

EL PASO ELECTRIC COMPANY
THIRD REVISED RULE NO. 18
CANCELLING SECOND REVISED RULE NO. 18



LIABILITY AND INDEMNITY

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The Company will use reasonable diligence to furnish a regular and uninterrupted supply of energy. However, interruptions or partial interruptions may occur and service may be curtailed, become irregular, or fail as a result of circumstances beyond the control of the Company, such as: an act of God, the public enemy, accidents, strikes, riots, wars, legal processes, governmental orders or restrictions, shortages, breakdown or damages to facilities or equipment, and in any such case the Company will not be liable for damages or losses. The Company may, without liability, curtail, reduce voltage, or interrupt service when an emergency arises that poses a threat to the integrity of its system or the systems to which it is directly or indirectly connected if such action may prevent or alleviate the emergency condition; when, with reasonable notice to customers, it is necessary for inspection, testing, repair, or changes in Company's system; or when such interruption will lessen or remove possible danger to life or property, or will aid in the restoration of service. The Company makes no warranties with regard to the provision of service and disclaims any and all warranties, expressed or implied, including but not limited to warranties of merchantability of fitness for a particular purpose. The above limitations shall not exclude liability for damages or losses resulting from the gross negligence or willful misconduct of Company.

The Company shall not be liable and the customer agrees to indemnify and hold the Company, its directors, officers, employees, agents, or representatives harmless from any claim, loss, damage, expense, including, but not limited to, attorney's fees, or liability incurred by any person, including the customer, whether due to injury to person (including death) or property resulting from or in any manner associated directly or indirectly with the transmission and use of said electric energy on the customer's premises or other point beyond the Company's metering equipment or other point of delivery to the extent not directly attributable to the Company's negligence, limited to attorney's fees, or liability resulting from the presence, character, or condition of the wires or appliances of the customer. Under no circumstance shall the Company inspect or repair such wiring or appliances of the customer or be responsible for the condition or operation of same.

EFFECTIVE

JUL - 1 2011

REPLACED BY NMPRC
BY Rule no. 17.1.210

Advice Notice No. 221

Signature/Title David G. Carpenter

David G. Carpenter
Senior Vice President-Chief Financial Officer