,977,300
9	Amort. of Utility Plant Acq. Adj. (406)	336-337				
10	Amort. Property Losses, Unrecov Plant and Regulatory Study Costs (407)					
11	Amort. of Conversion Expenses (407)					
12	Regulatory Debits (407.3)		1,064,970	1,064,970	532,485	532,485
13	(Less) Regulatory Credits (407.4)			130,623		65,313
14	Taxes Other Than Income Taxes (408.1)	262-263	34,714,841	34,291,648	18,643,001	18,102,992
15	Income Taxes - Federal (409.1)	262-263	-815,357	571,532	-352,159	994,124
16	- Other (409.1)	262-263	444,913	595,179	436,508	459,506
17	Provision for Deferred Income Taxes (410.1)	234, 272-277	29,945,707	24,843,466	17,373,409	14,424,426
18	(Less) Provision for Deferred Income Taxes-Cr. (411.1)	234, 272-277	23,462,185	21,224,410	7,178,254	8,979,436
19	Investment Tax Credit Adj. - Net (411.4)	266	-809,820	-809,820	-404,910	-404,910
20	(Less) Gains from Disp. of Utility Plant (411.6)					
21	Losses from Disp. of Utility Plant (411.7)					
22	(Less) Gains from Disposition of Allowances (411.8)					
23	Losses from Disposition of Allowances (411.9)					
24	Accretion Expense (411.10)		4,970,207	4,558,275	2,484,484	2,278,599
25	TOTAL Utility Operating Expenses (Enter Total of lines 4 thru 24)		330,987,971	325,202,607	181,408,951	160,477,005
26	Net Util Oper Inc (Enter Tot line 2 less 25) Carry to Pg117,line 27		58,462,942	52,235,778	49,478,714	42,598,447

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		
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)	Line No.
						1
389,450,913	377,438,385					2
						3
191,977,906	193,622,499					4
40,408,264	38,079,599					5
48,715,798	46,507,910					6
-663,795	-663,792					7
4,496,522	3,896,174					8
						9
						10
						11
1,064,970	1,064,970					12
	130,623					13
34,714,841	34,291,648					14
-815,357	571,532					15
444,913	595,179					16
29,945,707	24,843,466					17
23,462,185	21,224,410					18
-809,820	-809,820					19
						20
						21
						22
						23
4,970,207	4,558,275					24
330,987,971	325,202,607					25
58,462,942	52,235,778					26

STATEMENT OF INCOME FOR THE YEAR (continued)

Line No.	Title of Account (a)	(Ref.) Page No. (b)	TOTAL Current Year (c)	TOTAL Previous Year (d)	Current 3 Months Ended Quarterly Only No 4th Quarter (e)	Prior 3 Months Ended Quarterly Only No 4th Quarter (f)
27	Net Utility Operating Income (Carried forward from page 114)		58,462,942	52,235,778	49,478,714	42,598,447
28	Other Income and Deductions					
29	Other Income					
30	Nonutilty Operating Income					
31	Revenues From Merchandising, Jobbing and Contract Work (415)		917,424	549,743	561,219	289,248
32	(Less) Costs and Exp. of Merchandising, Job. & Contract Work (416)		846,167	553,825	457,494	324,954
33	Revenues From Nonutility Operations (417)					
34	(Less) Expenses of Nonutility Operations (417.1)					
35	Nonoperating Rental Income (418)					
36	Equity in Earnings of Subsidiary Companies (418.1)	119				
37	Interest and Dividend Income (419)		2,990,259	3,733,380	1,705,743	1,905,014
38	Allowance for Other Funds Used During Construction (419.1)		1,219,830	1,515,268	633,410	514,693
39	Miscellaneous Nonoperating Income (421)		3,004,844	25,294,561	1,431,352	6,927,615
40	Gain on Disposition of Property (421.1)		361,036		361,036	
41	TOTAL Other Income (Enter Total of lines 31 thru 40)		7,647,226	30,539,127	4,235,266	9,311,616
42	Other Income Deductions					
43	Loss on Disposition of Property (421.2)		-17,044			
44	Miscellaneous Amortization (425)					
45	Donations (426.1)		701,437	765,102	493,353	364,183
46	Life Insurance (426.2)		6,305	-20,325	-56,764	-110,075
47	Penalties (426.3)		494	24,916	70	20,001
48	Exp. for Certain Civic, Political & Related Activities (426.4)		345,469	448,106	152,941	238,679
49	Other Deductions (426.5)		3,180,176	6,839,615	-31,109,516	5,927,095
50	TOTAL Other Income Deductions (Total of lines 43 thru 49)		4,216,837	8,057,414	-30,519,916	6,439,883
51	Taxes Applic. to Other Income and Deductions					
52	Taxes Other Than Income Taxes (408.2)	262-263	4,244	8,452	1,047	4,780
53	Income Taxes-Federal (409.2)	262-263	856,444	-26,509	381,612	-632,209
54	Income Taxes-Other (409.2)	262-263	65,867	-33,806	25,890	-79,184
55	Provision for Deferred Inc. Taxes (410.2)	234, 272-277	7,100,326	6,694,457	6,657,673	3,201,848
56	(Less) Provision for Deferred Income Taxes-Cr. (411.2)	234, 272-277	7,381,675	2,390,671	151,071	2,132,079
57	Investment Tax Credit Adj.-Net (411.5)					
58	(Less) Investment Tax Credits (420)					
59	TOTAL Taxes on Other Income and Deductions (Total of lines 52-58)		645,206	4,251,923	6,915,151	363,156
60	Net Other Income and Deductions (Total of lines 41, 50, 59)		2,785,183	18,229,790	27,840,031	2,508,577
61	Interest Charges					
62	Interest on Long-Term Debt (427)		36,509,593	36,392,762	18,226,875	17,829,045
63	Amort. of Debt Disc. and Expense (428)		522,567	463,291	265,123	229,635
64	Amortization of Loss on Reaquired Debt (428.1)		475,128	462,295	237,564	237,690
65	(Less) Amort. of Premium on Debt-Credit (429)		69,420	66,222	34,710	33,111
66	(Less) Amortization of Gain on Reaquired Debt-Credit (429.1)					
67	Interest on Debt to Assoc. Companies (430)					
68	Other Interest Expense (431)		1,952,755	2,927,551	1,059,014	1,649,171
69	(Less) Allowance for Borrowed Funds Used During Construction-Cr. (432)		1,799,158	2,033,873	914,192	1,061,989
70	Net Interest Charges (Total of lines 62 thru 69)		37,591,465	38,145,804	18,839,674	18,850,441
71	Income Before Extraordinary Items (Total of lines 27, 60 and 70)		23,656,660	32,319,764	58,479,071	26,256,583
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)		23,656,660	32,319,764	58,479,071	26,256,583

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
El Paso Electric Company	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2020/Q2

STATEMENT OF RETAINED EARNINGS

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

Line No.	Item (a)	Contra Primary Account Affected (b)	Current Quarter/Year Year to Date Balance (c)	Previous Quarter/Year Year to Date Balance (d)
	UNAPPROPRIATED RETAINED EARNINGS (Account 216)			
1	Balance-Beginning of Period		1,302,299,251	1,256,673,995
2	Changes			
3	Adjustments to Retained Earnings (Account 439)			
4				
5				
6				
7				
8				
9	TOTAL Credits to Retained Earnings (Acct. 439)			
10	Retirement of Treasury Shares	217		(16,372,067)
11				
12				
13				
14				
15	TOTAL Debits to Retained Earnings (Acct. 439)			(16,372,067)
16	Balance Transferred from Income (Account 433 less Account 418.1)		23,656,660	123,715,379
17	Appropriations of Retained Earnings (Acct. 436)			
18				
19				
20				
21				
22	TOTAL Appropriations of Retained Earnings (Acct. 436)			
23	Dividends Declared-Preferred Stock (Account 437)			
24				
25				
26				
27				
28				
29	TOTAL Dividends Declared-Preferred Stock (Acct. 437)			
30	Dividends Declared-Common Stock (Account 438)			
31	Class Common Stock $1 Par Value		-32,417,495	(61,718,056)
32				
33				
34				
35				
36	TOTAL Dividends Declared-Common Stock (Acct. 438)		-32,417,495	(61,718,056)
37	Transfers from Acct 216.1, Unapprop. Undistrib. Subsidiary Earnings			
38	Balance - End of Period (Total 1,9,15,16,22,29,36,37)		1,293,538,416	1,302,299,251
	APPROPRIATED RETAINED EARNINGS (Account 215)			
39				
40				

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
El Paso Electric Company	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2020/Q2

STATEMENT OF RETAINED EARNINGS

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

Line No.	Item (a)	Contra Primary Account Affected (b)	Current Quarter/Year Year to Date Balance (c)	Previous Quarter/Year Year to Date Balance (d)
41				
42				
43				
44				
45	TOTAL Appropriated Retained Earnings (Account 215)			
	APPROP. RETAINED EARNINGS - AMORT. Reserve, Federal (Account 215.1)			
46	TOTAL Approp. Retained Earnings-Amort. Reserve, Federal (Acct. 215.1)			
47	TOTAL Approp. Retained Earnings (Acct. 215, 215.1) (Total 45,46)			
48	TOTAL Retained Earnings (Acct. 215, 215.1, 216) (Total 38, 47) (216.1)		1,293,538,416	1,302,299,251
	UNAPPROPRIATED UNDISTRIBUTED SUBSIDIARY EARNINGS (Account			
	Report only on an Annual Basis, no Quarterly			
49	Balance-Beginning of Year (Debit or Credit)			
50	Equity in Earnings for Year (Credit) (Account 418.1)			
51	(Less) Dividends Received (Debit)			
52				
53	Balance-End of Year (Total lines 49 thru 52)			

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
El Paso Electric Company	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2020/Q2

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)	23,656,660	32,319,764
3	Noncash Charges (Credits) to Income:		
4	Depreciation and Depletion	48,715,798	46,507,910
5	Amortization of Other	12,792,207	11,978,151
6	Amortization of Nuclear Fuel	20,746,106	20,310,663
7			
8	Deferred Income Taxes (Net)	6,202,173	7,922,842
9	Investment Tax Credit Adjustment (Net)	-809,820	-809,820
10	Net (Increase) Decrease in Receivables	-31,473,611	-17,535,965
11	Net (Increase) Decrease in Inventory	-1,138,980	-3,631,252
12	Net (Increase) Decrease in Allowances Inventory		
13	Net Increase (Decrease) in Payables and Accrued Expenses	-4,719,110	-8,779,101
14	Net (Increase) Decrease in Other Regulatory Assets	-2,596,499	-251,982
15	Net Increase (Decrease) in Other Regulatory Liabilities	-9,796,455	10,699,523
16	(Less) Allowance for Other Funds Used During Construction	1,219,830	1,515,268
17	(Less) Undistributed Earnings from Subsidiary Companies		
18	Other (provide details in footnote):	2,146,851	-20,634,831
19			
20	Deferred Charges and Credits	-6,444,794	-2,614,944
21	Net (Increase) Decrease in Prepayments and Other	-12,321,205	-15,551,496
22	Net Cash Provided by (Used in) Operating Activities (Total 2 thru 21)	43,739,491	58,414,194
23			
24	Cash Flows from Investment Activities:		
25	Construction and Acquisition of Plant (including land):		
26	Gross Additions to Utility Plant (less nuclear fuel)	-111,591,350	-116,672,349
27	Gross Additions to Nuclear Fuel	-22,552,352	-19,853,706
28	Gross Additions to Common Utility Plant		
29	Gross Additions to Nonutility Plant		
30	(Less) Allowance for Other Funds Used During Construction	-1,219,830	-1,515,268
31	Other (provide details in footnote):		
32			
33			
34	Cash Outflows for Plant (Total of lines 26 thru 33)	-132,923,872	-135,010,787
35			
36	Acquisition of Other Noncurrent Assets (d)		
37	Proceeds from Disposal of Noncurrent Assets (d)	822,478	112,763
38	Proceeds from Insurance	4,591,184	
39	Investments in and Advances to Assoc. and Subsidiary Companies		
40	Contributions and Advances from Assoc. and Subsidiary Companies		
41	Disposition of Investments in (and Advances to)		
42	Associated and Subsidiary Companies		
43			
44	Purchase of Investment Securities (a)		
45	Proceeds from Sales of Investment Securities (a)		

STATEMENT OF CASH FLOWS

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

Line No.	Description (See Instruction No. 1 for Explanation of Codes) (a)	Current Year to Date Quarter/Year (b)	Previous Year to Date Quarter/Year (c)
46	Loans Made or Purchased		
47	Collections on Loans		
48			
49	Net (Increase) Decrease in Receivables		
50	Net (Increase) Decrease in Inventory		
51	Net (Increase) Decrease in Allowances Held for Speculation		
52	Net Increase (Decrease) in Payables and Accrued Expenses		
53	Investment in Decommissioning Trust Fund (Purchases)	-7,205,847	-54,257,571
54	Investment in Decomissioning Trust Fund (Sales and Maturities)	3,816,441	50,560,297
55	Other (provide details in footnote):	663,636	543,754
56	Net Cash Provided by (Used in) Investing Activities		
57	Total of lines 34 thru 55)	-130,235,980	-138,051,544
58			
59	Cash Flows from Financing Activities:		
60	Proceeds from Issuance of:		
61	Long-Term Debt (b)		100,600,000
62	Preferred Stock		
63	Common Stock		
64	Other: Financing and Other Capital Lease Obligations- Proceeds	311,165,312	368,330,465
65			
66	Net Increase in Short-Term Debt (c)		
67	Other (provide details in footnote):		
68			
69			
70	Cash Provided by Outside Sources (Total 61 thru 69)	311,165,312	468,930,465
71			
72	Payments for Retirement of:		
73	Long-term Debt (b)		-100,600,000
74	Preferred Stock		
75	Common Stock		
76	Other (provide details in footnote):	-1,347,935	-1,597,201
77	Financing and Capital Lease Obligations - Payments	-137,933,730	-256,763,772
78	Net Decrease in Short-Term Debt (c)		
79			
80	Dividends on Preferred Stock		
81	Dividends on Common Stock	-32,417,495	-30,352,121
82	Net Cash Provided by (Used in) Financing Activities		
83	(Total of lines 70 thru 81)	139,466,152	79,617,371
84			
85	Net Increase (Decrease) in Cash and Cash Equivalents		
86	(Total of lines 22,57 and 83)	52,969,663	-19,979
87			
88	Cash and Cash Equivalents at Beginning of Period	10,818,137	12,900,068
89			
90	Cash and Cash Equivalents at End of period	63,787,800	12,880,089

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

Other:	2020	2019
Net (Gains) Losses on Decommissioning Trust Funds	$ 643,557	$(21,052,813)
Amortization of Unearned Compensation	2,056,661	499,971
Net Gain on Sale of Property, Plant and Equipment	(361,036)	-
Unrealized Losses on Investments in Debt Securities	8,343	33,706
Other Operating Activities	(200,674)	(115,695)
Total	$ 2,146,851	$(20,634,831)

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

Other:	2020	2019
Net Customer Advances for Construction	$ 1,751,806	$ 1,417,362
Net Salvage Value and Cost of Removal	(1,602,031)	(1,156,295)
Customer Revenue Agreements	513,861	282,687
Total	$ 663,636	$ 543,754

Schedule Page: 120 Line No.: 76 Column: a

Other:	2020	2019
Stock Awards Withheld for Taxes	$ (846,449)	$ (636,658)
Issuance Costs Related to Pollution Control Bonds	-	(935,563)
Issuance Costs Related to Senior Notes	-	(24,642)
Issuance Costs Related to RGRT Senior Notes	-	1,727
Costs Related to Revolving Credit Facilities Terms Modification	(501,486)	-
Other Financing Activities	-	(2,065)
Total	$ (1,347,935)	$ (1,597,201)

Name of Respondent El Paso Electric Company	This Report Is: (1) [X] An Original (2) [ ] A Resubmission	Date of Report / /	Year/Period of Report End of 2020/Q2

NOTES TO FINANCIAL STATEMENTS

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

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

Note 1. Regulatory-Basis Financial Statements

The accompanying regulatory-basis financial statements are presented in accordance with the accounting requirements of the Federal Energy Regulatory Commission (the "FERC") as set forth in its applicable Uniform System of Accounts and published accounting releases which is a comprehensive basis of accounting other than United States ("U.S.") Generally Accepted Accounting Principles ("GAAP"). Notes A through L of the regulatory-basis financial statements are from the June 30, 2020 GAAP Financial Statements 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 L is supplemented for additional regulatory-basis disclosures.

Regulatory-Basis Financial Statements Compared to GAAP

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

In addition, certain items in the accompanying regulatory-basis financial statements are classified differently under FERC requirements than in the Company's GAAP financial statements.

Statement of Cash Flows

Cash and cash equivalents and amortization of other presented on the statement of cash flows for the six months ended June 30, 2020 and 2019 consist of the following (in thousands):

	2020	2019
Cash and Cash Equivalents:		
Cash (131)	$ 12,714	$ 8,403
Working Funds (135)	685	1,148
Temporary cash investments (136)	50,389	3,329
Cash and cash equivalents at end of period	$ 63,788	$ 12,880
Amortization of Other:		
ARO depreciation (403.1)	$ (664)	$ (664)
Other utility plant (404)	4,497	3,896
Regulatory assets (407.3)	1,065	1,065
Regulatory liabilities (407.4)	0	(131)
ARO accretion expense (411.10)	4,970	4,558
Debt expense (428)	523	463
Loss on reacquired debt (428.1)	475	462
Debt premium (429)	(69)	(66)
Interest rate lock losses	318	298
Operating lease assets amortization	312	327
Nuclear fuel financing issuance costs	69	102
Dry cask storage amortization	216	372
Coal reclamation amortization	330	330
Texas rate case amortization	750	751
New Mexico rate case amortization	0	215
	$ 12,792	$ 11,978

A. Principles of Preparation

These condensed regulatory-basis financial statements should be read in conjunction with the regulatory-basis financial statements and notes thereto in the Annual Report of El Paso Electric Company on FERC Form No. 1 for the fiscal year ended December 31, 2019 (the "2019 FERC Form No. 1"). Capitalized terms used in this report and not defined herein have the meaning ascribed to such terms in the 2019 FERC Form No. 1. In the opinion of the Company's management, the accompanying regulatory-basis financial statements contain all adjustments necessary to present fairly the financial position of the Company at June 30, 2020 and December 31, 2019; the results of its operations for the three and six months ended June 30, 2020 and 2019; its comprehensive operations for the six months ended June 30, 2020 and the year ended December 31, 2019; and its cash flows for the six months ended June 30, 2020 and 2019. The results of operations for the three and six months ended June 30, 2020, comprehensive operations, and the cash flows for the six months ended June 30, 2020, are not necessarily indicative of the results to be expected for the full calendar year.

Basis of Presentation: The Company maintains its accounts in accordance with the accounting requirements of the FERC set forth in its applicable Uniform System of Accounts and published accounting releases, and applies such principles in its regulatory books of account to the rate treatment as ordered by each of the Company's three regulators (the Public Utility Commission of Texas (the "PUCT"), the New Mexico Public Regulation Commission (the "NMPRC"), and the FERC), which is a comprehensive basis of accounting other than GAAP.

Merger. On June 1, 2019, the Company entered into an Agreement and Plan of Merger (the "Merger Agreement"), by and among the Company, Sun Jupiter Holdings LLC, a Delaware limited liability company ("Parent"), and Sun Merger Sub Inc., a Texas corporation and wholly owned subsidiary of Parent ("Merger Sub"). On July 29, 2020, pursuant to the Merger Agreement, Merger Sub merged with and into the Company (the "Merger"), with the Company continuing as the surviving corporation in the Merger and becoming a wholly owned subsidiary of Parent. Parent and Merger Sub are affiliates of the Infrastructure Investments Fund, an investment vehicle advised by J.P. Morgan Investment Management Inc. ("IIF"). See Note L of Notes to Financial Statements for a discussion of the Merger.

Coronavirus Disease 2019 ("COVID-19") Impacts. Since the outbreak of COVID-19 earlier this year, federal, state, and local governments have imposed varying degrees of restrictions on businesses and the social activities of citizens to contain the spread of COVID-19, by initially issuing quarantine and "stay-at-home" orders and directives in the Company's service territory beginning in March 2020. In addition, both the PUCT and the NMPRC have issued moratoriums on utilities from disconnecting service to their customers due to non-payment. As published statistics began to indicate positive responses towards containing the spread of COVID-19 that resulted from such orders and directives, in early May 2020 authorities, including those in Texas and New Mexico, began to relax confinement restrictions and allowed businesses to reopen with varying degrees of limitations. More recently, the positive trend of COVID-19 infection rate has reversed, and the Company's service territory is currently experiencing increases in the infection rate of COVID-19. In response, authorities have scaled back their plans to reopen the economy and have re-asserted the disconnect moratoriums. Furthermore, concerns have risen whether schools will open or partially open for the up-coming school year.

While the Company believes that sales for the three and six months ended June 30, 2020 were adversely affected by COVID-19, it is currently unable to quantify such affect. It has however, observed a migration of energy sales from the commercial and public authority customers to the residential customers class. Through the date of this report, the Company also experienced decreases in its collections primarily related to its residential and commercial customers. Accordingly, it has increased its bad debt reserve by $381,000 and $656,000 for the three and six months ended June 30, 2020. The Company is continuing to monitor its collection rates and bad debt write-offs and will record additional reserves as appropriate. Other incremental operations and maintenance costs incurred by the Company related to COVID-19 include contractors, medical claims, repairs and maintenance, material supplies, and rentals, and approximate $1.5 million for the six months ended June 30, 2020.

While the Company continues to assess the impact of COVID-19 on its business, the Company cannot predict the full impact that COVID-19 or the significant disruption and volatility currently being experienced in the markets will have on its business, cash flows, liquidity, financial condition, and results of operations at this time, due to the numerous uncertainties that exist. The ultimate impact will depend on future developments, including, among others, the ultimate geographic spread of COVID-19, the consequences of governmental and other measures designed to prevent the spread of COVID-19, the development of effective treatments and/or vaccines, the duration of the outbreak, actions taken by governmental authorities, customers, suppliers and other third parties, workforce availability, and the timing and extent to which normal economic and operating conditions resume. An extended slowdown of economic growth in the U.S. could result in lower growth and reduced demand for and usage of electricity in the Company's service territory as facilities continue to close or remain closed. The ability of customers, contractors and suppliers to meet their obligations to the Company, including payment obligations, could also be affected under the current economic conditions.

Use of Estimates. The preparation of regulatory-basis financial statements in conformity with regulatory accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the regulatory-basis financial statements and the reported amounts of revenues and expenses during the reporting period. The Company evaluates its estimates on an on-going basis, including those related to depreciation, unbilled revenue (or "Accrued Utility Revenues"), income taxes, fuel costs, pension and other post-retirement obligations and asset retirement obligations ("ARO"). Actual results could differ from those estimates.

Operating Revenues. The Company accrues revenues for services rendered, including unbilled electric service revenues, which are reflected within Accrued Utility Revenues. The Company recognizes revenue associated with contracts with customers when performance obligations under the terms of the contract with the customer are satisfied. Revenue is measured as the amount of consideration the Company receives in exchange for transferring goods or providing services to the customer. Taxes collected concurrently with revenue producing activities are excluded from revenue. Accrued Utility Revenues are recorded for estimated amounts of energy delivered in the period following the customer's last billing cycle to the end of the reporting period. Accrued Utility Revenues are estimated based on monthly generation volumes and by applying an average revenue/kilowatt-hour ("kWh") to the number of estimated kWhs delivered but not billed. The Company recorded $41.1 million of Accrued Utility Revenues as of June 30, 2020 and $25.6 million as of December 31, 2019.

The Company's Texas retail customers are billed under base rates and a fixed fuel factor approved by the PUCT. The Company's New Mexico retail customers are billed under base rates and a fuel adjustment clause that is adjusted monthly, as approved by the NMPRC. The Company's FERC sales for resale customers are billed under formula base rates and fuel factors and a fuel adjustment clause that is adjusted monthly. The Company's recovery of fuel and purchased power expenses is subject to periodic reconciliations of actual fuel and purchased power expenses incurred to actual fuel revenues collected. The difference between fuel and purchased power expenses incurred and fuel revenues charged to customers is reflected in the accompanying Regulatory-Basis Balance Sheet in Other Regulatory Assets and Other Regulatory Liabilities, as appropriate. See Note C of Notes to Financial Statements for further discussion.

Credit Losses. On January 1, 2020, the Company adopted Accounting Standards Update ("ASU") 2016-13, Financial Instruments - Credit Losses (Topic 326). There was no cumulative effect adjustment at the initial application of the new standard. The Company expects the ongoing impact of the new standard to be immaterial to its financial position and results of operations and no significant changes in the Company's business processes and internal controls were necessary upon adoption of the new standard. The Company is exposed to credit losses as a result of recording customer receivables related to retail and wholesale electric sales and the provision of transmission services to customers. The allowance for doubtful accounts represents the Company's estimate of existing accounts receivable that will ultimately be uncollectible. The allowance is calculated by applying estimated write-off factors to various classes of outstanding receivables. The write-off factors used to estimate uncollectible accounts are based upon consideration of both historical collections experience and management's best estimate of future collections success given the existing collections environment and qualitative forecasts of future conditions. During the second quarter of 2020, the Company performed its assessment, which included consideration of the ongoing impact of COVID-19. Based on that assessment, the Company recorded a charge for anticipated uncollectible customer accounts. Additions, deductions and balances for the allowance for doubtful accounts for the three and six months ended June 30, 2020 and June 30, 2019 are as follows (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2020	2019	2020	2019
Balance at beginning of period	$ 1,778	$ 1,514	$ 1,900	$ 2,070
Additions:				
Increase to provision	828	478	1,504	695
Recovery of previous write-offs	372	292	712	634
Uncollectible receivables written off	(717)	(813)	(1,855)	(1,928)
Balance at end of period	$ 2,261	$ 1,471	$ 2,261	$ 1,471

Leases. The Company determines if an arrangement contains a lease and the classification of that lease at inception. Operating lease right-of-use ("ROU") assets represent the Company's right to use an underlying asset for the lease term and operating lease liabilities represent the obligation to make payments under the lease. ROU assets and lease liabilities are recognized at the lease commencement date based on the estimated present value of the minimum lease payments over the lease term. In determining lease terms, the Company considers any options to extend or terminate the lease that are reasonably certain of being exercised. As the Company's leases do not include an implicit rate, the Company uses an estimated incremental borrowing rate, at lease commencement, to determine the present value of the future lease payments. In calculating the incremental borrowing rate, the Company takes into consideration recent debt issuances and other data for instruments with similar characteristics. The Company's lease agreements do not contain residual value guarantees or restrictive covenants. For leases with lease and non-lease components, the Company has elected to account for the consideration as a single lease component. The Company has also elected not to record leases with a term of 12 months or less on the Regulatory-Basis Balance Sheet. The operating lease ROU assets are included as part of electric plant in service and lease liabilities are included as part of Current and Non-current Obligation Under Capital Lease in the Company's Regulatory-Basis Balance Sheet in accordance with FERC Docket No. AI19-1-000.

Depreciation. The Company routinely evaluates the depreciable service lives, cost of removal and salvage values of its property, plant and equipment. Depreciation is provided on a straight-line basis over the estimated remaining lives of the assets (ranging in average from 5 to 48 years). When property subject to composite depreciation is retired or otherwise disposed of in the normal course of business, its cost together with the cost of removal, less salvage is charged to accumulated depreciation. For other property dispositions, the applicable cost and accumulated depreciation is removed from the balance sheet accounts and a gain or loss is recognized, if applicable.

Allowance for Funds Used During Construction ("AFUDC"). On June 30, 2020, the FERC issued an order granting a waiver request related to the existing AFUDC rate calculation beginning March 1, 2020 through February 28, 2021. The order provides a simplified approach that companies may elect to implement in order to minimize the significant distorted effect on the AFUDC formula resulting from increased short-term debt financing during COVID-19. The Company has adopted this simplified approach to computing the AFUDC composite rate by using a simple average of the actual historical short-term debt balances for 2019, instead of current period short-term debt balances, and has left all other aspects of the AFUDC formula composite rate calculation unchanged. This change had the effect of increasing the AFUDC composite rate in the second quarter of 2020. Furthermore, the change in the composite rate calculation does not impact the accounting treatment for these costs. See Note A of the Notes to Financial Statements in the 2019 FERC Form No. 1.

Supplemental Cash Flow Disclosures (in thousands):

	Six Months Ended June 30, 2020	Six Months Ended June 30, 2019
Cash paid for:		
Interest on long-term debt and borrowings under the revolving credit facility	$ 36,459	$ 35,636
Income tax paid, net	568	2,271
Non-cash investing and financing activities:		
Changes in accrued plant additions	(1,939)	(130)
Grants of restricted shares of common stock	589	932
Issuance of performance shares	732	2,143
Non-cash operating activities:		
Operating lease liabilities arising (reducing) from obtaining ROU assets	(222)	6,054

New Accounting Standards

The new accounting standards discussed below are issued by the FASB and are to be applied to financial statements prepared in accordance with GAAP. Differences may occur between financial statements prepared in accordance with GAAP and financial statements prepared in accordance with the Uniform System of Accounts when these standards are adopted.

New Accounting Standards Adopted in 2020

In June 2016, the FASB issued ASU 2016-13, Financial Instruments - Credit Losses (Topic 326). ASU 2016-13 changes how companies measure and recognize credit impairment for many financial assets. The new expected credit loss model requires companies to immediately recognize an estimate of credit losses expected to occur over the remaining life of the financial assets that are in the scope of the standard. ASU 2016-13 is required for reporting periods beginning after December 15, 2019. ASU 2016-13 was applied in a modified retrospective approach through a cumulative-effect adjustment to retained earnings as of the beginning of the first reporting period in which the guidance is implemented. The Company adopted ASU 2016-13 on January 1, 2020. As part of its implementation process, the Company evaluated the impact of the new standard, which included evaluating the impact of (i) ASU 2019-04, Codification Improvements to Topic 326, Financial Instruments - Credit Losses; Topic 815, Derivatives and Hedging; and Topic 825, Financial Instruments and (ii) ASU 2019-05, Financial Instruments - Credit Losses (Topic 326): Targeted Transition Relief. The adoption of this standard did not have a material impact or require a cumulative effect adjustment to retained earnings. The Company anticipates the ongoing impact of ASU 2016-13 will be immaterial to the Company's financial position, results of operations, and cash flows.

New Accounting Standards to be Adopted in the Future

In December 2019, the FASB issued ASU 2019-12, Income Taxes (Topic 740), as part of its initiative to reduce complexity in accounting standards. ASU 2019-12 amends the accounting for income taxes by removing certain exceptions to the general principles in Topic 740. The amendments also improve consistent application of and simplify GAAP for other areas of Topic 740 by clarifying and amending existing guidance. ASU 2019-12 will be effective for fiscal years and interim periods within those fiscal years beginning after December 15, 2020. Early adoption is permitted, including adoption in any interim periods for reporting periods for which financial statements have not been issued. The Company is currently evaluating the future impact of ASU 2019-12.

B. Revenues

The following table disaggregates revenue from contracts with customers, for the three and six months ended June 30, 2020 and 2019 (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2020	2019	2020	2019
Retail	$ 211,595	183,659	$ 345,872	$ 315,785
Wholesale	13,552	13,939	32,092	49,630
Wheeling (transmission)	5,163	4,851	10,242	10,856
Total revenues from contracts with customers	230,310	202,449	388,206	376,271
Other	578	626	1,245	1,167
Total operating revenues	$ 230,888	$ 203,075	$ 389,451	$ 377,438

Accounts receivable. Accounts receivable is principally comprised of revenue from contracts with customers. The Company recognizes expense for accounts that are deemed uncollectible in operating expense. The Company recorded $0.8 million and $1.5 million to its provision for uncollectible accounts for the three and six months ended June 30, 2020, respectively.

C. Regulation

General

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

On June 1, 2019, the Company entered into the Merger Agreement. On July 29, 2020, pursuant to the Merger Agreement, Merger Sub merged with and into the Company, with the Company continuing as the surviving corporation in the Merger and becoming a wholly owned subsidiary of Parent. Parent and Merger Sub are affiliates of IIF. Among other things, the Company, Parent and Merger Sub were required to obtain certain regulatory approvals of the Merger. See Note L of the Notes to Financial Statements for further discussion of the Merger.

Texas Regulatory Matters

2017 Texas Retail Rate Case Filing. On February 13, 2017, the Company filed with the City of El Paso, other municipalities incorporated in the Company's Texas service territory, and the PUCT in Docket No. 46831, a request for an increase in non-fuel base revenues. On December 18, 2017, the PUCT issued a final order in Docket No. 46831 (the "2017 PUCT Final Order").

The 2017 PUCT Final Order required the Company to file a refund tariff if the federal statutory income tax rate, as it relates to the Company, was decreased before the Company files its next general rate case. Following the enactment of the federal legislation commonly referred to as the Tax Cuts and Jobs Act of 2017 (the "TCJA") on December 22, 2017, and in compliance with the 2017 PUCT Final Order, on March 1, 2018, the Company filed with the PUCT and each of its Texas municipalities a proposed refund tariff designed to reduce base charges for Texas customers equivalent to the expected annual decrease of $22.7 million in federal income tax expense resulting from the TCJA changes, and an additional refund of $4.3 million for the amortization of a regulatory liability related to the reduced tax expense for the months of January through March of 2018. This filing was assigned PUCT Docket No. 48124. On March 27, 2018, the PUCT approved the Company's proposed refund tariff on an interim basis, subject to refund or surcharge, for customer billing effective April 1, 2018. Each of the Company's municipalities also implemented the Company's proposed tax credits on an interim basis effective April 1, 2018. The refund is reflected in rates over a period of one year beginning April 1, 2018, and is required to be updated annually until new base rates are implemented pursuant to the Company's next Texas rate case filing. The PUCT issued an order on December 10, 2018, approving the proposed refund tariff. On February 22, 2019, the Company filed with the PUCT and each of its Texas municipalities an application to modify the tax refund tariff to remove the portion of the base rate credit associated with the $4.3 million of regulatory liability amortization, which expired March 31, 2019. The filing was assigned PUCT Docket No. 49251 and approved by final order on June 27, 2019. Each of the Company's municipalities also approved the federal tax refund factor. On February 20, 2020, the Company filed its required annual update of the refund factor with the PUCT and each of its Texas municipalities. In its application, the Company proposed that the existing refund factors remain in effect. On May 11, 2020, PUCT Staff filed their review and a recommendation that the Company's filed tariff be approved. On July 6, 2020, the PUCT issued a final order for Docket No. 50575 approving the Company's federal tax refund factor. Each of the Company's municipalities also approved the federal tax refund factor.

Texas Energy Efficiency Cost Recovery Factor ("EECRF"). On May 1, 2018, the Company filed its annual application with the PUCT, which was assigned PUCT Docket No. 48332, to establish its EECRF for 2019. In addition to projected energy efficiency costs for 2019 and a reconciliation of collections to actual costs for the prior year, the Company requested approval of a $1.0 million incentive bonus for the 2017 energy efficiency program results in accordance with PUCT rules. Instead of convening a live hearing on the merits of this case, the parties agreed to enter into the record the pre-filed testimony of the parties and certain other exhibits and then file briefs on the contested issues. The Administrative Law Judge ("ALJ") issued a proposal for final decision on November 15, 2018, including the Company's fully requested incentive bonus. On January 17, 2019, the PUCT issued a final order approving a modified bonus amount of $0.9 million.

On May 1, 2019, the Company filed its annual application with the PUCT, which was assigned PUCT Docket No. 49496, to establish its EECRF for 2020. In addition to projected energy efficiency costs for 2020 and a reconciliation of collections to actual costs for the prior year, the Company requested approval of a $0.8 million incentive bonus for the 2018 energy efficiency program results in accordance with PUCT rules. On July 1, 2019, the Company requested, and received approval for, a suspension of the procedural schedule in order to pursue settlement of the case. On July 12, 2019, the Company informed the ALJ in the case that all parties had agreed in principle on terms for settlement. On August 14, 2019, the Company filed an unopposed settlement agreement and proposed order which resolved all issues in the proceeding, including the requested incentive bonus. The case was remanded on August 16, 2019, to the PUCT for a final order approving the settlement agreement and the Company's EECRF rates. On November 14, 2019, the PUCT issued an order approving the filed settlement.

On May 1, 2020, the Company filed its annual application with the PUCT, which was assigned PUCT Docket No. 50806, to establish its EECRF for 2021. In addition to projected energy efficiency costs of $4.7 million for 2021 and a reconciliation of collections to actual costs for the prior year, the Company requested approval of a $1.2 million incentive bonus for the 2019 energy efficiency program results in accordance with PUCT rules. On July 16, 2020, the ALJ issued an order suspending the procedural schedule based on a motion by the Company reporting that parties had reached an agreement in principle for settlement. As required by the ALJ's order, the Company filed on August 17, 2020, a status report on the progress toward settlement.

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

On April 29, 2019, the Company filed a petition with the PUCT, which was assigned PUCT Docket No. 49482, requesting authority to implement, beginning on June 1, 2019, a four-month, interim fuel refund of $19.4 million in fuel cost over-recoveries, including interest, for the period from April 2016 through March 2019. On May 30, 2019, the Company's fuel refund credit was approved on an interim basis. The Company implemented the fuel refund in customer bills beginning June 1, 2019. On September 27, 2019, the PUCT issued a final order approving the fuel refund credits. The fuel refund was completed on September 30, 2019, with a total fuel refund of $20.1 million, including interest, returned to Texas customers.

On September 13, 2019, the Company filed a request with the PUCT, which was assigned PUCT Docket No. 49960, to decrease the Texas fixed fuel factor by approximately 12.2% to reflect decreased fuel expenses primarily related to a decrease in the price of natural gas used to generate power. On September 25, 2019, the Company's fixed fuel factor was approved by the PUCT on an interim basis effective for the first billing cycle of the October 2019 billing month. The Texas fixed fuel factor was determined to be final on October 15, 2019, and will continue until changed by the PUCT.

On November 26, 2019, the Company filed a petition with the PUCT, which was assigned PUCT Docket No. 50292, requesting authority to implement, beginning on January 1, 2020, a three-month, interim fuel refund of $15.0 million in fuel cost over-recoveries for the period from April 2019 through October 2019, including interest for the period from April 2019 through March 2020. On December 12, 2019, the Company's fuel refund credit was approved on an interim basis. The Company implemented the fuel refund in customer bills beginning January 1, 2020, and completed the refund period on March 31, 2020, during which $14.0 million was refunded. On March 26, 2020, the PUCT issued a final order approving the fuel refund credits.

On June 16, 2020, the Company filed a petition with the PUCT, which was assigned PUCT Docket No. 50940, requesting authority to implement, beginning on July 1, 2020, a two-month, interim fuel refund of $9.4 million in fuel cost over-recoveries for the period from April 2019 through August 2020, including interest. On June 29, 2020, the Company's fuel refund credit was approved on an interim basis, and the Company implemented the fuel refund in customer bills on July 1, 2020. On July 29, 2020, the Company requested that the procedural schedule be suspended pending finalization of settlement documents, and the request was granted the same day and schedule hearings cancelled. As of June 30, 2020, the Company had a net fuel over-recovery balance of approximately $8.0 million in Texas.

Fuel Reconciliation Proceeding. On September 27, 2019, the Company filed an application with the PUCT, which was assigned PUCT Docket No. 50058, to reconcile $363.0 million of Texas fuel and purchased power expenses incurred during the period of April 1, 2016, through March 31, 2019. Hearings in the case are currently scheduled to begin on October 1, 2020. The Company cannot predict the outcome of this filing at this time. The April 1, 2019, through June 30, 2020, Texas jurisdictional fuel and purchased power costs subject to a future prudence review total approximately $80.9 million.

Community Solar. On March 20, 2018, the Company filed a petition with the PUCT and each of its Texas municipalities to expand its community solar program in Texas to include two-megawatts ("MW") of solar powered generation from the ten-MW solar photovoltaic facility located at Newman Power Station ("Newman") and to reduce rates under the community solar tariff. The case before the PUCT was assigned PUCT Docket No. 48181 and a hearing was held on December 4, 2018. The ALJ issued a proposal for decision on March 19, 2019, that approved the project as proposed by the Company. On May 9, 2019, the PUCT approved the Company's request to expand the program utilizing the two-MW of solar powered generation available from Newman. New subscriptions for the expanded program were accepted beginning in June 2019, and new rates for all existing and new customers were implemented in customer bills beginning July 1, 2019. As of June 30, 2019, the expanded program was fully subscribed.

Transmission Cost Recovery Factor ("TCRF"). On January 25, 2019, the Company filed an application with the PUCT to establish its TCRF, which was assigned PUCT Docket No. 49148 (the "2019 TCRF rate filing"). The 2019 TCRF rate filing was designed to recover a requested $8.2 million of Texas jurisdictional transmission revenue requirement that was not being recovered in the Company's Texas base rates for transmission-related investments placed in service from October 1, 2016, through September 30, 2018, net of retirements. On September 12, 2019, the Company filed an unopposed settlement agreement and proposed order for a TCRF revenue requirement of $7.5 million with a provision for recovery of revenue relating to the period from July 30, 2019 to December 31, 2019. Such revenue through December 31, 2019, approximated $3.0 million. On December 16, 2019, the PUCT issued a final order approving the settlement agreement, and the Company's TCRF rates became effective in customer bills beginning January 1, 2020. On January 14, 2020, the Company filed with the PUCT a proposed surcharge in compliance with the final order issued in PUCT Docket No. 49148 for recovery of the $3.0 million related to 2019, over a period of 12 months beginning on April 1, 2020. The filing was assigned PUCT Docket No. 50256, and on February 7, 2020, the surcharge was approved through delegated authority by a Commission ALJ.

Distribution Cost Recovery Factor ("DCRF"). On March 28, 2019, the Company filed an application with the PUCT and each of its Texas municipalities to establish its DCRF, which was assigned PUCT Docket No. 49395 (the "2019 DCRF rate filing"). The 2019 DCRF rate filing was designed to recover a requested $7.9 million of Texas jurisdictional distribution revenue requirement that was not being recovered in the Company's Texas base rates for distribution-related investments placed in service from October 1, 2016, through December 31, 2018, net of retirements. On August 13, 2019, the Company filed an unopposed settlement agreement and proposed order which resolved all issues in the proceeding and approved a DCRF revenue requirement of $7.8 million. On September 27, 2019, the PUCT issued a final order approving the settlement agreement, and the Company's DCRF rates became effective in customer bills beginning October 1, 2019.

Newman Unit 6 Certificate of Convenience and Necessity ("CCN"). On November 22, 2019, the Company filed an application with the PUCT for a CCN to own and operate a new, approximately 228 MW, natural gas-fired unit to be constructed at Newman. The case was assigned PUCT Docket No. 50277. The proposed unit is called Newman Unit 6. An air permit application for Newman Unit 6 was concurrently submitted to the Texas Commission on Environmental Quality. The new unit was selected through a competitive bidding process and is needed to serve growth in customer demand, to replace older and less efficient generators that the Company plans to retire in the next several years, and to help the Company meet its planning reserve margin. Hearings on the merits in this case were held on June 9, 2020, and legal briefing was completed on July 7, 2020. The Company cannot predict the outcome of this filing at this time.

Merger Rate Credit. On March 13, 2020, the Company filed an application with the PUCT and each of its Texas municipalities to implement a Merger rate credit of $21.0 million over 36 months, which was assigned PUCT Docket No. 50477. The final order that approved the Merger in Docket No. 49849 required the Company to file for approval of the Merger rate credit within 45 days after the issuance of that final order. On May 18, 2020, the ALJ granted a joint motion filed by the PUCT Staff for an amended procedural schedule. The application was approved on June 30, 2020, and the Merger Rate Credit Factor tariff became effective August 1, 2020, following the closing of the Merger. See Note L of the Notes to Financial Statements for a discussion of the Merger.

COVID-19 Orders. On March 13, 2020, in response to the growing threat of COVID-19, Governor Greg Abbott issued a Declaration of State of Disaster for all counties in Texas. On March 16, 2020, the PUCT opened Docket No. 50664 for *Issues Related to the State of Disaster for the Coronavirus Disease 2019*. That same day, the PUCT issued an order suspending certain of its rules related to filings and procedural requirements.

On March 26, 2020, the PUCT issued an order finding that the public emergency and imperative public necessity constitute good cause to grant exemptions to its rules related to utility authorization to disconnect service for nonpayment and the assessment of late payment fees for delinquent bills. On the same day, the PUCT issued a second order to provide regulated utility companies regulatory certainty by authorizing the use of an accounting mechanism and a subsequent process through which regulated utility companies may seek future recovery of expenses resulting from the effects of COVID-19. The PUCT order authorized electric, water, and sewer utilities to record as regulatory assets expenses resulting from the effects of COVID-19, including but not limited to non-payment of qualified customer bills as specified by the prior order. In future proceedings, the PUCT indicated it would consider whether each utility's request for recovery of these regulatory assets is reasonable and necessary.

On April 12, 2020, Governor Abbott renewed the disaster declaration proclamation for all counties in Texas. Finding that good cause continued to exist, the PUCT on April 17, 2020, extended its order finding exceptions to its rules until May 15, 2020, for residential customers. On May 14, 2020, the PUCT again extended the order to June 13, 2020 and subsequently extended the order on July 16, 2020. Exceptions are granted to the rule regarding disconnection of residential customers for nonpayment until August 31, 2020.

Other Required Approvals. The Company has obtained other required approvals for tariffs and other approvals required by the Texas Public Utility Regulatory Act and the PUCT.

New Mexico Regulatory Matters

2020 New Mexico Rate Case Filing. Pursuant to an NMPRC order in Case No. 15-00109-UT, on May 29, 2020, the Company filed its Application for Revision of Retail Electric Rates, requesting a base revenue requirement increase of $6.9 million. The application was assigned Case No. 20-00104-UT, and hearings in the case are currently set to begin on November 30, 2020. The Company cannot predict the outcome of this case at this time.

Merger Rate Credit. On July 27, 2020, the Company filed an Advice Notice with the NMPRC to implement a Merger rate credit of $8.7 million over 36 months. The final order that approved the Merger in Case No. 19-00234-UT required the Company to file for approval of the Merger rate credit within seven days of the close of the Merger, which occurred on July 29, 2020. The tariff implementing the Merger credit became effective on August 5, 2020. See Note L of the Notes to Financial Statements for a discussion of the Merger.

New Mexico Order Commencing Review of the Effects of the TCJA on Regulated New Mexico Utilities. On January 24, 2018, the NMPRC initiated a proceeding in Case No. 18-00016-UT on the impact of the TCJA on New Mexico regulated utilities. On April 4, 2018, the NMPRC issued an order requiring the Company to file a proposed interim rate rider to adjust the Company's New Mexico base revenues in amounts equivalent to the Company's reduced income tax expense for New Mexico customers resulting from the TCJA, to be implemented on or before May 1, 2018. The NMPRC order further requires that the Company record and track a regulatory liability for the excess accumulated deferred income taxes created by the change in the federal corporate income tax rate, consistent with the effective date of the TCJA, and subject to amortization determined by the NMPRC in the Company's next general rate case. The Company recorded such a regulatory liability in 2017. On April 16, 2018, after consultation with the New Mexico Attorney General pursuant to the NMPRC order, the Company filed an interim rate rider with the NMPRC with a proposed effective date of May 1, 2018. The annualized credits expected to be refunded to New Mexico customers approximate $4.9 million. The Company implemented the interim rate rider in customer bills beginning May 1, 2018 pursuant to the NMPRC order.

On September 5, 2018, the NMPRC issued an order in Case No. 17-00255-UT involving the request of Southwestern Public Service Company ("SPS") to change rates in which the NMPRC directed SPS to refund the difference in corporate tax rate from January 1, 2018, through the effective date of new rates. SPS appealed the NMPRC order to the New Mexico Supreme Court in *Southwestern Public Service Co. v. NMPRC, No. S-1-SC-37248 ("SPS Appeal No. 1")*, challenging the refund as prohibited retroactive ratemaking among other reasons. The New Mexico Supreme Court issued a partial and interim stay of the rates on September 26, 2018. On September 12, 2018, the NMPRC in Case No. 18-00016-UT issued an Order Regarding the Disposition of Tax Savings Under the Federal Tax Cuts and Jobs Act of 2017, which put public utilities on notice that all revenue collected through general rates for the purpose of payment of federal income taxes is and will continue to be subject to possible refund upon a subsequent determination to be made in the appropriate pending or future NMPRC adjudicatory hearing. On October 11, 2018, SPS filed a Notice of Appeal of that NMPRC order to the New Mexico Supreme Court in *Southwestern Public Service Co. v. NMPRC, No. S-1-SC-37308 ("SPS Appeal No. 2")*. On February 15, 2019, the NMPRC and SPS filed a joint motion for remand and stipulated dismissal of SPS appeals of NMPRC orders with the New Mexico Supreme Court, which among other things, reflected agreements between the NMPRC and SPS, which in part provide that the NMPRC will replace the order in Case No. 17-00255-UT with a new order that eliminates the retroactive TCJA refund and that SPS will request dismissal of *SPS Appeal No. 1* and *SPS Appeal No. 2*. On February 28, 2019, the New Mexico Supreme Court remanded *SPS Appeal No. 1* back to the NMPRC and dismissed the appeal. On March 6, 2019, the NMPRC issued a revised final order on remand in Case No. 17-00255-UT that, in part, eliminated the retroactive TCJA refund.

Fuel and Purchased Power Costs. Pursuant to NMPRC Rule 550, fuel and purchased power costs, net of the cost of off-system sales and related shared margins, are reconciled to actual costs on a monthly basis and recovered or refunded to customers the second succeeding month through the New Mexico Fuel and Purchased Power Cost Adjustment Clause ("FPPCAC"). The Company must file an application for continued use of its FPPCAC no more than four years from the date its last FPPCAC was continued. As required, the Company filed a request to continue use of its FPPCAC with the NMPRC on January 5, 2018, which was assigned Case No. 18-00006-UT. The NMPRC issued a final order in the case on February 13, 2019, which authorized the Company to continue use of its FPPCAC without change and approved the Company's reconciliation of its fuel and purchased power costs for the period January 1, 2015, through December 31, 2016. New Mexico jurisdictional fuel and purchased power costs subject to a future prudence review are fuel and purchased power costs from January 1, 2017, through June 30, 2020 that total approximately $122.5 million. At June 30, 2020, the Company had a net fuel under-recovery balance of approximately $2.6 million related to the FPPCAC in New Mexico.

Amendments to the New Mexico Renewable Energy Act (the "REA"). The REA requires electric utilities to meet a Renewable Portfolio Standard ("RPS") of twenty percent of its total retail sales to New Mexico customers by 2020. Effective June 14, 2019, the New Mexico Energy Transition Act amended the REA (the "Amended REA") to, among other things: (i) increase the RPS to forty percent by 2025, fifty percent by 2030, and eighty percent by 2040; (ii) impose a zero-carbon standard by 2045; (iii) eliminate the reduction to the RPS requirement for sales to qualifying large non-governmental customers whose costs are capped under the REA; (iv) set a statutory reasonable cost threshold; and (v) provide cost recovery for certain undepreciated investments and decommissioning costs, such as coal-fired generation, associated with generation required by the NMPRC to be discontinued and replaced with lower or zero-carbon generation. In administering the eighty percent RPS and zero-carbon standards, the Amended REA requires the NMPRC to consider certain factors, including safety, reliability and rate impact to customers. On October 10, 2019, the NMPRC initiated a rulemaking proceeding to implement the Amended REA in Case No. 19-00296-UT. The Company is currently evaluating the impact that the Amended REA may have on its operations. Further, the Company has not determined the costs associated with complying with the Amended REA including potential fines that could be associated with non-compliance.

New Mexico RPS. Effective January 1, 2018, pursuant to the final order in NMPRC Case No. 17-00090-UT, the RPS costs for New Mexico are recovered through a separate RPS Cost Rider and not through the FPPCAC. At June 30, 2020, the Company had a net fuel over-recovery balance related to the RPS Cost Rider of approximately $1.0 million. The RPS Cost Rider is updated in an annual NMPRC filing, including a reconciliation of the prior year's RPS costs and RPS Cost Rider revenue. On October 1, 2019, in Case No. 19-00099-UT, the Company filed its required application with the NMPRC for approval of its 2019 Annual Renewable Plan and for adjustment of its RPS Cost Rider for reconciliation of 2018 costs and revenues and to recover RPS costs for 2020. On November 18, 2019, the NMPRC issued an order suspending the procedural schedule in order to allow the Company to amend its filed plan after the completion of an ongoing Request for Proposals to solicit possible new resources, by no later than March 31, 2020. The order also required the Company to file a revised RPS Cost Rider to reconcile the net fuel over-recovery balance as of December 31, 2018, which the Company filed on December 2, 2019 and which became effective on January 1, 2020. On March 31, 2020, the Company filed an application for approval of its amended 2019 Annual Renewable Plan and 2020 Annual Renewable Plan and for adjustment of its RPS Cost Rider for reconciliation of 2019 costs and revenue and to recover RPS costs for 2021. The amended application includes a request for approval for 70 MW of new solar generation purchased power agreements for energy to be delivered to New Mexico customers beginning in 2022. On August 10, 2020, the Company filed a contested stipulation and supporting testimony which is opposed by a single intervenor. The City of Las Cruces filed testimony in opposition to the stipulation on August 17, 2020. The hearing on the contested stipulation is scheduled to begin on August 26, 2020. The Company cannot predict the outcome of this filing at this time.

Expedited Approval for CCN (Solar/Storage Project at New Mexico State University ("NMSU")). On November 20, 2019, the Company filed an application with the NMPRC requesting a certificate of public convenience and necessity to construct, own and operate a three-MW solar powered generation facility coupled with a one-MW battery storage system to be located on NMSU property in Arrowhead Park in the Company's service territory in New Mexico. The Company's application also seeks approval of a special retail rate contract between the Company and NMSU to recover the costs of the new facility and its operations from NMSU. The new facility will be a dedicated Company-owned resource serving NMSU. The Company has requested approval such that the project can begin construction in 2020 to maximize potential tax benefits. This case was assigned NMPRC Case No. 19-00350-UT. Following the withdrawal of the single protest filed in the case and the filing of a joint motion to amend the procedural schedule, the Hearing Examiner of the NMPRC (the "Hearing Examiner") issued an order vacating the requirements for party testimony, requiring an affidavit recommendation from NMPRC Staff, and setting a tentative hearing date for June 4, 2020. NMPRC Staff filed its affidavit recommending the application be approved on May 1, 2020. On May 15, 2020, the Hearing Examiner issued an order vacating the planned hearing and proceeded to a Recommended Decision approving a settlement in the case for consideration by the

NMPRC. The CCN and pricing contract for the new facility were approved by a final order of the NMPRC adopting the settlement on August 5, 2020.

New Mexico Efficient Use of Energy Recovery Factor ("EUERF"). On July 2, 2018, the Company filed its required application with the NMPRC for approval of its 2019-2021 Energy Efficiency and Load Management Plan ("EE/LM Plan") and EUERF. The application was assigned Case No. 18-00116-UT. On March 6, 2019, the NMPRC issued a final order approving: (i) the Company's 2019-2021 EE/LM Plan, with minor program modifications; (ii) the base incentive of 7.1% of program expenditures, or approximately $0.4 million annually for 2019-2021; and (iii) the continuation of the Company's EUERF. During 2019, the Company recorded incentives in operating revenues of $0.4 million related to its 2019 EE/LM Plan.

On May 22, 2020, the Company filed a motion to modify its 2019 EE/LM Plan to a new Residential Load Management Program ("RLMP") for the remaining 2020 and 2021 plan years to be funded through a reallocation of the Company's approved EE/LM Plan budgets for 2020 and 2021. An order granting the Company's motion for the new RLMP was issued by the NMPRC on July 22, 2020. The program is also being offered in the Company's Texas jurisdiction.

Newman Unit 6 CCN. On November 18, 2019, the Company filed an application with the NMPRC for a CCN to own and operate a new, approximately 228 MW, natural gas-fired unit to be constructed at Newman. The case was assigned NMPRC Case No. 19-00349-UT. The proposed unit is called Newman Unit 6. The new unit was selected through a competitive bidding process and is needed to serve growth in customer demand, to replace older and less efficient generators that the Company plans to retire in the next several years, and to help the Company meet its planning reserve margin. Hearings in the proceeding were held July 20-24, 2020. The Company filed additional information on August 7, 2020, pursuant to a Bench Request issued during the hearings. The Hearing Examiner set August 28, 2020 for additional hearings on the Bench Request responses if necessary. No party requested additional hearings by the deadline of August 20, 2020 and opening briefs are due on September 4, 2020. The Company cannot predict the outcome of this case at this time.

Long-Term Purchased Power Agreement ("LTPPA") Approval. On November 18, 2019, the Company filed an application with the NMPRC to request prior approval for three LTPPAs pursuant to NMPRC Rule 17.9.551 of the New Mexico Administrative Code ("Rule 551"). The case was assigned NMPRC Case No. 19-00348-UT. The three LTPPAs provide for the purchase of energy and capacity from: (i) a 100 MW solar plant to be constructed in Santa Teresa, New Mexico; (ii) a 100 MW solar plant combined with a 50 MW of battery energy storage to be constructed in Otero County, New Mexico; and (iii) a 50 MW battery energy storage facility to be constructed in Canutillo, Texas. Rule 551 requires that no utility become irrevocably obligated under a LTPPA without first obtaining the NMPRC's written approval of the agreement. On April 22, 2020, the Hearing Examiner issued a Recommended Decision in NMPRC Case No. 19-00348-UT recommending NMPRC approval of the solar plant and the combined solar plant and battery energy storage LTPPAs and disapproval of the battery energy storage LTPPA. On May 13, 2020, the NMPRC approved the Recommended Decision as filed.

COVID-19 Order. On March 19, 2020, the NMPRC issued an "Order Finding the Need for the Adoption and Issuance of an Immediate Temporary Emergency Rule Prohibiting the Discontinuation of Residential Customers Utility Service" adopting a temporary emergency rule prohibiting public utilities from discontinuing residential customer utility service during the period of the New Mexico Governor Lujan Grisham's Emergency Executive Orders related to the COVID-19. Based on those orders, the NMPRC found that a Public Health Emergency is in effect based on findings of an imminent peril to the public health, safety or welfare and the necessity for the preservation of the public, health, safety or general welfare. The NMPRC order does not prohibit disconnection of a residential customer's service during the time period during which the Emergency Executive Orders are in effect for emergency or safety reasons or upon customer request.

On June 24, 2020, in NMPRC Case No. 20-00069-UT, the NMPRC issued an order authorizing all public utilities regulated by the NMPRC to create regulatory assets for the accounting deferral of COVID-19 related uncollectible arrearages and other expenses incurred during the period beginning March 11, 2020 through the termination of the Governor of New Mexico's Executive Orders 2020-0004 through 2020-0010. The NMPRC order does not create a presumption of reasonableness or otherwise provide any guarantee of rate recovery of any costs or alleged lost revenues being deferred.

Other Required Approvals. The Company has obtained other required approvals for tariffs and other approvals as required by the New Mexico Public Utility Act and the NMPRC.

Federal Regulatory Matters

Inquiry Regarding the Effect of the TCJA on Commission-Jurisdictional Rates and Order to Show Cause. On March 15, 2018, the FERC issued two show cause orders under Section 206 of the Federal Power Act and Rule 209(a) of the FERC's Rules of Practice and Procedure, directing 48 individual public utilities with stated transmission rates or transmission formula rates with a fixed line item of 35% for the federal income tax component to, within 60 days of the date of the orders, either (i) propose revisions to their transmission rates under their open access transmission tariffs or transmission owner tariffs on file with the FERC, or (ii) show cause why they should not be required to do so ("Show Cause Proceeding"). The Company was included in the list of public utilities impacted by the FERC orders. On May 14, 2018, the Company submitted its response, as required by the FERC order, which demonstrated that the reduced annual income tax does not cause the Company's total transmission revenues to become excessive and therefore no rate reduction was justified. Instead, the Company stated in its response that it will prepare for a future filing in which it will seek approval for revised Open Access Transmission Tariff ("OATT") rates that would include the recovery of an increased total transmission revenue requirement from OATT customers based on current circumstances and appropriate forward-looking adjustments. On November 15, 2018, the FERC issued an order finding that the Company had demonstrated that no rate reduction was justified and terminating the Show Cause Proceeding. The Company expects to file a request for approval to revise OATT rates in the future.

FERC Audit. On February 6, 2019, the FERC notified the Company that it is commencing an audit that is intended to evaluate the Company's compliance with: (i) the approved terms, conditions, and rates of its OATT; (ii) the accounting requirements of the Uniform System of Accounts; (iii) the reporting requirements of the FERC Form No. 1 Annual Report and Supplemental Form 3-Q Quarterly Financial Reports; and (iv) the regulations regarding Open Access Same-time Information Systems. The audit covers the period January 1, 2016 to the present and was assigned FERC Docket No. PA19-3-000. The Company cannot predict the outcome or findings, if any, of the FERC audit at this time.

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

D. Palo Verde Generating Station

Decommissioning. Pursuant to the Arizona Nuclear Power Project Participation Agreement dated August 23, 1973, as amended (the "ANPP Participation Agreement") and federal law, the Company funds its share of the estimated costs to decommission Palo Verde Nuclear Generating Station ("Palo Verde") Units 1, 2 and 3, including the Common Facilities, through the term of their respective operating licenses and is required to maintain a minimum accumulation and funding level in its decommissioning account at the end of each annual reporting period during the life of the plant. The Company has established external trusts with an independent trustee, which enables the Company to record a current deduction for federal income tax purposes for most of the amounts funded. At June 30, 2020, the Company's decommissioning trust funds ("NDT") had a balance of $328.7 million, which is above its minimum funding level. The Company monitors the status of its decommissioning funds and adjusts its deposits, if necessary.

Decommissioning costs are estimated every three years based upon engineering cost studies performed by outside engineers retained by Arizona Public Service Company ("APS"). In May 2020, those utilities that share in power and energy entitlements, and bear certain allocated costs, with respect to Palo Verde pursuant to the ANPP Participation Agreement (the "Palo Verde Participants") approved the 2019 Palo Verde decommissioning study (the "2019 Study"). The 2019 Study estimated that the Company must fund approximately $467.3 million (stated in 2019 dollars) to cover its share of decommissioning costs which was a decrease in decommissioning costs of $2.3 million (stated in 2019 dollars) from the 2016 Palo Verde decommissioning study. The effect of this change decreased the ARO by $1.0 million, which was recorded in the second quarter of 2020, and will decrease annual expenses starting in July 2020. Although the 2019 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 uncertainty. As provided in the ANPP Participation Agreement, the Palo Verde Participants are required to conduct a new decommissioning study every three years. While the Company attempts to seek amounts in rates to meet its decommissioning obligations, it is not able to conclude given the evidence available to it now that it is probable these costs will continue to be collected over the period until decommissioning is expected to begin in 2044. The Company is ultimately responsible for these costs and its future actions combined with future decisions from regulators will determine how successful the Company is in this effort.

Spent Fuel and Waste Disposal. Pursuant to the Nuclear Waste Policy Act of 1982, as amended in 1987, the U.S. Department of Energy ("DOE") is legally obligated to accept and dispose of all spent nuclear fuel and other high-level radioactive waste generated by all domestic power reactors by 1998. The DOE's obligations are reflected in a contract for Disposal of Spent Nuclear Fuel and/or High Level Radioactive Waste with each nuclear power plant. The DOE failed to begin accepting spent nuclear fuel by 1998. On December 19, 2012, APS, acting on behalf of itself and the Palo Verde Participants, filed a second breach of contract lawsuit against the DOE. This lawsuit sought to recover damages incurred due to the DOE's failure to accept Palo Verde's spent nuclear fuel for the period beginning January 1, 2007 through June 30, 2011. Pursuant to the terms of the August 18, 2014 settlement agreement, and as amended with the DOE, APS files annual claims for the period July 1 of the then-previous year to June 30 of the then-current year on behalf of itself and the Palo Verde Participants. The settlement agreement, as amended, provides APS with a method for submitting claims and receiving recovery for costs incurred through December 31, 2019. In July 2020, APS accepted the DOE's extension of the settlement agreement for recovery of costs incurred through December 31, 2022.

On October 31, 2019, APS filed a $16.0 million claim for the period July 1, 2018 through June 30, 2019. In February 2020, the DOE approved this claim. On April 20, 2020, the Company received approximately $2.4 million, representing its share of the award, of which $0.9 million was credited to customers through the applicable fuel adjustment clauses.

Palo Verde Operations and Maintenance Expense. Included in "Operations and Maintenance" in the Company's Regulatory-Basis Statement of Income are expenses associated with Palo Verde as follows (in thousands):

	2020	2019
Three months ended June 30,	$ 24,195	$ 24,237
Six months ended June 30,	43,808	45,581

E. Common Stock

Merger. Upon the closing of the Merger on July 29, 2020, the Company's shareholders received $68.25 in cash for each share of the Company's common stock held. In connection with the closing of the Merger, the Company's common stock ceased trading on the New York Stock Exchange ("NYSE") after the market closed on July 29, 2020. See Note L of Notes to Financial Statements for further discussion.

Dividends. The Company paid $16.7 million and $15.7 million in quarterly cash dividends during the three months ended June 30, 2020 and 2019, respectively. The Company paid a total of $32.4 million and $30.4 million in quarterly cash dividends during the six months ended June 30, 2020 and 2019, respectively.

On July 28, 2020, the Board of Directors declared a "stub period" dividend in an amount equal to $0.004505 per share of the Company's common stock (which reflects the most recent regular quarterly common stock dividend rate of $0.41 per share, divided by 91 days), multiplied by the number of days from and including June 17, 2020, the day after the record date for the most recent regular quarterly common stock dividend, to and including the Merger closing date of July 29, 2020. The "stub period" dividend was payable to the holders of record of the Company's common stock as of the close of business on the last day that the Company's common stock was traded on the NYSE. See Note L of Notes to Financial Statements for further discussion.

F. Income Taxes

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, Texas, Arizona and New Mexico jurisdictions for years prior to 2015.

For the three months ended June 30, 2020 and 2019, the Company's regulatory-basis effective tax rate was 22.3% and 20.7%, respectively. For the six months ended June 30, 2020 and 2019, the Company's regulatory-basis effective tax rate was 20.1% and 20.3%, respectively. The Company's regulatory-basis effective tax rate for all periods in 2020 and 2019 differ from the federal statutory tax rate due to state income taxes, capital gains in the decommissioning trusts which are taxed at the federal rate of 20%, the tax benefit of stock incentive plans, tax reserves and other permanent differences.

G. Commitments, Contingencies and Uncertainties

For a full discussion of commitments and contingencies, see Note L of the Notes to Financial Statements in the 2019 FERC Form No. 1. In addition, see Notes C and D of Notes to Financial Statements above and Notes D and F of the Notes to Financial Statements in the 2019 FERC Form No. 1 regarding matters related to wholesale power sales contracts and transmission contracts subject to regulation and Palo Verde, including decommissioning, spent nuclear fuel and waste disposal, and liability and insurance matters.

Power Purchase and Sale Contracts

To supplement its own generation and operating reserve requirements and to meet its RPS requirements, the Company engages in power purchase arrangements that may vary in duration and amount based on an evaluation of the Company's resource needs, the economics of the transactions and specific RPS requirements. See Note C of Notes to Financial Statements for further discussion. In addition, for a discussion of power purchase and sale contracts that the Company has entered into with various counterparties, see Note L of the Notes to Financial Statements in the 2019 FERC Form No. 1.

Environmental Matters

The Company is subject to extensive laws, regulations and permit requirements with respect to air and greenhouse gas emissions, water discharges, soil and water quality, waste management and disposal, natural resources and other environmental matters by federal, state, regional, tribal and local authorities. Failure to comply with such laws, regulations and requirements can result in actions by authorities or other third parties that might seek to impose on the Company administrative, civil and/or criminal penalties or other sanctions. In addition, releases of pollutants or contaminants into the environment can result in costly cleanup liabilities. These laws, regulations and requirements are subject to change through modification or reinterpretation, or the introduction of new laws and regulations and, as a result, the Company may face additional capital and operating costs to comply.

National Ambient Air Quality Standards ("NAAQS"). Under the Clean Air Act, the U.S. Environmental Protection Agency ("EPA") sets NAAQS for six criteria pollutants considered harmful to public health and the environment, including particulate matter, nitrogen oxide, carbon monoxide, ozone and sulfur dioxide. On October 1, 2015, the EPA released a final rule (the "Final Rule") tightening the primary and secondary NAAQS for ground-level ozone from its 2008 standard levels of 75 parts per billion ("ppb") to 70 ppb. The EPA published the Final Rule on June 4, 2018, designating El Paso County, Texas, as "attainment/unclassifiable" under the 2015 ozone NAAQS and designating a section of southern Doña Ana County, New Mexico, as "nonattainment." In August 2018, several petitions for review of the Final Rule were filed in the D.C. Circuit. One of these petitions, filed by the City of Sunland Park, New Mexico, specifically challenges the "attainment/unclassifiable" designation of El Paso County, Texas. The Company and other intervenors filed and were granted motions to intervene in the challenges to EPA's 2015 ozone NAAQS designations. The case was heard by the D.C. Circuit in November 2019. In July 2020, the D.C. Circuit issued a decision granting EPA's request for a voluntary remand without vacatur for several designations, including El Paso. Pending further agency action, El Paso's attainment/unclassifiable designation remains in place. In response to the remand, EPA could either retain the current attainment/unclassifiable designation for El Paso or change it to another designation such as "nonattainment. "

States, including New Mexico, that contain any areas designated as nonattainment are required to complete development of implementation plans. The exact attainment date by which nonattainment areas will be required to meet the primary (health) standard will vary based on the ozone level in the area. The Company continues to evaluate what impact these final and proposed NAAQS could have on its operations. If the Company is required to install additional equipment to control emissions at its facilities, the NAAQS, individually or in the aggregate, could have a material impact on its operations and financial results.

H. Litigation

The Company is involved in various legal, environmental, tax and regulatory proceedings before various courts, regulatory commissions and governmental agencies regarding matters arising in the ordinary course of business. In many of these matters, the Company has excess casualty liability insurance that covers the various claims, actions and complaints. The Company regularly analyzes current information and, as necessary, makes provisions in its financial statements for probable liabilities for the eventual disposition of these matters. While the outcome of these matters cannot be predicted with certainty, based upon a review of the matters and applicable insurance coverage, the Company believes that none of these matters will have a material adverse effect on the financial position, results of operations or cash flows of the Company. The Company expenses legal costs, including expenses related to loss contingencies, as they are incurred.

See Notes C and G of Notes to Financial Statements above and Notes D and L of Notes to Financial Statements in the 2019 FERC Form No. 1 for further discussion of the effects of government legislation and regulation on the Company as well as certain pending legal proceedings.

Litigation Related to the Merger. Three purported Company shareholders filed lawsuits under the federal securities laws, two in the U.S. District Court for the Southern District of New York and one in the U.S. District Court for the District of Delaware, challenging the adequacy of the disclosures made in the Company's preliminary proxy statement in connection with the Merger (the "Preliminary Proxy Statement"). All three actions alleged violations of Sections 14(a) and 20(a) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and Rule 14a-9 promulgated thereunder based on various alleged omissions of material information from the Preliminary Proxy Statement. These cases were captioned *Stein v. El Paso Electric Company., et al.,* Case No. 1:19-cv-06703 (the "Stein Action"), *Rosenblatt v. El Paso Electric Company., et al.,* Case No. 1:19-cv-01367-UNA (the "Rosenblatt Action"), and *Gorski v. El Paso Electric Company., et. al.,* Case No. 1:19-cv-07211 (the "Gorski Action"), respectively. The Stein Action, filed on July 18, 2019, the Rosenblatt Action, filed on July 23, 2019, and the Gorski Action, filed on August 1, 2019, were asserted on behalf of putative classes of Company shareholders. The Rosenblatt Action was voluntarily dismissed on January 29, 2020; the Stein Action was dismissed for want of prosecution on March 6, 2020; and the Gorski Action was voluntarily dismissed on May 7, 2020. The Company expenses legal costs, including expenses related to loss contingencies, as they are incurred.

I. Employee Benefits

The Company adopted ASU 2017-07, Compensation-Retirement Benefits, effective January 1, 2018 for GAAP purposes. The Company records all components of net periodic pension cost as an operating expense in its regulatory-basis financial statements and has elected to conform to the GAAP capitalization policy, which is that only the service cost component is eligible for capitalization.

The cumulative impact of the change in capitalization policy, effective January 1, 2018, resulted in additional capitalized benefits cost of $6.9 million as of June 30, 2020. This will increase rate base in the future, while lowering cost of service by an offsetting amount. As the assets impacted by the change in rate base are depreciated over their useful life, rate base will decrease, offset by an increase in cost of service due to higher depreciation expense. While the Company believes that its Texas and New Mexico regulators are likely to accept the change in policy allowed by the FERC, the outcome of future rate proceedings in the Company's Texas and New Mexico jurisdictions relative to this change cannot be predicted at this time. In the event that one or both of the Company's regulatory jurisdictions reject the new capitalization policy in the next rate case proceeding, the Company would likely be required to record a regulatory liability and reconcile the capitalized differences between GAAP and regulatory-basis financial statements.

Retirement Plans

The net periodic benefit cost recognized for the three and six months ended June 30, 2020 and 2019, is made up of the components listed below as determined using the projected unit credit actuarial cost method (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2020	2019	2020	2019
Components of net periodic benefit cost:				
Service cost	$ 3,157	$ 2,465	$ 6,314	$ 4,953
Interest cost	3,095	3,619	6,190	7,227
Expected return on plan assets	(5,691)	(5,363)	(11,382)	(10,746)
Amortization of:				
Net loss	2,280	1,478	4,561	2,896
Prior service benefit	(876)	(875)	(1,753)	(1,753)
Net periodic benefit cost	$ 1,965	$ 1,324	$ 3,930	$ 2,577

During the six months ended June 30, 2020, the Company contributed $5.8 million of its projected $9.3 million 2020 annual contribution to its retirement plans.

Other Postretirement Benefits

The net periodic benefit recognized for the three and six months ended June 30, 2020 and 2019, is made up of the components listed below (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2020	2019	2020	2019
Components of net periodic benefit:				
Service cost	$ 800	$ 586	$ 1,601	$ 1,211
Interest Cost	488	610	977	1,228
Expected return on plan assets	(611)	(530)	(1,223)	(1,060)
Amortization of:				
Prior service benefit	(773)	(1,309)	(1,547)	(2,617)
Net gain	(836)	(613)	(1,672)	(1,188)
Net periodic benefit	$ (932)	$ (1,256)	$ (1,864)	$ (2,426)

During the six months ended June 30, 2020, the Company contributed $0.3 million of its projected $0.6 million 2020 annual contribution to its other postretirement benefits plan.

J. Financial Instruments and Investments

The FASB guidance requires the Company to disclose estimated fair values for its financial instruments. The Company has determined that cash and temporary investments, investment in debt securities, accounts receivable, NDT, that are reflected in Other Special Funds in the Regulatory-Basis Balance Sheet, long-term debt, financial obligations and capital lease obligations, short-term borrowings under the revolving credit facility ("RCF"), accounts payable and customer deposits meet the definition of financial instruments. The carrying amounts of cash and temporary investments, accounts receivable, accounts payable and customer deposits approximate fair value because of the short maturity of these items. Investments in debt securities and NDT are carried at estimated fair value.

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

	June 30, 2020		December 31, 2019	
	Carrying Amount	Estimated Fair Value	Carrying Amount	Estimated Fair Value
Pollution Control Bonds	$ 159,835	$ 167,037	$ 159,835	$ 167,256
Senior Notes	1,128,183	1,403,160	1,128,184	1,398,645
RGRT Senior Notes (1)	110,000	115,705	110,000	114,270
RCF (1)	288,889	288,889	115,657	115,657
Capitalized Operating Leases	5,204	5,204	5,607	5,607
Total	$ 1,692,111	$ 1,979,995	$ 1,519,283	$ 1,801,435

(1) Nuclear fuel capital lease obligations, as of June 30, 2020 and December 31, 2019, are funded through $110 million Rio Grande Resources Trust II ("RGRT") Senior Notes and $32.9 million and $31.7 million, respectively, under the RCF. As of June 30, 2020 and December 31, 2019, $256.0 million and $84.0 million, was outstanding under the RCF for working capital or general corporate purposes, respectively. The interest rate on the Company's borrowings under the RCF is reset throughout the quarter reflecting current market rates. Consequently, the carrying value approximates fair value. On August 17, 2020, the Company repaid in full at maturity $45.0 million aggregate principal amount of the 5.04% RGRT Senior Notes.

Marketable Securities. The Company's marketable securities, included in NDT that are reflected in Other Special Funds in the Regulatory-Basis Balance Sheet, are reported at fair value which was $328.7 million and $326.0 million at June 30, 2020 and December 31, 2019, respectively.

The investments in the Company's NDT are classified as equity securities and temporary cash and cash equivalents restricted solely for investment in the NDT. These investments are recorded at their estimated fair value in accordance with FASB guidance for certain investments in equity securities which requires entities to recognize changes in fair value for these securities in net income as reported in the Company's Regulatory-Basis Statement of Income.

During September 2019, the Company sold all of the fixed income securities classified as available for sale held in the NDT which approximated 450 individual securities. The proceeds were reinvested in three exchange traded funds that hold similar securities. The exchange traded funds meet the definition of equity securities with readily determinable fair values and therefore are not classified as available for sale beginning in September 2019.

The Company's available for sale securities in the NDT were sold from time to time and the Company used the specific identification basis to determine the amount to reclassify from accumulated other comprehensive income into net income. The proceeds from the sale of these securities during the three and six months ended June 30, 2020 and 2019, and the related effects on pre-tax income are as follows (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2020	2019	2020	2019
Proceeds from sales or maturities of available for sale securities	$ —	$ 7,116	$ —	$ 22,887
Gross realized gains included in pre-tax income	$ —	$ 55	$ —	$ 113
Gross realized losses included in pre-tax income	—	(196)	—	(1,083)
Net losses included in pre-tax income	$ —	$ (141)	$ —	$ (970)

Upon the adoption of ASU 2016-01, Financial Instruments - Overall, on January 1, 2018, the Company records, on a modified-retrospective basis, changes in fair market value for equity securities held in the NDT in the Company's Regulatory-Basis Statement of Income. The unrealized gains and losses recognized during the three and six months ended June 30, 2020 and 2019, and related effects on pre-tax income are as follows (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2020	2019	2020	2019
Net gains (losses) recognized on equity securities	$ 32,275	$ 5,327	$ (644)	$ 22,023
Less: Net gains (losses) recognized on equity securities sold	(198)	158	(174)	286
Unrealized gains (losses) recognized on equity securities still held at reporting date	$ 32,473	$ 5,169	$ (470)	$ 21,737

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

- Level 1 – Observable inputs that reflect quoted market prices for identical assets and liabilities in active markets. Financial assets utilizing Level 1 inputs include the NDT investments in active exchange-traded equity securities, mutual funds and U.S. Treasury securities that are in a highly liquid and active market. The Institutional Funds - International Equity investments are valued using the Net Asset Value ("NAV") provided by the administrator of the fund. The NAV price is quoted on a restrictive market although the underlying investments are traded on active markets. The NAV used for determining the fair value of the Institutional Funds - International Equity investments have readily determinable fair values. Accordingly, such fund values are categorized as Level 1.

- Level 2 – Inputs other than quoted market prices included in Level 1 that are observable for the asset or liability either directly or indirectly. The Company does not hold any financial assets utilizing Level 2 inputs in the NDT. Investments in fixed income securities were sold by the Company on September 30, 2019, and reinvested in similar fixed income securities held in three exchange traded funds. 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 analysis. Financial assets utilizing Level 3 inputs are the Company's investment in debt securities.

The fair value of the NDT and investments in debt securities at June 30, 2020 and December 31, 2019, and the level within the three levels of the fair value hierarchy defined by the FASB guidance are presented in the table below (in thousands):

Description of Securities	**Fair Value as of June 30, 2020**	**Quoted Prices in Active Markets for Identical Assets (Level 1)**	**Significant Other Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**
Trading Securities:				
Investments in Debt Securities	$ 1,579	$ —	$ —	$ 1,579
Equity Securities:				
Domestic (a)	$ 302,004	$ 302,004	$ —	$ —
International	25,014	25,014	—	—
Total Equity Securities	327,018	327,018	—	—
Cash and Cash Equivalents	1,723	1,723	—	—
Total	$ 328,741	$ 328,741	$ —	$ —

Description of Securities	Fair Value as of December 31, 2019	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Trading Securities:				
Investments in Debt Securities	$ 1,587	$ —	$ —	$ 1,587
Equity Securities:				
Domestic (a)	$ 295,065	$ 295,065	$ —	$ —
International	29,202	29,202	—	—
Total Equity Securities	324,267	324,267	—	—
Cash and Cash Equivalents	1,731	1,731	—	—
Total	$ 325,998	$ 325,998	$ —	$ —

(a) Includes $157.5 million and $148.1 million, as of June 30, 2020 and December 31, 2019, respectively, held in exchange traded funds with underlying investments in debt securities that meet the definition of equity securities with readily determinable fair values.

There were no purchases, sales, issuances and settlements related to the assets in the Level 3 fair value measurement category during the six months ended June 30, 2020.

K. Long-Term Debt and Financing Obligations

Revolving Credit Facility. The Company has an RCF for working capital and general corporate purposes and financing nuclear fuel through the RGRT. On March 20, 2020, the Company exercised its option to extend the maturity of the RCF by one year to September 13, 2024 and to increase the borrowing commitments under the RCF by $50.0 million to $400.0 million. The Company has the option to extend the facility by one additional year to September 2025 upon the satisfaction of certain conditions set forth in the RCF agreement, including requisite lender approval.

L. Merger (Subsequent Events)

On March 30, 2020, the FERC issued an order (the "FERC Order") authorizing the Merger, subject to the FERC's approval of mitigation to address certain discrete competitive effects of the Merger that could arise. The FERC concluded that the Merger, as conditioned, satisfies governing federal standards and authorized the Merger as consistent with the public interest. The FERC required that the proposed mitigation be filed within 45 days of the issuance of the FERC Order. On April 15, 2020, the Company and IIF filed proposed mitigation options with the FERC. On July 22, 2020, the FERC approved the proposed mitigation. Approval by the FERC was the final required regulatory approval under the Merger Agreement. The Company received approvals required to consummate the Merger from the NMPRC, the U.S. Nuclear Regulatory Commission, the PUCT, the City of El Paso, Texas, the Federal Trade Commission and the Antitrust Division of the Department of Justice. For additional information regarding these other regulatory approvals see the Company's 2019 FERC Form No. 1 and March 31, 2020 FERC Form 3-Q. On July 29, 2020, the Company announced that the Merger had closed.

On June 1, 2019, the Company entered into the Merger Agreement, by and among the Company, Parent and Merger Sub. On July 29, 2020, pursuant to the Merger Agreement, Merger Sub merged with and into the Company, with the Company continuing as the surviving corporation in the Merger and becoming a wholly owned subsidiary of Parent. Parent and Merger Sub are affiliates of IIF.

On July 29, 2020, each share of common stock of the Company including outstanding and unvested restricted stock and unvested performance stock of the Company was cancelled and converted into the right to receive $68.25 in cash, without interest. Parent's acquisition of all the issued and outstanding shares of Company common stock for $68.25 per share in cash represents a total equity value of approximately $2.8 billion.

On July 29, 2020, in connection with the closing of the Merger, the Company notified the NYSE that the Merger had been consummated and requested that the NYSE delist shares of Company common stock and file with the U.S. Securities and Exchange Commission ("SEC") a notification on Form 25 to report the delisting of shares of Company common stock from the NYSE and to deregister shares of Company common stock under Section 12(b) of the Exchange Act. Trading of the Company's common stock on the NYSE ceased after the market closed on July 29, 2020, and on July 31, 2020, the NYSE filed a Form 25 with the SEC.

On August 10, 2020, the Company filed a Form 15 with the SEC to terminate the registration of its common stock under the Exchange Act and to suspend its reporting obligations under Sections 12(g) and 15(d) of the Exchange Act.

The Company, Parent and IIF US Holding 2 LP have agreed to numerous regulatory commitments in connection with the Merger under the agreements with the PUCT, NMPRC, and the City of El Paso discussed above. Among the commitments that will apply to the Company as of the closing of the Merger are the issuance of rate credits to its Texas customers in a total aggregate amount of $21 million and to New Mexico customers of $8.7 million. Both rate credits will be distributed among customers in 36 monthly installments. The Company was required to make tariff filings to implement the rate credits no later than 45 days after the issuance of the PUCT final order approving the Merger in Docket No. 49849, which occurred on January 28, 2020, in Texas, and 7 days after the closing of the Merger, which occurred on July 29, 2020, in New Mexico. The Company made its required tariff filing in Texas under PUCT Docket No. 50477 on March 13, 2020, which was approved on June 30, 2020. The Company made its required tariff filing in New Mexico through an Advice Notice pursuant to NMPRC Case No. 19-00234-UT on July 27, 2020, which was approved on August 5, 2020. The Merger rate credits became effective in Texas and New Mexico on August 1, 2020, and August 5, 2020, respectively, following final closing of the Merger. The Company has agreed not to attempt to recover the value of these rate credits in future rate cases.

In connection with the Merger, the Company recorded $1.1 million and $2.4 million of strategic transaction costs, including expenses for legal and other consulting costs, in the three and six months ended June 30, 2020, respectively, which are reflected in Other Deductions Account 426.5 in the Company's Regulatory-Basis Statement of Income. At the time of the closing of the Merger, the Company recorded an additional $58.8 million of strategic transaction costs including $29.7 million in rate credits as discussed above. The Company will not attempt to recover strategic transaction costs in future rate cases. The Company will reflect any non-deductible amounts in the effective tax rate at the Merger closing date.

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
El Paso Electric Company	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2020/Q2

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

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

Line No.	Item (a)	Unrealized Gains and Losses on Available-for-Sale Securities (b)	Minimum Pension Liability adjustment (net amount) (c)	Foreign Currency Hedges (d)	Other Adjustments (e)
1	Balance of Account 219 at Beginning of Preceding Year	(2,748,804)			(24,923,193)
2	Preceding Qtr/Yr to Date Reclassifications from Acct 219 to Net Income	(1,713,417)			(4,144,063)
3	Preceding Quarter/Year to Date Changes in Fair Value	4,867,900			(9,424,206)
4	Total (lines 2 and 3)	3,154,483			(13,568,269)
5	Balance of Account 219 at End of Preceding Quarter/Year	405,679			(38,491,462)
6	Balance of Account 219 at Beginning of Current Year	405,679			(38,491,462)
7	Current Qtr/Yr to Date Reclassifications from Acct 219 to Net Income				(310,500)
8	Current Quarter/Year to Date Changes in Fair Value	(2,739)			
9	Total (lines 7 and 8)	(2,739)			(310,500)
10	Balance of Account 219 at End of Current Quarter/Year	402,940			(38,801,962)

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
El Paso Electric Company	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2020/Q2

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

Line No.	Other Cash Flow Hedges Interest Rate Swaps (f)	Other Cash Flow Hedges [Insert Footnote at Line 1 to specify] (g)	Totals for each category of items recorded in Account 219 (h)	Net Income (Carried Forward from Page 117, Line 78) (i)	Total Comprehensive Income (j)
1		(10,918,883)	(38,590,880)		
2		457,502	(5,399,978)		
3			(4,556,306)		
4		457,502	(9,956,284)	123,715,379	113,759,095
5		(10,461,381)	(48,547,164)		
6		(10,461,381)	(48,547,164)		
7		252,494	(58,006)		
8			(2,739)		
9		252,494	(60,745)	23,656,660	23,595,915
10		(10,208,887)	(48,607,909)		

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

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

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

During the first quarter of 2005, the Company entered into treasury rate lock agreements to hedge against potential movements in the treasury reference interest rate pending the issuance of 6% Senior Notes. These treasury rate locks were terminated on May 11, 2005. The treasury rate lock agreements met the criteria for hedge accounting and were designated as a cash flow hedge. In accordance with cash flow hedge accounting, the Company recorded the loss associated with the fair value of the cash flow hedge of approximately $14.5 million, net of tax, as a component of accumulated other comprehensive income. In May 2005, the Company began to recognize in earnings (as additional interest expense) the accumulated other comprehensive income associated with the cash flow hedge. During the next twelve-month period, approximately $0.7 million pre-tax of this accumulated other comprehensive income item will be reclassified to interest expense.

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

Report in Column (c) the amount for electric function, in column (d) the amount for gas function, in column (e), (f), and (g) report other (specify) and in column (h) common function.

Line No.	Classification (a)	Total Company for the Current Year/Quarter Ended (b)	Electric (c)
1	Utility Plant		
2	In Service		
3	Plant in Service (Classified)	4,682,607,236	4,682,607,236
4	Property Under Capital Leases	5,330,826	5,330,826
5	Plant Purchased or Sold		
6	Completed Construction not Classified	738,005,129	738,005,129
7	Experimental Plant Unclassified		
8	Total (3 thru 7)	5,425,943,191	5,425,943,191
9	Leased to Others		
10	Held for Future Use		
11	Construction Work in Progress	169,600,662	169,600,662
12	Acquisition Adjustments		
13	Total Utility Plant (8 thru 12)	5,595,543,853	5,595,543,853
14	Accum Prov for Depr, Amort, & Depl	2,428,373,250	2,428,373,250
15	Net Utility Plant (13 less 14)	3,167,170,603	3,167,170,603
16	Detail of Accum Prov for Depr, Amort & Depl		
17	In Service:		
18	Depreciation	2,354,454,641	2,354,454,641
19	Amort & Depl of Producing Nat Gas Land/Land Right		
20	Amort of Underground Storage Land/Land Rights		
21	Amort of Other Utility Plant	73,918,609	73,918,609
22	Total In Service (18 thru 21)	2,428,373,250	2,428,373,250
23	Leased to Others		
24	Depreciation		
25	Amortization and Depletion		
26	Total Leased to Others (24 & 25)		
27	Held for Future Use		
28	Depreciation		
29	Amortization		
30	Total Held for Future Use (28 & 29)		
31	Abandonment of Leases (Natural Gas)		
32	Amort of Plant Acquisition Adj		
33	Total Accum Prov (equals 14) (22,26,30,31,32)	2,428,373,250	2,428,373,250

ELECTRIC PLANT IN SERVICE AND ACCUMULATED PROVISION FOR DEPRECIATION BY FUNCTION

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

Line No.	Item (a)	Plant in Service Balance at End of Quarter (b)	Accumulated Depreciation and Amortization Balance at End of Quarter (c)
1	Intangible Plant	169,892,553	73,918,609
2	Steam Production Plant	589,875,752	260,622,328
3	Nuclear Production Plant	1,894,886,761	1,285,704,095
4	Hydraulic Production - Conventional		
5	Hydraulic Production - Pumped Storage		
6	Other Production	541,982,739	70,782,177
7	Transmission	563,762,017	242,288,165
8	Distribution	1,399,765,401	403,576,512
9	Regional Transmission and Market Operation		
10	General	265,777,968	91,481,364
11	TOTAL (Total of lines 1 through 10)	5,425,943,191	2,428,373,250

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
El Paso Electric Company	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2020/Q2

Transmission Service and Generation Interconnection Study Costs

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

Line No.	Description (a)	Costs Incurred During Period (b)	Account Charged (c)	Reimbursements Received During the Period (d)	Account Credited With Reimbursement (e)
1	**Transmission Studies**				
2	Spring 2020 TSR Cluster	11,172	186-000	(11,172)	186-000
3	Spring 2020 TSR Cluster	98	408-100	(98)	186-000
4	Spring 2020 TSR Cluster	4	925-000	(4)	186-000
5	Spring 2020 TSR Cluster	468	926-000	(468)	186-000
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
18					
19					
20					
21	**Generation Studies**				
22	Spring 2020 Cluster	36,526	186-000	(36,526)	186-000
23	Spring 2020 Cluster	41	408-100	(41)	186-000
24	Spring 2020 Cluster	2	925-000	(2)	186-000
25	Spring 2020 Cluster	252	926-000	(252)	186-000
26	AN20SB	4,075	186-000	(4,075)	186-000
27	AN20SB	49	408-100	(49)	186-000
28	AN20SB	3	925-000	(3)	186-000
29	AN20SB	288	926-000	(288)	186-000
30	Spring 2019 Cluster	73,991	186-000	(73,991)	186-000
31	Spring 2019 Cluster	119	408-100	(119)	186-000
32	Spring 2019 Cluster	6	925-000	(6)	186-000
33	Spring 2019 Cluster	617	926-000	(617)	186-000
34	Fall 2019 Cluster	96,732	186-000	(96,732)	186-000
35	Fall 2019 Cluster	215	408-100	(215)	186-000
36	Fall 2019 Cluster	10	925-000	(10)	186-000
37	Fall 2019 Cluster	1,142	926-000	(1,142)	186-000
38	EM250W	10,549	186-000	(10,549)	186-000
39	EM250W	70	408-100	(70)	186-000
40	EM250W	3	925-000	(3)	186-000

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
El Paso Electric Company	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2020/Q2

Transmission Service and Generation Interconnection Study Costs (continued)

Line No.	Description (a)	Costs Incurred During Period (b)	Account Charged (c)	Reimbursements Received During the Period (d)	Account Credited With Reimbursement (e)
1	**Transmission Studies**				
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
18					
19					
20					
21	**Generation Studies**				
22	EM250W	353	926-000	(353)	186-000
23	EM500W	310	186-000	(310)	186-000
24	EM500W	22	408-100	(22)	186-000
25	EM500W	1	925-000	(1)	186-000
26	EM500W	107	926-000	(107)	186-000
27					
28					
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40					

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
El Paso Electric Company	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2020/Q2

OTHER REGULATORY ASSETS (Account 182.3)

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

Line No.	Description and Purpose of Other Regulatory Assets (a)	Balance at Beginning of Current Quarter/Year (b)	Debits (c)	CREDITS: Written off During the Quarter /Year Account Charged (d)	CREDITS: Written off During the Period Amount (e)	Balance at end of Current Quarter/Year (f)
1	Taxes - Regulatory Assets	51,604,588	199,372	Various	748,107	51,055,853
2						
3	Rio Grande Resources Trust:					
4	Nuclear Fuel Postload Daily Finance Charge	4,512,936	743,051	518	707,083	4,548,904
5						
6	Coal Reclamation	3,239,479		501	165,133	3,074,346
7						
8	Four Corners Decommissioning	4,825,244		407.3	197,586	4,627,658
9						
10	Net Undercollection of Fuel Revenues:					
11	New Mexico		2,608,218			2,608,218
12	FERC		61,344			61,344
13						
14	Texas:					
15	2015 Texas Rate Case Costs	285,756		928	92,280	193,476
16	2017 Texas Rate Case Costs	1,221,712		928	282,549	939,163
17	Demand Response Program	203,873				203,873
18	Texas Tax Credit Refund	263,461				263,461
19	Texas TCRF Surcharge	2,767,213		440s	714,871	2,052,342
20	Texas Corporate Tax Compliance Reform	106,837				106,837
21	Texas Automated Metering System		39,643			39,643
22	Texas Energy Efficiency Program	245,886		254.3	245,886	
23	Texas TCRF Filing	294,355				294,355
24	Texas DCRF Filing	129,461				129,461
25						
26	New Mexico Renewable Energy:					
27	Credits and Related Costs	3,308,834		407.3	278,760	3,030,074
28						
29	New Mexico:					
30	2010 FPPCAC Audit	162,864		407.3	18,093	144,771
31	2020 New Mexico Rate Case Costs	472,228	574,114			1,046,342
32	Demand Response Program	210,274				210,274
33	New Mexico Energy Efficiency Program	88,529		254.3	88,529	
34						
35	FERC Cost of Service General	360,277	45,965			406,242
36						
37	Palo Verde Deferred Depreciation	3,920,803		407.3	38,046	3,882,757
38						
39	COVID-19 Related Costs	337,796	187,114			524,910
40						
41						
42						
43						
44	**TOTAL :**	78,562,406	4,458,821		3,576,923	79,444,304

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

Amortization period ranges from 5 to 40 years.

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

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

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

Final coal mine reclamation costs are related to the Company's previous ownership interest in the Four Corners Generation Station ("Four Corners"), and represent the cost to reclaim the land disturbed during the coal mining that was not previously reclaimed while the mine was in operation.

Pursuant to the final order in the 2016 Fuel Reconciliation, PUCT Docket No. 46308, the Texas jurisdiction portion of the final coal reclamation costs are to be recovered through fuel costs over a seven-year period beginning July 2016.

Pursuant to the final order in NMPRC Case No. 15-00109-UT, the New Mexico jurisdiction portion of the final coal reclamation costs are to be recovered through the Fuel and Purchased Power Cost Adjustment Clause ("FPPPCAC") over a seven-year period beginning with the rate case to be filed after closing the sale of the Company's interest in Four Corners on July 6, 2016.

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

The 2017 PUCT Final Order in Docket No. 46831 approved the recovery of approximately $5.5 million representing the Texas portion to decommission Four Corners, over a seven year period beginning August 2017.

The NMPRC in Case No. 15-00109-UT also approved the Company's request for an accounting order establishing $1.4 million of costs related to the decommissioning of Four Corners as a regulatory asset to be recovered over a seven-year period beginning in the rate case to be filed after closing the sale of the Company's interest in Four Corners on July 6, 2016.

Schedule Page: 232 Line No.: 15 Column: a

On August 25, 2016, the PUCT issued the 2016 PUCT Final Order in Docket No. 44941 approving the recovery of rate case expenses through a separate surcharge beginning October 1, 2016 and ending September 30, 2018. Subsequently, in the 2017 PUCT Final Order, the remaining 2015 rate case costs were combined with the 2017 rate case costs into one surcharge over three years beginning in January 2018.

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

On December 18, 2017, the PUCT issued the 2017 PUCT Final Order in the Company's rate case in Docket No. 46831 approving the recovery of rate case expenses through a surcharge over three years beginning in January 2018.

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

Represents costs associated with the Company's Demand Response Pilot Program. This program provides an incentive for customers to switch to eSmart Thermostats, giving the Company the ability to slightly modify the eSmart Thermostats during peak times. These program costs will be requested for recovery in a future rate making proceeding.

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

This item is related to the refund tariff ordered in PUCT Docket No. 48124. The tariff is designed to reduce Texas base rate charges for the decrease in federal income tax expense resulting from the TCJA. The over-refunded amount was addressed in the Company's 2019 Texas fuel reconciliation filing, PUCT Docket No. 50058.

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

This item represents revenue associated with the Company's 2019 TCRF rate filing in PUCT Docket No. 49148, related to the period from July 30, 2019 through December 31, 2019. The recovery period is over a period of 12 months beginning on April 1, 2020.

Schedule Page: 232 Line No.: 20 Column: a

Represents costs associated with the Company's filing of a proposed refund tariff with the

PUCT in Docket No. 48124. The tariff is designed to reduce Texas base rate charges for the decrease in federal income tax expense resulting from the TCJA. The Company will request recovery of these costs in the Company's next Texas rate case filing.

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

Represents costs associated with the Company's future Automated Metering System filing. These costs will be requested in a future regulatory filing.

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

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

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

Represents costs associated with the Company's filing to establish its Transmission Cost Recovery Factor ("TCRF") with the PUCT in Docket No. 49148. These costs will be requested in the next Texas base rate case filing.

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

Represents costs associated with the Company's filing to establish its Distribution Cost Recovery Factor ("DCRF") with the PUCT in Docket No. 49395. These costs will be requested in the next Texas base rate case filing.

Schedule Page: 232 Line No.: 27 Column: a

In NMPRC Case No.15-00127-UT, the NMPRC approved the Company's request to recover costs related to renewable energy certificates and procurement plan costs over a six-year period beginning July 1, 2016. The Company will request costs incurred after December 31, 2014 as a component of base rates in the Company's next New Mexico rate case filing.

Schedule Page: 232 Line No.: 30 Column: a

Represents costs incurred for a FPPCAC audit. The Company requested such amounts in NMPRC Case No. 15-00127-UT and they are being amortized over a six-year period which began when new rates became effective on July 1, 2016.

Schedule Page: 232 Line No.: 31 Column: a

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

Schedule Page: 232 Line No.: 32 Column: a

On February 22, 2017, the NMPRC approved, in Case No. 17-00016-UT, the Company's request to implement a Demand Response Pilot Program pursuant to its proposed Original Rate No. 37. This program provides an incentive for customers to switch to eSmart Thermostats, giving the Company the ability to slightly modify the eSmart Thermostats during peak times. These program costs will be requested for recovery in a future New Mexico rate making proceeding.

Schedule Page: 232 Line No.: 33 Column: a

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

Schedule Page: 232 Line No.: 35 Column: a

Represents costs incurred for the FERC transmission rate case expected to be filed in 2020. The Company will request these costs in the Company's FERC rate case filing.

Schedule Page: 232 Line No.: 37 Column: a

In NMPRC Case No. 09-00171-UT, the NMPRC extended the depreciable life of Palo Verde an additional 20 years for New Mexico ratemaking purposes, reducing the depreciation expense collected from New Mexico customers in rates, effective January 2010. In April 2011, the NRC renewed the operating license for all three units at Palo Verde for an additional 20 years; therefore, the incremental difference in Palo Verde depreciation for the New Mexico jurisdiction is being amortized to account 407.3 over the remaining life of Palo Verde.

Schedule Page: 232 Line No.: 39 Column: a

On March 26, 2020, the PUCT issued an order authorizing regulated utility companies the ability to use an accouting mechanism and subsequent process to seek future recovery of expenses resulting from the effects of COVID-19. These costs will be requested for recovery in a future Texas rate making proceeding.

Name of Respondent El Paso Electric Company	This Report Is: (1) [X] An Original (2) [ ] A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2020/Q2

OTHER REGULATORY LIABILITIES (Account 254)

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

Line No.	Description and Purpose of Other Regulatory Liabilities (a)	Balance at Begining of Current Quarter/Year (b)	DEBITS Account Credited (c)	DEBITS Amount (d)	Credits (e)	Balance at End of Current Quarter/Year (f)
1	Regulatory Tax Liabilities	289,193,239	Various	207,990		288,985,249
2						
3	Net Overcollection of:					
4	Texas Fuel Revenues	8,822,581	440s	875,414		7,947,167
5	New Mexico Fuel Revenues	827,039	440s	827,039		
6	New Mexico Renewable Procurement Standard Revenue	2,534,896	440s	1,536,280		998,616
7	FERC Fuel Revenues	56,535	440s	56,535		
8						
9	New Mexico Energy Efficiency Program		451,928		38,307	38,307
10						
11	Texas Energy Efficiency Program		451,928		271,744	271,744
12						
13	Texas Relate Back Surcharge	492,092	131		2,865	494,957
14						
15	New Mexico Gain on Sale of Assets	174,889				174,889
16						
17	Texas Military Base Discount and Recovery Factor	70,965	142		3,746	74,711
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	302,172,236		3,503,258	316,662	298,985,640

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

The recovery period for the regulatory liability in the amount of $256.8 million related to the reduction in the federal tax rate in 2017 will be addressed in the next base rate filings in all jurisdictions. Amortization period ranges from 5 to 40 years for items not related to the reduction in the federal tax rate in 2017.

Schedule Page: 278 Line No.: 9 Column: a

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

Schedule Page: 278 Line No.: 11 Column: a

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

Schedule Page: 278 Line No.: 13 Column: a

This item relates to the recovery of revenues through two separate surcharges; one for the 2015 Texas Retail Rate Case relate back revenues beginning October 1, 2016, and ending September 30, 2017, and a second surcharge for the 2017 Texas Retail Rate Case relate back revenues beginning January 10, 2018, and ending January 9, 2019. The over-recovered balance related to these surcharges was addressed in the 2019 Texas Fuel Reconciliation, PUCT Docket No. 50058.

Schedule Page: 278 Line No.: 15 Column: a

The balance represents gains on sale of assets that is being addressed in the Company's current New Mexico base rate case.

Schedule Page: 278 Line No.: 17 Column: a

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

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
El Paso Electric Company	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2020/Q2

ELECTRIC OPERATING REVENUES (Account 400)

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

Line No.	Title of Account (a)	Operating Revenues Year to Date Quarterly/Annual (b)	Operating Revenues Previous year (no Quarterly) (c)
1	Sales of Electricity		
2	(440) Residential Sales	166,913,571	138,656,811
3	(442) Commercial and Industrial Sales		
4	Small (or Comm.) (See Instr. 4)	101,412,643	98,521,202
5	Large (or Ind.) (See Instr. 4)	20,756,651	19,962,927
6	(444) Public Street and Highway Lighting	2,288,811	2,183,237
7	(445) Other Sales to Public Authorities	47,489,298	48,744,026
8	(446) Sales to Railroads and Railways		
9	(448) Interdepartmental Sales		
10	TOTAL Sales to Ultimate Consumers	338,860,974	308,068,203
11	(447) Sales for Resale	31,643,502	49,192,957
12	TOTAL Sales of Electricity	370,504,476	357,261,160
13	(Less) (449.1) Provision for Rate Refunds		
14	TOTAL Revenues Net of Prov. for Refunds	370,504,476	357,261,160
15	Other Operating Revenues		
16	(450) Forfeited Discounts	125,141	399,008
17	(451) Miscellaneous Service Revenues	6,411,462	6,830,326
18	(453) Sales of Water and Water Power		
19	(454) Rent from Electric Property	1,488,137	1,496,466
20	(455) Interdepartmental Rents		
21	(456) Other Electric Revenues	679,600	594,852
22	(456.1) Revenues from Transmission of Electricity of Others	10,242,097	10,856,573
23	(457.1) Regional Control Service Revenues		
24	(457.2) Miscellaneous Revenues		
25			
26	TOTAL Other Operating Revenues	18,946,437	20,177,225
27	TOTAL Electric Operating Revenues	389,450,913	377,438,385

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
El Paso Electric Company	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2020/Q2

ELECTRIC OPERATING REVENUES (Account 400)

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

MEGAWATT HOURS SOLD		AVG.NO. CUSTOMERS PER MONTH		Line No.
Year to Date Quarterly/Annual (d)	Amount Previous year (no Quarterly) (e)	Current Year (no Quarterly) (f)	Previous Year (no Quarterly) (g)	
				1
1,445,425	1,249,161			2
				3
1,066,370	1,117,851			4
477,431	523,913			5
18,435	18,397			6
686,024	717,048			7
				8
				9
3,693,685	3,626,370			10
2,083,770	1,931,969			11
5,777,455	5,558,339			12
				13
5,777,455	5,558,339			14

Line 12, column (b) includes $ 15,495,000 of unbilled revenues.

Line 12, column (d) includes 104,715 MWH relating to unbilled revenues

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

Includes 527,386 MWhs related to the Company's Power Purchase and Sales Agreement with Freeport-McMoRan dated December 16, 2005.

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

Includes 336,882 MWhs related to the Company's Power Purchase and Sales Agreement with Freeport-McMoRan dated December 16, 2005.

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

Includes 527,386 MWhs related to the Company's Power Purchase and Sales Agreement with Freeport-McMoRan dated December 16, 2005.

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

Includes 336,882 MWhs related to the Company's Power Purchase and Sales Agreement with Freeport-McMoRan dated December 16, 2005.

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

Includes 527,386 MWhs related to the Company's Power Purchase and Sales Agreement with Freeport-McMoRan dated December 16, 2005.

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

Includes 336,882 MWhs related to the Company's Power Purchase and Sales Agreement with Freeport-McMoRan dated December 16, 2005.

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

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

	June 2020
Non Pay Reconnect Charges	$ 407,551
Name Change/Cut in Charge	1,036,275
New Service Charges	206,092
Overhead/Underground Connection Charges	382,274
New Mexico Energy Efficiency Incentive	181,536
Texas and New Mexico Energy Efficiency Cost Recovery	3,851,803
Misc Other	345,931
Total	$ 6,411,462

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

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

	June 2019
Non Pay Reconnect Charges	$ 988,548
Name Change/Cut in Charge	1,103,654
New Service Charges	187,492
Overhead/Underground Connection Charges	366,986
Texas and New Mexico Energy Efficiency Cost Recovery	3,837,664
Misc Other	345,982
Total	$ 6,830,326

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

Includes $231,340 related to the Company's 15.8% share of Palo Verde other electric revenues from APS.

Includes $448,260 related to the sale of renewable energy certificates.

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

Includes $157,852 related to the Company's 15.8% share of Palo Verde other electric revenues from APS.

Includes $437,000 related to the sale of renewable energy certificates.

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
El Paso Electric Company	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2020/Q2

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

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

Line No.	Account (a)	Year to Date Quarter (b)
1	1. POWER PRODUCTION AND OTHER SUPPLY EXPENSES	
2	Steam Power Generation - Operation (500-509)	28,289,120
3	Steam Power Generation - Maintenance (510-515)	17,921,209
4	Total Power Production Expenses - Steam Power	46,210,329
5	Nuclear Power Generation - Operation (517-525)	44,460,252
6	Nuclear Power Generation – Maintenance (528-532)	8,635,122
7	Total Power Production Expenses - Nuclear Power	53,095,374
8	Hydraulic Power Generation - Operation (535-540.1)	
9	Hydraulic Power Generation – Maintenance (541-545.1)	
10	Total Power Production Expenses – Hydraulic Power	
11	Other Power Generation - Operation (546-550.1)	10,425,373
12	Other Power Generation - Maintenance (551-554.1)	3,131,575
13	Total Power Production Expenses - Other Power	13,556,948
14	Other Power Supply Expenses	
15	Purchased Power (555)	23,653,966
16	System Control and Load Dispatching (556)	518,085
17	Other Expenses (557)	60,000
18	Total Other Power Supply Expenses (line 15-17)	24,232,051
19	Total Power Production Expenses (Total of lines 4, 7, 10, 13 and 18)	137,094,702
20	2. TRANSMISSION EXPENSES	
21	Transmission Operation Expenses	
22	(560) Operation Supervision and Engineering	927,336
23		
24	(561.1) Load Dispatch-Reliability	67,977
25	(561.2) Load Dispatch-Monitor and Operate Transmission System	452,828
26	(561.3) Load Dispatch-Transmission Service and Scheduling	524,024
27	(561.4) Scheduling, System Control and Dispatch Services	319,070
28	(561.5) Reliability, Planning and Standards Development	316,837
29	(561.6) Transmission Service Studies	
30	(561.7) Generation Interconnection Studies	
31	(561.8) Reliability, Planning and Standards Development Services	
32	(562) Station Expenses	50,187
33	(563) Overhead Line Expenses	195,656
34	(564) Underground Line Expenses	
35	(565) Transmission of Electricity by Others	3,230,326
36	(566) Miscellaneous Transmission Expenses	3,934,148
37	(567) Rents	66,760
38	(567.1) Operation Supplies and Expenses (Non-Major)	

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
El Paso Electric Company	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2020/Q2

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

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

Line No.	Account (a)	Year to Date Quarter (b)
39	TOTAL Transmission Operation Expenses (Lines 22 - 38)	10,085,149
40	Transmission Maintenance Expenses	
41	(568) Maintenance Supervision and Engineering	7,624
42	(569) Maintenance of Structures	-4,936
43	(569.1) Maintenance of Computer Hardware	
44	(569.2) Maintenance of Computer Software	
45	(569.3) Maintenance of Communication Equipment	
46	(569.4) Maintenance of Miscellaneous Regional Transmission Plant	
47	(570) Maintenance of Station Equipment	190,500
48	(571) Maintenance Overhead Lines	760,327
49	(572) Maintenance of Underground Lines	
50	(573) Maintenance of Miscellaneous Transmission Plant	5,221
51	(574) Maintenance of Transmission Plant	
52	TOTAL Transmission Maintenance Expenses (Lines 41 - 51)	958,736
53	Total Transmission Expenses (Lines 39 and 52)	11,043,885
54	3. REGIONAL MARKET EXPENSES	
55	Regional Market Operation Expenses	
56	(575.1) Operation Supervision	
57	(575.2) Day-Ahead and Real-Time Market Facilitation	
58	(575.3) Transmission Rights Market Facilitation	
59	(575.4) Capacity Market Facilitation	
60	(575.5) Ancillary Services Market Facilitation	
61	(575.6) Market Monitoring and Compliance	
62	(575.7) Market Facilitation, Monitoring and Compliance Services	
63	Regional Market Operation Expenses (Lines 55 - 62)	
64	Regional Market Maintenance Expenses	
65	(576.1) Maintenance of Structures and Improvements	
66	(576.2) Maintenance of Computer Hardware	
67	(576.3) Maintenance of Computer Software	
68	(576.4) Maintenance of Communication Equipment	
69	(576.5) Maintenance of Miscellaneous Market Operation Plant	
70	Regional Market Maintenance Expenses (Lines 65-69)	
71	TOTAL Regional Control and Market Operation Expenses (Lines 63,70)	
72	4. DISTRIBUTION EXPENSES	
73	Distribution Operation Expenses (580-589)	7,564,738
74	Distribution Maintenance Expenses (590-598)	5,035,641
75	Total Distribution Expenses (Lines 73 and 74)	12,600,379

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
El Paso Electric Company	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2020/Q2

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

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

Line No.	Account (a)	Year to Date Quarter (b)
1	(901-905) Customer Accounts Expenses	9,505,459
2	(907-910) Customer Service and Information Expenses	64,605
3	(911-917) Sales Expenses	
4	8. ADMINISTRATIVE AND GENERAL EXPENSES	
5	Operations	
6	920 Administrative and General Salaries	14,762,400
7	921 Office Supplies and Expenses	2,627,377
8	(Less) 922 Administrative Expenses Transferred-Credit	
9	923 Outside Services Employed	7,905,829
10	924 Property Insurance	902,069
11	925 Injuries and Damages	2,213,965
12	926 Employee Pensions and Benefits	12,046,002
13	927 Franchise Requirements	
14	928 Regulatory Commission Expenses	6,925,107
15	(Less) 929 Duplicate Charges-Credit	
16	930.1General Advertising Expenses	493,701
17	930.2Miscellaneous General Expenses	9,270,071
18	931 Rents	204,638
19	TOTAL Operation (Total of lines 6 thru 18)	57,351,159
20	Maintenance	
21	935 Maintenance of General Plant	4,725,981
22	TOTAL Administrative and General Expenses (Total of lines 19 and 21)	62,077,140

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
El Paso Electric Company	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2020/Q2

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

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

Line No.	Payment By (Company of Public Authority) (Footnote Affiliation) (a)	Energy Received From (Company of Public Authority) (Footnote Affiliation) (b)	Energy Delivered To (Company of Public Authority) (Footnote Affiliation) (c)	Statistical Classifi-cation (d)
1	El Paso Electric Marketing	El Paso Electric Marketing	Tucson Electric Power Company	NF
2	El Paso Electric Marketing	El Paso Electric Marketing	Tucson Electric Power Company	NF
3	El Paso Electric Marketing	Tucson Electric Power Company	El Paso Electric Marketing	NF
4	El Paso Electric Marketing	Public Service Company of New Mex	El Paso Electric Marketing	NF
5	El Paso Electric Marketing	Tucson Electric Power Company	El Paso Electric Marketing	NF
6	El Paso Electric Marketing	Public Service Company of New Mex	El Paso Electric Marketing	NF
7	Rio Grande Electric Co-Op	El Paso Electric Marketing	El Paso Electric Marketing	FNO
8	Arizona Electric Power Cooperative	Salt River Project	Arizona Public Service Company	LFP
9	Arizona Electric Power Cooperative	Salt River Project	Arizona Public Service Company	NF
10	Arizona Electric Power Cooperative	Salt River Project	Arizona Public Service Company	SFP
11	Arizona Electric Power Cooperative	Arizona Public Service Company	Salt River Project	SFP
12	Avangrid Renewables LLC	Salt River Project	Arizona Public Service Company	NF
13	Brookfield Renewable Trading and Marketing	Salt River Project	Arizona Public Service Company	NF
14	Brookfield Renewable Trading and Marketing	Salt River Project	Arizona Public Service Company	NF
15	Central Arizona Water Conservation District	Salt River Project	Arizona Public Service Company	LFP
16	Central Arizona Water Conservation District	Salt River Project	Arizona Public Service Company	NF
17	Central Arizona Water Conservation District	Salt River Project	Arizona Public Service Company	SFP
18	City of Glendale	Salt River Project	Arizona Public Service Company	NF
19	City of Glendale	Salt River Project	Arizona Public Service Company	SFP
20	Coral Power	Salt River Project	Arizona Public Service Company	LFP
21	Coral Power	Arizona Public Service Company	Salt River Project	NF
22	Coral Power	Salt River Project	Arizona Public Service Company	SFP
23	Eagle Energy Partners	Salt River Project	Arizona Public Service Company	NF
24	Eagle Energy Partners	Salt River Project	Arizona Public Service Company	SFP
25	Eagle Energy Partners	Salt River Project	Arizona Public Service Company	SFP
26	Exelon Generation LLC	Salt River Project	Arizona Public Service Company	NF
27	Exelon Generation LLC	Salt River Project	Arizona Public Service Company	NF
28	Imperial Irrigation District	Salt River Project	Arizona Public Service Company	NF
29	Macquarie Cook Power	Salt River Project	Arizona Public Service Company	NF
30	Morgan Stanley	Salt River Project	Arizona Public Service Company	NF
31	Morgan Stanley	Salt River Project	Arizona Public Service Company	NF
32	Open Access Technology International, Inc.	Salt River Project	Arizona Public Service Company	NF
33	Powerex	Salt River Project	Arizona Public Service Company	NF
34	Public Service Company of New Mexico	Public Service Company of New Mex	Tucson Electric Power Company	LFP
	TOTAL			

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

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

FERC Rate Schedule of Tariff Number (e)	Point of Receipt (Subsatation or Other Designation) (f)	Point of Delivery (Substation or Other Designation) (g)	Billing Demand (MW) (h)	TRANSFER OF ENERGY MegaWatt Hours Received (i)	MegaWatt Hours Delivered (j)	Line No.
OATT	EPE System	Greenlee		6,395	6,395	1
OATT	EPE System	Springerville		520	520	2
OATT	Greenlee	EPE System		32	32	3
OATT	Luna	EPE System		125	125	4
OATT	Springerville	EPE System		4,627	4,627	5
OATT	Westmesa	EPE System		50	50	6
OATT	EPE System	Coyote/Farmer	11	18,923	18,923	7
OATT	Palo Verde	Westwing	125	45,766	45,766	8
OATT	Palo Verde	Westwing		696	696	9
OATT	Palo Verde	Westwing		132	132	10
OATT	Westwing	Palo Verde				11
OATT	Palo Verde	Westwing		953	953	12
OATT	Palo Verde	Westwing		1,650	1,650	13
OATT	Palo Verde	Westwing		1,295	1,295	14
OATT	Palo Verde	Westwing	80	146,115	146,115	15
OATT	Palo Verde	Westwing		101,100	101,100	16
OATT	Palo Verde	Westwing		1,024	1,024	17
OATT	Palo Verde	Westwing		6	6	18
OATT	Palo Verde	Westwing		8	8	19
OATT	Palo Verde	Westwing	125	31,728	31,728	20
OATT	Westwing	Palo Verde		241	241	21
OATT	Palo Verde	Westwing		93	93	22
OATT	Palo Verde	Westwing		2,601	2,601	23
OATT	Palo Verde	Westwing		96	96	24
OATT	Palo Verde	Westwing		28	28	25
OATT	Palo Verde	Westwing		1,000	1,000	26
OATT	Palo Verde	Westwing		2,403	2,403	27
OATT	Palo Verde	Westwing		60	60	28
OATT	Palo Verde	Westwing		1,273	1,273	29
OATT	Palo Verde	Westwing		65,331	65,331	30
OATT	Palo Verde	Westwing		12,400	12,400	31
OATT	Palo Verde	Westwing		144	144	32
OATT	Palo Verde	Westwing		4,244	4,244	33
OATT	Afton	Springerville	94	57,497	57,497	34
			912	**1,407,788**	**1,407,788**	

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
El Paso Electric Company	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2020/Q2

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

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

REVENUE FROM TRANSMISSION OF ELECTRICITY FOR OTHERS				
Demand Charges ($) (k)	Energy Charges ($) (l)	(Other Charges) ($) (m)	Total Revenues ($) (k+l+m) (n)	Line No.
				1
				2
				3
				4
				5
				6
51,729			51,729	7
153,128			153,128	8
	621		621	9
				10
	92		92	11
	638		638	12
	2,297		2,297	13
	1,256		1,256	14
98,060			98,060	15
	72,545		72,545	16
	3,381		3,381	17
	6		6	18
	8		8	19
152,955			152,955	20
	351		351	21
				22
	4,238		4,238	23
	54		54	24
	301		301	25
	766		766	26
	2,385		2,385	27
	158		158	28
	890		890	29
	57,655		57,655	30
	9,673		9,673	31
	88		88	32
	3,737		3,737	33
681,578			681,578	34
3,410,691	**1,751,873**	**0**	**5,162,564**	

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
El Paso Electric Company	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2020/Q2

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

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

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

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
El Paso Electric Company	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2020/Q2

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

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

FERC Rate Schedule of Tariff Number (e)	Point of Receipt (Subsatation or Other Designation) (f)	Point of Delivery (Substation or Other Designation) (g)	Billing Demand (MW) (h)	TRANSFER OF ENERGY MegaWatt Hours Received (i)	TRANSFER OF ENERGY MegaWatt Hours Delivered (j)	Line No.
OATT	Afton	Westmesa	141	68,656	68,656	1
OATT	Luna	Springerville	60	62,649	62,649	2
OATT	Westmesa	Amrad	25	25,578	25,578	3
OATT	Afton	Amrad		44	44	4
OATT	Afton	Westmesa		1	1	5
OATT	Westmesa	Amrad		615	615	6
OATT	Westmesa	Amrad		250	250	7
OATT	Afton	Amrad		12,734	12,734	8
OATT	Afton	Amrad		6,088	6,088	9
OATT	Afton	Luna		10,780	10,780	10
OATT	Afton	Luna		6,897	6,897	11
OATT	Afton	Springerville		2,431	2,431	12
OATT	Afton	Westmesa		5,308	5,308	13
OATT	Greenlee	Luna		336	336	14
OATT	Las Cruces	Amrad		105	105	15
OATT	Luna	Amrad		365	365	16
OATT	Luna	Amrad		181	181	17
OATT	Luna	Springerville		11,472	11,472	18
OATT	Westmesa	Amrad		7,926	7,926	19
OATT	Westmesa	Amrad		2,200	2,200	20
OATT	Palo Verde	Westwing		15	15	21
OATT	Palo Verde	Westwing		867	867	22
OATT	Westwing	Palo Verde		80	80	23
OATT	Westwing	Palo Verde		30	30	24
80	Springerville	Las Cruces/Orogrande	50	85,983	85,983	25
OATT	Springerville	Las Cruces/Orogrande		3,637	3,637	26
OATT	Springerville	Las Cruces		46	46	27
OATT	Jojoba	Kyrene	142	197,063	197,063	28
OATT	Luna	Greenlee	30	45,976	45,976	29
OATT	Luna	Springerville	10			30
OATT	Jojoba	Westwing		3,375	3,375	31
OATT	Luna	Greenlee	5	935	935	32
OATT	Luna	Greenlee	2	137	137	33
OATT	Luna	Greenlee		5,826	5,826	34
			912	**1,407,788**	**1,407,788**	

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
El Paso Electric Company	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2020/Q2

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

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

REVENUE FROM TRANSMISSION OF ELECTRICITY FOR OTHERS

Demand Charges ($) (k)	Energy Charges ($) (l)	(Other Charges) ($) (m)	Total Revenues ($) (k+l+m) (n)	Line No.
587,005			587,005	1
436,365			436,365	2
181,819			181,819	3
	199		199	4
	11		11	5
	4,074		4,074	6
	1,575		1,575	7
	74,199		74,199	8
	36,719		36,719	9
	79,038		79,038	10
	43,568		43,568	11
				12
	12,753		12,753	13
	2,098		2,098	14
	599		599	15
	1,852		1,852	16
	1,027		1,027	17
	629,066		629,066	18
	38,720		38,720	19
	5,521		5,521	20
	14		14	21
	1,053		1,053	22
	57		57	23
	17		17	24
346,500			346,500	25
				26
				27
399,127			399,127	28
218,183			218,183	29
				30
	8,866		8,866	31
12,120			12,120	32
4,848			4,848	33
	87,784		87,784	34
3,410,691	**1,751,873**	**0**	**5,162,564**	

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
El Paso Electric Company	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2020/Q2

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

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

Line No.	Payment By (Company of Public Authority) (Footnote Affiliation) (a)	Energy Received From (Company of Public Authority) (Footnote Affiliation) (b)	Energy Delivered To (Company of Public Authority) (Footnote Affiliation) (c)	Statistical Classifi-cation (d)
1	Tucson Electric Power Company	Public Service Company of New Mex	Tucson Electric Power Company	NF
2	Tucson Electric Power Company	Tucson Electric Power Company	Tucson Electric Power Company	NF
3	Tucson Electric Power Company	Tucson Electric Power Company	Public Service Company of New Mex	NF
4	Tucson Electric Power Company	Tucson Electric Power Company	Tucson Electric Power Company	NF
5	Tucson Electric Power Company	Salt River Project	Arizona Public Service Company	NF
6	Tucson Electric Power Company	Tucson Electric Power Company	Public Service Company of New Mex	NF
7	Tucson Electric Power Company	Salt River Project	Salt River Project	SFP
8	Tucson Electric Power Company	Salt River Project	Salt River Project	SFP
9	Tucson Electric Power Company	Salt River Project	Salt River Project	SFP
10	Tucson Electric Power Company	Public Service Company of New Mex	Tucson Electric Power Company	SFP
11	Tucson Electric Power Company	Public Service Company of New Mex	Tucson Electric Power Company	SFP
12	Tucson Electric Power Company	Tucson Electric Power Company	Tucson Electric Power Company	SFP
13	Tucson Electric Power Company	Tucson Electric Power Company	Tucson Electric Power Company	SFP
14	Tucson Electric Power Company	Tucson Electric Power Company	Tucson Electric Power Company	SFP
15	UniSource Energy Services	Salt River Project	Arizona Public Service Company	NF
16	UniSource Energy Services	Salt River Project	Arizona Public Service Company	NF
17	Western Area Power Admin	Public Service Company of New Mex	El Paso Electric Company	LFP
18	Western Area Power Admin	Public Service Company of New Mex	El Paso Electric Company	SFP
19				
20				
21				
22				
23				
24				
25				
26				
27				
28				
29				
30				
31				
32				
33				
34				
	TOTAL			

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

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

FERC Rate Schedule of Tariff Number (e)	Point of Receipt (Subsatation or Other Designation) (f)	Point of Delivery (Substation or Other Designation) (g)	Billing Demand (MW) (h)	TRANSFER OF ENERGY MegaWatt Hours Received (i)	TRANSFER OF ENERGY MegaWatt Hours Delivered (j)	Line No.
OATT	Luna	Springerville		576	576	1
OATT	Macho Springs	Greenlee		93	93	2
OATT	Macho Springs	Luna		229	229	3
OATT	Macho Springs	Springerville		2,510	2,510	4
OATT	Palo Verde	Westwing		54,496	54,496	5
OATT	Springerville	Luna		834	834	6
OATT	Jojoba	Kyrene		918	918	7
OATT	Jojoba	Palo Verde		3,525	3,525	8
OATT	Jojoba	Palo Verde		158,152	158,152	9
OATT	Luna	Greenlee		1,945	1,945	10
OATT	Luna	Springerville		3,127	3,127	11
OATT	Macho Springs	Springerville		2,760	2,760	12
OATT	Macho Springs	Springerville	10	11,979	11,979	13
OATT	Macho Springs	Springerville		11,117	11,117	14
OATT	Jojoba	Westwing		604	604	15
OATT	Palo Verde	Westwing		75,872	75,872	16
OATT	Westmesa	Holloman	2	1,831	1,831	17
OATT	Westmesa	Holloman		78	78	18
						19
						20
						21
						22
						23
						24
						25
						26
						27
						28
						29
						30
						31
						32
						33
						34
			912	**1,407,788**	**1,407,788**	

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

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

REVENUE FROM TRANSMISSION OF ELECTRICITY FOR OTHERS

Demand Charges ($) (k)	Energy Charges ($) (l)	(Other Charges) ($) (m)	Total Revenues ($) (k+l+m) (n)	Line No.
	2,882		2,882	1
	685		685	2
	1,307		1,307	3
	17,927		17,927	4
	46,563		46,563	5
	4,565		4,565	6
				7
	5,346		5,346	8
	274,654		274,654	9
				10
	16,404		16,404	11
	37,122		37,122	12
72,728			72,728	13
	87,791		87,791	14
	1,616		1,616	15
	65,061		65,061	16
14,546			14,546	17
				18
				19
				20
				21
				22
				23
				24
				25
				26
				27
				28
				29
				30
				31
				32
				33
				34
3,410,691	**1,751,873**	**0**	**5,162,564**	

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

El Paso Electric Marketing refers to El Paso Electric Company's Resource Management Department.

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

El Paso Electric Marketing refers to El Paso Electric Company's Resource Management Department.

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

OATT = Open Access Transmission Tariff.

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

El Paso Electric Marketing refers to El Paso Electric Company's Resource Management Department.

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

El Paso Electric Marketing refers to El Paso Electric Company's Resource Management Department.

Schedule Page: 328 Line No.: 3 Column: a

El Paso Electric Marketing refers to El Paso Electric Company's Resource Management Department.

Schedule Page: 328 Line No.: 3 Column: c

El Paso Electric Marketing refers to El Paso Electric Company's Resource Management Department.

Schedule Page: 328 Line No.: 4 Column: a

El Paso Electric Marketing refers to El Paso Electric Company's Resource Management Department.

Schedule Page: 328 Line No.: 4 Column: c

El Paso Electric Marketing refers to El Paso Electric Company's Resource Management Department.

Schedule Page: 328 Line No.: 5 Column: a

El Paso Electric Marketing refers to El Paso Electric Company's Resource Management Department.

Schedule Page: 328 Line No.: 5 Column: c

El Paso Electric Marketing refers to El Paso Electric Company's Resource Management Department.

Schedule Page: 328 Line No.: 6 Column: a

El Paso Electric Marketing refers to El Paso Electric Company's Resource Management Department.

Schedule Page: 328 Line No.: 6 Column: c

El Paso Electric Marketing refers to El Paso Electric Company's Resource Management Department.

Schedule Page: 328 Line No.: 7 Column: b

El Paso Electric Marketing refers to El Paso Electric Company's Resource Management Department.

Schedule Page: 328 Line No.: 7 Column: c

El Paso Electric Marketing refers to El Paso Electric Company's Resource Management Department.

Schedule Page: 328 Line No.: 7 Column: d

Network Integration Transmission Service. Evergreen contract may expire on March 31st of the applicable year with a prior two year notice.

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

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

Schedule Page: 328 Line No.: 10 Column: i

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

Schedule Page: 328 Line No.: 15 Column: d

Firm transmission contract of 80 MW, expiration January 1, 2025.

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

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

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

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

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

Firm transmission contract, expiration August 1, 2024.

Schedule Page: 328.1 Line No.: 1 Column: d

Firm transmission contracts of 111 and 30 MW, expiration January 1, 2024. Includes 111 MW generation dependent firm transmission service per executed service agreement. Service was partially redirected to hourly services.

Schedule Page: 328.1 Line No.: 2 Column: d

Firm transmission contract, expiration January 1, 2025.

Schedule Page: 328.1 Line No.: 3 Column: d

Firm transmission contract, expiration July 1, 2023.

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

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

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

Losses billed to PNM under the FERC approved Operating Procedure 10.

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

Firm grandfathered transmission contract, expiration January 1, 2026.

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

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

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

Transmission provided in conjunction with the 2005 New Mexico Transmission System Operating Procedures, Section 8 Usable SNMIC ("NMTOP").

Schedule Page: 328.1 Line No.: 28 Column: d

Firm transmission contract, expiration January 1, 2025.

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

Firm transmission contract, expiration November 1, 2029.

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

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

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

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

Schedule Page: 328.2 Line No.: 10 Column: i

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

Schedule Page: 328.2 Line No.: 17 Column: d

Firm transmission contract, expiration October 1, 2024.

Schedule Page: 328.2 Line No.: 18 Column: i

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

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
El Paso Electric Company	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2020/Q2

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: Magawatt-hours Received (c)	TRANSFER OF ENERGY: Magawatt-hours Delivered (d)	EXPENSES FOR TRANSMISSION OF ELECTRICITY BY OTHERS: Demand Charges ($) (e)	Energy Charges ($) (f)	Other Charges ($) (g)	Total Cost of Transmission ($) (h)
1	Public Serv. Co. of NM	LFP	165,085	165,085	957,086			957,086
2	Public Serv. Co. of NM	LFP	4,277	4,277	184,055			184,055
3	Public Serv. Co. of NM	SFP	10,943	10,943				
4	Public Serv. Co. of NM	NF	5,599	5,599		45,112		45,112
5	Salt River Project	OLF	63,383	63,383	434,599			434,599
6	Salt River Project	SFP	1,648	1,648		12,676		12,676
7	Salt River Project	NF	1,702	1,702		12,947		12,947
8	Tristate G&T Assn, Inc	SFP	200	200		3,248		3,248
9	Tucson Electric Power	OLF	101,537	101,537				
10	Tucson Electric Power	SFP	399	399		3,328		3,328
11	Tucson Electric Power	NF	1,502	1,502		12,326		12,326
12								
13								
14								
15								
16								
	TOTAL		356,275	356,275	1,575,740	89,637		1,665,377

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

Contract terminates July 1, 2022.

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

Amounts shown based on actual energy flows.

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

Amounts shown based on actual energy flows.

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

Contract terminates June 1, 2024.

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

Amounts shown based on actual energy flows.

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

Amounts shown based on actual energy flows.

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

Amounts shown based on actual energy flows.

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

Amounts shown based on actual energy flows.

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

Amounts shown based on transmission reservations.

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

Amounts shown based on transmission reservations.

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

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

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

Contract expires concurrent with the ANPP Participation Agreement.

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

Amounts shown based on actual energy flows.

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

Amounts shown based on actual energy flows.

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

Amounts shown based on transmission reservations.

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

Amounts shown based on transmission reservations.

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

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

Schedule Page: 332 Line No.: 7 Column: c

Amounts shown based on transmission reservations.

Schedule Page: 332 Line No.: 7 Column: d

Amounts shown based on transmission reservations.

Schedule Page: 332 Line No.: 7 Column: f

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

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: b

Service Schedule C terminates on the date of retirement of the last generating unit at Palo Verde, subject to twelve-month notice of termination by the Company.

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

Amounts shown based on actual energy flows.

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

Amounts shown based on actual energy flows.

Schedule Page: 332 Line No.: 9 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.: 10 Column: c

Amounts shown based on transmission reservations.

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

Amounts shown based on transmission reservations.

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

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

Schedule Page: 332 Line No.: 11 Column: c

Amounts shown based on transmission reservations.

Schedule Page: 332 Line No.: 11 Column: d

Amounts shown based on transmission reservations.

Schedule Page: 332 Line No.: 11 Column: f

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

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
El Paso Electric Company	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2020/Q2

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

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

Line No.	Functional Classification (a)	Depreciation Expense (Account 403) (b)	Depreciation Expense for Asset Retirement Costs (Account 403.1) (c)	Amortization of Other Limited-Term Electric Plant (Account 404) (e)	Amortization of Other Electric Plant (Account 405) (e)	Total (f)
1	Intangible Plant			4,496,522		4,496,522
2	Steam Production Plant	6,082,529	(11,572)			6,070,957
3	Nuclear Production Plant	14,575,153	(658,584)			13,916,569
4	Hydraulic Production Plant Conv					
5	Hydraulic Production Plant - Pumped Storage					
6	Other Production Plant	6,230,912	3,044			6,233,956
7	Transmission Plant	3,828,449				3,828,449
8	Distribution Plant	12,131,593				12,131,593
9	General Plant	5,867,162	3,317			5,870,479
10	Common Plant					
11	TOTAL ELECTRIC (lines 2 through 10)	48,715,798	(663,795)	4,496,522		52,548,525

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
El Paso Electric Company	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2020/Q2

MONTHLY PEAKS AND OUTPUT

(1) (1) Report the monthly peak load and energy output. If the respondent has two or more power systems which are not physically integrated, furnish the required information for each non- integrated system. In quarter 1 report January, February, and March only. In quarter 2 report April, May, and June only. In quarter 3 report July, August, and September only.
(2) Report on column (b) by month the system's output in Megawatt hours for each month.
(3) Report on column (c) by month the non-requirements sales for resale. Include in the monthly amounts any energy losses associated with the sales.
(4) Report on column (d) by month the system's monthly maximum megawatt load (60 minute integration) associated with the system.
(5) Report on columns (e) and (f) the specified information for each monthly peak load reported on column (d).
(6) Report Monthly Peak Hours in military time; 0100 for 1:00 AM, 1200 for 12 AM, and 1830 for 6:30 PM, etc.

NAME OF SYSTEM:

Line No.	Month (a)	Total Monthly Energy (MWH) (b)	Monthly Non-Requirements Sales for Resale & Associated Losses (c)	MONTHLY PEAK Megawatts (See Instr. 4) (d)	MONTHLY PEAK Day of Month (e)	MONTHLY PEAK Hour (f)
1	January	987,410	386,606	1,078	2	1900
2	February	893,534	327,224	1,133	11	1900
3	March	977,089	402,368	1,015	3	1900
4	Total	2,858,033	1,116,198	3,226		
5	April	883,015	312,762	1,386	30	1700
6	May	1,106,613	351,596	1,650	18	1600
7	June	1,169,639	273,010	1,932	22	1600
8	Total	3,159,267	937,368	4,968		
9	July				0	0
10	August				0	0
11	September				0	0
12	Total					

Name of Respondent El Paso Electric Company	This Report is: (1) X An Original (2) __ A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2020/Q2

FOOTNOTE DATA

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

Includes 91,915 MWhs related to the Company's Power Purchase and Sales Agreement with Freeport-McMoRan dated December 16, 2005.

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

Includes 91,915 MWhs related to the Company's Power Purchase and Sales Agreement with Freeport-McMoRan dated December 16, 2005.

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

Includes 86,102 MWhs related to the Company's Power Purchase and Sales Agreement with Freeport-McMoRan dated December 16, 2005.

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

Includes 86,102 MWhs related to the Company's Power Purchase and Sales Agreement with Freeport-McMoRan dated December 16, 2005.

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

Includes 91,044 MWhs related to the Company's Power Purchase and Sales Agreement with Freeport-McMoRan dated December 16, 2005.

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

Includes 91,044 MWhs related to the Company's Power Purchase and Sales Agreement with Freeport-McMoRan dated December 16, 2005.

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

Includes 84,710 MWhs related to the Company's Power Purchase and Sales Agreement with Freeport-McMoRan dated December 16, 2005.

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

Includes 84,710 MWhs related to the Company's Power Purchase and Sales Agreement with Freeport-McMoRan dated December 16, 2005.

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

Includes 92,492 MWhs related to the Company's Power Purchase and Sales Agreement with Freeport-McMoRan dated December 16, 2005.

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

Includes 92,492 MWhs related to the Company's Power Purchase and Sales Agreement with Freeport-McMoRan dated December 16, 2005.

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

Includes 81,123 MWhs related to the Company's Power Purchase and Sales Agreement with Freeport-McMoRan dated December 16, 2005.

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

Includes 81,123 MWhs related to the Company's Power Purchase and Sales Agreement with Freeport-McMoRan dated December 16, 2005.

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
El Paso Electric Company	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2020/Q2

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	1,078	2	1900		6	761	50	73	
2	February	1,133	11	1900		7	758	50	76	
3	March	1,015	3	1900		5	764	50	70	
4	Total for Quarter 1					18	2,283	150	219	
5	April	1,386	30	1700		9	763	50	71	
6	May	1,650	18	1600		11	763	50	71	
7	June	1,932	22	1600		13	763	50	71	
8	Total for Quarter 2					33	2,289	150	213	
9	July									
10	August									
11	September									
12	Total for Quarter 3									
13	October									
14	November									
15	December									
16	Total for Quarter 4									
17	Total Year to Date/Year					51	4,572	300	432	

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Schedule	Page No.