

THIS FILING IS

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

Form 1 Approved
OMB No.1902-0021
(Expires 12/31/2014)
Form 1-F Approved
OMB No.1902-0029
(Expires 12/31/2014)
Form 3-Q Approved
OMB No.1902-0205
(Expires 05/31/2014)



FERC FINANCIAL REPORT

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

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

Exact Legal Name of Respondent (Company)

El Paso Electric Company

Year/Period of Report

End of 2012/Q4

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

GENERAL INFORMATION

I. Purpose

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

II. Who Must Submit

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

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

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

III. What and Where to Submit

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

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

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

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

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

The CPA Certification Statement should:

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

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

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

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

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

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

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

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

IV. When to Submit:

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

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

V. Where to Send Comments on Public Reporting Burden.

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

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

GENERAL INSTRUCTIONS

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

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

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

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

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

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

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

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

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

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

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

DEFINITIONS

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

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

EXCERPTS FROM THE LAW

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

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

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

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

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

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

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

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

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

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

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

General Penalties

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

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

IDENTIFICATION		
01 Exact Legal Name of Respondent El Paso Electric Company	02 Year/Period of Report End of <u>2012/Q4</u>	
03 Previous Name and Date of Change <i>(if name changed during year)</i> / /		
04 Address of Principal Office at End of Period <i>(Street, City, State, Zip Code)</i> P.O. Box 982, El Paso, TX 79960-0982; 100 North Stanton, El Paso, TX 79901		
05 Name of Contact Person Nathan T. Hirschi	06 Title of Contact Person Vice President & Controller	
07 Address of Contact Person <i>(Street, City, State, Zip Code)</i> P.O. Box 982, El Paso, TX 79960-0982; 100 North Stanton, El Paso, TX 79901		
08 Telephone of Contact Person, <i>Including Area Code</i> (915) 521-4456	09 This Report Is (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	10 Date of Report <i>(Mo, Da, Yr)</i> / /

ANNUAL CORPORATE OFFICER CERTIFICATION

The undersigned officer certifies that:

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

01 Name Nathan T. Hirschi	03 Signature Nathan T. Hirschi	04 Date Signed <i>(Mo, Da, Yr)</i> 04/11/2013
02 Title Vice President & Controller		

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

LIST OF SCHEDULES (Electric Utility)

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

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

LIST OF SCHEDULES (Electric Utility) (continued)

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

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

Name of Respondent
El Paso Electric Company

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

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

Year/Period of Report
End of 2012/Q4

LIST OF SCHEDULES (Electric Utility) (continued)

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

Line No.	Title of Schedule (a)	Reference Page No. (b)	Remarks (c)
67	Transmission Line Statistics Pages	422-423	
68	Transmission Lines Added During the Year	424-425	
69	Substations	426-427	
70	Transactions with Associated (Affiliated) Companies	429	None
71	Footnote Data	450	

Stockholders' Reports Check appropriate box:

- Two copies will be submitted
- No annual report to stockholders is prepared

Name of Respondent El Paso Electric Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of <u>2012/Q4</u>
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GENERAL INFORMATION

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

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

Texas - August 30, 1901

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

Not applicable.

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

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

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

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

Name of Respondent El Paso Electric Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of <u>2012/Q4</u>
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CONTROL OVER RESPONDENT

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

CORPORATIONS CONTROLLED BY RESPONDENT

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

Definitions

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

Line No.	Name of Company Controlled (a)	Kind of Business (b)	Percent Voting Stock Owned (c)	Footnote Ref. (d)
1	MiraSol Energy Services, Inc.	Energy efficiency products		
2		and services	100%	
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FOOTNOTE DATA			

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

OFFICERS

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

Line No.	Title (a)	Name of Officer (b)	Salary for Year (c)
1	Chief Executive Officer	Thomas V. Shockley III	530,769
2	Senior Vice President and Chief Financial Officer	David G. Carpenter	348,350
3	Senior Vice President - General Counsel		
4	and Chief Compliance Officer	Mary E. Kipp	290,651
5	Senior Vice President - Corporate Planning		
6	and Development	Rocky R. Miracle	272,687
7	Senior Vice President - Chief Operations Officer	Hector R. Puente	283,572
8	Vice President - Power Marketing and Fuels		
9	and Resource and Delivery Planning	Steven T. Buraczyk	213,513
10	Vice President - Treasurer	Steven P. Busser	214,843
11	Vice President - Transmission and Distribution		
12	and System Operations and Planning	Robert C. Doyle	210,820
13	Vice President and Controller	Nathan T. Hirschi	224,962
14	Vice President - Community Outreach	Guillermo Silva, Jr.	149,057
15	Chief Executive Officer	David W. Stevens	201,447
16	Senior Vice President - Customer Care and		
17	External Affairs	Richard G. Fleager	74,384
18	Corporate Secretary	Jessica Goldman	
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Name of Respondent El Paso Electric Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2012/Q4
FOOTNOTE DATA			

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

On May 31, 2012, the Board of Directors of the Company appointed Thomas V. Shockley III as the Company's Chief Executive Officer. Mr. Shockley, had been interim Chief Executive Officer since January 2012 and a member of the Company's Board of Directors since May 2010.

Schedule Page: 104 Line No.: 7 Column: b

On June 1, 2012, the Company appointed Hector R. Puente as Senior Vice President and Chief Operations Officer. Mr. Puente had been Senior Vice President of Operations since May 2011 and Vice President - Transmission and Distribution since January 2006.

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

On August 20, 2012, the Company appointed Steven T. Buraczyk as Vice President - Power Marketing and Fuels and Resource and Delivery Planning. Mr. Buraczyk had been Vice President - System Operations since January 2011.

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

On August 20, 2012, the Company appointed Robert C. Doyle as Vice President - Transmission and Distribution and System Operations and Planning. Mr. Doyle had been Vice President - Transmission and Distribution since June 2011.

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

On March 14, 2013, the Company appointed Guillermo Silva, Jr. as Vice President of Community Outreach. Mr. Silva had been Corporate Secretary since February 2006.

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

On January 30, 2012, David W. Stevens resigned from his position as Chief Executive Officer of the Company, effective March 2, 2012, and as a Director immediately.

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

On April 2, 2012, Richard G. Fleager resigned from his position as Senior Vice President - Customer Care and External Affairs, effective immediately.

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

On March 14, 2013, the Company appointed Ms. Jessica Goldman as Corporate Secretary. Ms. Goldman had been Attorney - Corporate and Securities since January 2012. Ms. Goldman is paid \$107,888 annually.

DIRECTORS

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

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

Name of Respondent
El Paso Electric Company

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

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

Year/Period of Report
End of 2012/Q4

DIRECTORS

1. Report below the information called for concerning each director of the respondent who held office at any time during the year. Include in column (a), abbreviated titles of the directors who are officers of the respondent.

2. Designate members of the Executive Committee by a triple asterisk and the Chairman of the Executive Committee by a double asterisk.

Line No.	Name (and Title) of Director (a)	Principal Business Address (b)
1	David W. Stevens - Director and CEO	El Paso Electric Company
2		100 N. Stanton
3		El Paso, Texas 79901
4		
5	Kenneth R. Heitz - Director and Chairman of the Board	Irell & Manella, LLP
6		1800 Avenue of the Stars, Suite 900
7		Los Angeles, California 90067-4276
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Name of Respondent El Paso Electric Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2012/Q4
FOOTNOTE DATA			

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

Mr. Escudero was elected to the Board on December 18, 2012.

Schedule Page: 105 Line No.: 25 Column: a

Mr. Hunt was elected to the Board on December 18, 2012.

Schedule Page: 105 Line No.: 33 Column: a

On January 30, 2012, Mr. Shockley was appointed interim Chief Executive Officer of the Company and appointed to serve on the Executive Committee on March 29, 2012. Mr. Shockley was elected Chief Executive Officer of the Company on May 31, 2012.

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

On January 30, 2012, Mr. Stevens resigned from his position as Chief Executive Officer of the Company, effective March 2, 2012, and as a Director immediately.

Schedule Page: 105.1 Line No.: 5 Column: a

Mr. Heitz served as Chairman of the Board, and was also a member of the Company's External Affairs, Energy Resources and Environmental, Executive and Nominating and Corporate Governance Committees and Chairman of the Company's Compensation Committee prior to his death in July 2012.

Name of Respondent
El Paso Electric Company

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

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

Year/Period of Report
End of 2012/Q4

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

Does the respondent have formula rates?
 Yes
 No

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

Line No.	FERC Rate Schedule or Tariff Number	FERC Proceeding
1	Rate Schedule FERC No. 18	ER08-742-001
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Name of Respondent
El Paso Electric Company

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

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

Year/Period of Report
End of 2012/Q4

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

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

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

Line No.	Accession No.	Document Date \ Filed Date	Docket No.	Description	Formula Rate FERC Rate Schedule Number or Tariff Number
1	20120301-0023	02/24/2012	ER08-742-000	2012 Annual Update	18
2		02/29/2012			
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Name of Respondent El Paso Electric Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2012/Q4
FOOTNOTE DATA			

Schedule Page: 1061 Line No.: 1 Column: d
The 2012 annual update is to the cost-based formula rate included in the Power Sales Agreement under ER08-742.

INFORMATION ON FORMULA RATES
Formula Rate Variances

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

Line No.	Page No(s).	Schedule	Column	Line No
1	N/A			
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Name of Respondent El Paso Electric Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report / /	Year/Period of Report End of <u>2012/Q4</u>
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IMPORTANT CHANGES DURING THE QUARTER/YEAR

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

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

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2012/Q4
El Paso Electric Company			
IMPORTANT CHANGES DURING THE QUARTER/YEAR (Continued)			

1. Changes in and Important Additions to Franchise Rights:

None

2. Acquisition of Ownership in Other Companies:

None

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

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:

Issuance of \$150 million of Senior Notes. On December 6, 2012, the Company issued \$150 million in aggregate principal amount of 3.30% Senior Notes due December 15, 2022. Authorization for this transaction was received in FERC Docket No. ES11-43-000 and NMPRC Case No. 11-00349-UT. The gross proceeds from the issuance of the senior notes were \$149.7 million, net of a \$0.3 million discount before commissions and expenses and the effective interest rate was 3.43%. The senior notes were issued to fund construction expenditures and for working capital and general corporate purposes.

Pollution Control Bonds ("PCBs"). The Company has four series of tax exempt unsecured PCBs in aggregate principal amount of \$193.1 million. In August 2012, the 4.80% 2005 Series A (El Paso Electric Company Palo Verde Project) Pollution Control Refunding Revenue Bonds with an aggregate principal amount of \$59.2 million was refunded at a fixed rate of 4.50% and will mature on August 1, 2042. The 4.00% 2002 Series A (El Paso Electric Company Four Corners Project) Pollution Control Refunding Revenue Bonds with an aggregate principal amount of \$33.3 million was remarketed in August 2012 at a fixed rate of 1.875%, until September 1, 2017 when the bonds are subject to mandatory tender for purchase. These bonds will mature on June 1, 2032. Authorization for these transactions was received in FERC Docket No. ES12-34-000 and NMPRC Case No. 12-00108-UT.

Revolving Credit Facility and Guarantee of Debt. On March 29, 2012, the Company and the Rio Grande Resources Trust, entered into the Incremental Facility Assumption Agreement (the "Assumption Agreement") related to the revolving credit facility ("RCF") with JP Morgan Chase Bank, N.A., as administrative agent and issuing bank, Union Bank, N.A., as syndication agent, and various lending banks party thereto. The Assumption Agreement provides for the Company's exercise in full of the accordion feature provided for under the RCF, increasing the aggregate unsecured borrowing available from \$200 million to \$300 million. The RCF has a term ending September 2016. No other material modifications were made to the terms and conditions of the RCF. Authorization for this transaction was received in FERC Docket No. ES11-43-000 and NMPRC Case No. 11-00349-UT.

7. Changes in Articles of Incorporation:

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2012/Q4
El Paso Electric Company			
IMPORTANT CHANGES DURING THE QUARTER/YEAR (Continued)			

None

8. Important Wage Scale Changes:

Base salaries for non-union employees were increased by an average of 3.5% effective in January 2012 compared to 2011 through the merit award process. The annual effect of this increase was approximately \$1.5 million. Base salaries for union employees under contract were increased by an average of 3.0% effective in September 2012 compared to 2011. The annual effect of this increase was approximately \$0.8 million.

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

The Company is a party to various legal actions. In many of these matters, the Company has excess casualty liability insurance that covers the various claims, actions and complaints. Based upon a review of these claims and applicable insurance coverage, to the extent that the Company has been able to reach a conclusion as to its ultimate liability, it believes that none of these claims will have a material adverse effect on the financial position, results of operations or cash flows of the Company.

10. Materially Important Transactions:

None

11. Reserved

12. Important changes during the year:

2012 Texas Retail Rate Case. The Company filed a rate increase request with the PUCT, Docket No. 40094, the City of El Paso, and other Texas cities on February 1, 2012. The rate filing was made in response to a resolution adopted by the El Paso City Council (the "Council") requiring the Company to show cause why its base rates for customers in the El Paso city limits should not be reduced. The filing at the PUCT also included a request to reconcile \$356.5 million of fuel expense for the period July 1, 2009 through September 30, 2011.

On April 17, 2012, the Council approved the settlement of the Company's 2012 Texas retail rate case and fuel reconciliation in PUCT Docket No. 40094. The PUCT issued a final order approving the settlement on May 23, 2012.

Under the terms of the settlement, among other things, the Company agreed to:

- A reduction in its non-fuel base rates of \$15 million annually, with the decrease being allocated primarily to Texas retail commercial and industrial customer classes. The rate decrease was effective as of May 1, 2012;
- Revised depreciation rates for the Company's gas-fired generating units and for transmission and distribution plant that lower depreciation expense by \$4.1 million annually;
- Continuation of the 10.125% return on equity for the purpose of calculating the allowance for funds used during construction; and

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2012/Q4
El Paso Electric Company			
IMPORTANT CHANGES DURING THE QUARTER/YEAR (Continued)			

- A two-year amortization of rate case expenses, none of which will be included in future regulatory proceedings.

As part of the settlement, the Company agreed to withdraw its request to reconcile fuel costs for the period from July 1, 2009 through September 30, 2011. The Company will file a fuel reconciliation request covering the period beginning July 1, 2009 and ending no later than June 30, 2013 by December 31, 2013 or as part of its next rate case, if earlier.

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:

On January 30, 2012, David W. Stevens resigned from his position as Chief Executive Officer, effective March 2, 2012, and as a Director immediately. The Board of Directors appointed Thomas V. Shockley, III to serve as the Interim Chief Executive Officer while a search was conducted to replace Mr. Stevens. On May 31, 2012, Mr. Shockley was appointed Chief Executive Officer. Mr. Shockley has served as a member of the Company's Board of Directors since May 2010.

On April 2, 2012, Richard G. Fleager resigned from his position as Senior Vice President – Customer Care and External Affairs, effective immediately.

On July 25, 2012, the Board of Directors appointed Michael K. Parks to serve as Chairman of the Board. Mr. Parks succeeded former Chairman of the Board Kenneth R. Heitz, who passed away on July 9, 2012. Mr. Parks has been a Director of El Paso Electric since 1996 and was appointed Vice Chairman of the Board in November 2005.

On August 20, 2012, the Company appointed Steven T. Buraczyk as Vice President of Power Marketing and Fuels and Resource and Delivery Planning. Mr Buraczyk served as Vice President of System Operations since January 2011.

On August 20, 2012, the Company appointed Robert C. Doyle as Vice President of Transmission and Distribution and System Operations and Planning. Mr. Doyle served as Vice President of Transmission and Distribution since June 2011.

On December 18, 2012, the Board of Directors of the Company elected Edward Escudero and Woodley L. Hunt to the Company's Board of Directors.

Mr. Escudero is President and Chief Executive Officer of High Desert Capital LLC, a finance company that specializes in providing various types of capital alternatives to small-to-mid-sized companies. Previously, Mr. Escudero was Executive Vice President and Chief Financial Officer of C&R Distributing, a major distributor of fuel and lubricants and the owner of various convenience stores in West Texas and Southern New Mexico. He also served as Secretary and Chief Financial Officer of Petro Stopping Centers, LP, where he managed various departments including accounting, legal, human resources, audit, financial planning and information systems. He serves on a number of community boards, including the Medical Center of the Americas Foundation, Capital Bank, El Paso Community Foundation Investment Committee, El Paso Hispanic Chamber of Commerce and University of Texas at El Paso Centennial Commission.

Mr. Hunt is Chairman and Chief Executive Officer of Hunt Companies, Inc. ("Hunt"). Hunt is an industry-leading real estate company dedicated to building value through development, investment, and management. For

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

decades, Hunt has focused on the key areas of public-private partnerships, community development, real asset investment management, and multifamily housing. Mr. Hunt also serves as Chairman of the Hunt Family Foundation, a private family foundation. He has received a number of honors and awards including being recognized as one of the "Philanthropists of the Year" by the West Texas-Southern New Mexico Chapter of the Association of Fundraising Professionals. Mr. Hunt also serves on various local advisory and development boards including the Texas Business Leadership Council, Complete College America, Medical Center of the Americas Foundation, College for all Texas Foundation, Visitors of the University of Texas MD Anderson Cancer Center-Houston, the Borderplex Alliance, Council for Continuous Improvement and Innovation in Texas Higher Education, University of Texas at El Paso, Texas Tech University Health Sciences Center, Western Governors University, WestStar Bank and Tom Lea Institute.

On March 14, 2013, the Company appointed Guillermo Silva, Jr. as Vice President of Community Outreach. Mr. Silva had been Corporate Secretary since February 2006.

On March 14, 2013, the Company appointed Ms. Jessica Goldman as Corporate Secretary. Ms. Goldman had been Attorney - Corporate and Securities since January 2012.

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

Not applicable

COMPARATIVE BALANCE SHEET (ASSETS AND OTHER DEBITS)

Line No.	Title of Account (a)	Ref. Page No. (b)	Current Year End of Quarter/Year Balance (c)	Prior Year End Balance 12/31 (d)
1	UTILITY PLANT			
2	Utility Plant (101-106, 114)	200-201	3,722,491,248	3,657,478,241
3	Construction Work in Progress (107)	200-201	287,357,626	167,393,912
4	TOTAL Utility Plant (Enter Total of lines 2 and 3)		4,009,848,874	3,824,872,153
5	(Less) Accum. Prov. for Depr. Amort. Depl. (108, 110, 111, 115)	200-201	2,022,997,765	1,987,897,945
6	Net Utility Plant (Enter Total of line 4 less 5)		1,986,851,109	1,836,974,208
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)		191,084,821	172,666,608
12	(Less) Accum. Prov. for Amort. of Nucl. Fuel Assemblies (120.5)	202-203	69,700,908	59,014,704
13	Net Nuclear Fuel (Enter Total of lines 7-11 less 12)		121,383,913	113,651,904
14	Net Utility Plant (Enter Total of lines 6 and 13)		2,108,235,022	1,950,626,112
15	Utility Plant Adjustments (116)		1,065,091	1,367,339
16	Gas Stored Underground - Noncurrent (117)		0	0
17	OTHER PROPERTY AND INVESTMENTS			
18	Nonutility Property (121)		405,743	143,495
19	(Less) Accum. Prov. for Depr. and Amort. (122)		0	0
20	Investments in Associated Companies (123)		0	0
21	Investment in Subsidiary Companies (123.1)	224-225	19,690	1,810
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)		1,295,222	1,119,976
25	Sinking Funds (125)		0	0
26	Depreciation Fund (126)		0	0
27	Amortization Fund - Federal (127)		0	0
28	Other Special Funds (128)		194,467,189	175,535,725
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)		196,187,844	176,801,006
33	CURRENT AND ACCRUED ASSETS			
34	Cash and Working Funds (Non-major Only) (130)		0	0
35	Cash (131)		109,887,377	7,443,781
36	Special Deposits (132-134)		0	0
37	Working Fund (135)		823,110	187,394
38	Temporary Cash Investments (136)		346,591	576,552
39	Notes Receivable (141)		0	0
40	Customer Accounts Receivable (142)		46,443,714	57,172,272
41	Other Accounts Receivable (143)		1,469,376	2,600,756
42	(Less) Accum. Prov. for Uncollectible Acct.-Credit (144)		2,906,025	3,015,324
43	Notes Receivable from Associated Companies (145)		0	0
44	Accounts Receivable from Assoc. Companies (146)		0	0
45	Fuel Stock (151)	227	1,394,321	1,503,621
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	40,975,180	38,685,147
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	-12,331	33,483

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	433	0
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)		9,656,500	7,769,698
58	Advances for Gas (166-167)		0	0
59	Interest and Dividends Receivable (171)		5,154	1,645
60	Rents Receivable (172)		0	0
61	Accrued Utility Revenues (173)		17,888,000	19,589,000
62	Miscellaneous Current and Accrued Assets (174)		908,009	360,774
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)		226,879,409	132,908,799
68	DEFERRED DEBITS			
69	Unamortized Debt Expenses (181)		12,648,755	10,428,192
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	129,456,890	135,587,098
73	Prelim. Survey and Investigation Charges (Electric) (183)		3,260,291	698,646
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)		-159,534	-167,899
77	Temporary Facilities (185)		0	0
78	Miscellaneous Deferred Debits (186)	233	5,289,223	4,332,925
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)		20,116,858	20,622,570
82	Accumulated Deferred Income Taxes (190)	234	224,380,335	250,662,717
83	Unrecovered Purchased Gas Costs (191)		0	0
84	Total Deferred Debits (lines 69 through 83)		394,992,818	422,164,249
85	TOTAL ASSETS (lines 14-16, 32, 67, and 84)		2,927,360,184	2,683,867,505

COMPARATIVE BALANCE SHEET (LIABILITIES AND OTHER CREDITS)

Line No.	Title of Account (a)	Ref. Page No. (b)	Current Year End of Quarter/Year Balance (c)	Prior Year End Balance 12/31 (d)
1	PROPRIETARY CAPITAL			
2	Common Stock Issued (201)	250-251	65,562,893	65,363,347
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)		299,068,355	296,852,526
7	Other Paid-In Capital (208-211)	253	1,939,126	2,984,410
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	959,965,047	905,600,092
12	Unappropriated Undistributed Subsidiary Earnings (216.1)	118-119	-3,886,045	-3,851,879
13	(Less) Reaquired Capital Stock (217)	250-251	424,646,957	424,646,957
14	Noncorporate Proprietorship (Non-major only) (218)		0	0
15	Accumulated Other Comprehensive Income (219)	122(a)(b)	-66,084,002	-78,988,592
16	Total Proprietary Capital (lines 2 through 15)		831,577,478	762,972,008
17	LONG-TERM DEBT			
18	Bonds (221)	256-257	193,135,000	193,135,000
19	(Less) Reaquired Bonds (222)	256-257	0	0
20	Advances from Associated Companies (223)	256-257	0	0
21	Other Long-Term Debt (224)	256-257	700,000,000	550,000,000
22	Unamortized Premium on Long-Term Debt (225)		0	0
23	(Less) Unamortized Discount on Long-Term Debt-Debit (226)		3,600,354	3,338,162
24	Total Long-Term Debt (lines 18 through 23)		889,534,646	739,796,838
25	OTHER NONCURRENT LIABILITIES			
26	Obligations Under Capital Leases - Noncurrent (227)		110,000,000	110,000,000
27	Accumulated Provision for Property Insurance (228.1)		0	0
28	Accumulated Provision for Injuries and Damages (228.2)		0	0
29	Accumulated Provision for Pensions and Benefits (228.3)		224,859,420	230,081,854
30	Accumulated Miscellaneous Operating Provisions (228.4)		0	0
31	Accumulated Provision for Rate Refunds (229)		581,752	581,752
32	Long-Term Portion of Derivative Instrument Liabilities		0	0
33	Long-Term Portion of Derivative Instrument Liabilities - Hedges		0	0
34	Asset Retirement Obligations (230)		62,783,836	56,139,506
35	Total Other Noncurrent Liabilities (lines 26 through 34)		398,225,008	396,803,112
36	CURRENT AND ACCRUED LIABILITIES			
37	Notes Payable (231)		0	20,000,000
38	Accounts Payable (232)		61,580,835	51,703,558
39	Notes Payable to Associated Companies (233)		0	0
40	Accounts Payable to Associated Companies (234)		0	0
41	Customer Deposits (235)		5,411,419	5,059,590
42	Taxes Accrued (236)	262-263	21,061,785	22,266,191
43	Interest Accrued (237)		10,218,008	10,213,996
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)		-207,529	282,911
48	Miscellaneous Current and Accrued Liabilities (242)		16,791,631	16,578,195
49	Obligations Under Capital Leases-Current (243)		24,063,732	15,288,290
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)		138,919,881	141,392,731
55	DEFERRED CREDITS			
56	Customer Advances for Construction (252)		8,839,182	9,191,206
57	Accumulated Deferred Investment Tax Credits (255)	266-267	24,343,915	25,502,239
58	Deferred Gains from Disposition of Utility Plant (256)		0	0
59	Other Deferred Credits (253)	269	14,849,618	18,352,295
60	Other Regulatory Liabilities (254)	278	55,875,360	52,447,791
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)		492,091,591	469,365,852
64	Accum. Deferred Income Taxes-Other (283)		73,103,505	68,043,433
65	Total Deferred Credits (lines 56 through 64)		669,103,171	642,902,816
66	TOTAL LIABILITIES AND STOCKHOLDER EQUITY (lines 16, 24, 35, 54 and 65)		2,927,360,184	2,683,867,505

STATEMENT OF INCOME

Quarterly

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

Annual or Quarterly if applicable

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

Line No.	Title of Account (a)	(Ref.) Page No. (b)	Total Current Year to Date Balance for Quarter/Year (c)	Total Prior Year to Date Balance for Quarter/Year (d)	Current 3 Months Ended Quarterly Only No 4th Quarter (e)	Prior 3 Months Ended Quarterly Only No 4th Quarter (f)
1	UTILITY OPERATING INCOME					
2	Operating Revenues (400)	300-301	852,881,170	918,013,291		
3	Operating Expenses					
4	Operation Expenses (401)	320-323	484,908,871	524,749,111		
5	Maintenance Expenses (402)	320-323	60,339,110	62,091,630		
6	Depreciation Expense (403)	336-337	70,060,317	71,347,992		
7	Depreciation Expense for Asset Retirement Costs (403.1)	336-337	-1,309,127	-1,078,790		
8	Amort. & Depl. of Utility Plant (404-405)	336-337	7,183,006	6,668,400		
9	Amort. of Utility Plant Acq. Adj. (406)	336-337				
10	Amort. Property Losses, Unrecov Plant and Regulatory Study Costs (407)					
11	Amort. of Conversion Expenses (407)					
12	Regulatory Debits (407.3)		152,184	1,485,415		
13	(Less) Regulatory Credits (407.4)					
14	Taxes Other Than Income Taxes (408.1)	262-263	57,442,668	55,561,243		
15	Income Taxes - Federal (409.1)	262-263	1,347,316	1,774,080		
16	- Other (409.1)	262-263	558,767	2,957,943		
17	Provision for Deferred Income Taxes (410.1)	234, 272-277	130,696,026	95,702,768		
18	(Less) Provision for Deferred Income Taxes-Cr. (411.1)	234, 272-277	89,722,414	23,937,108		
19	Investment Tax Credit Adj. - Net (411.4)	266	-1,192,320	-1,275,208		
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)		20			
23	Losses from Disposition of Allowances (411.9)					
24	Accretion Expense (411.10)		5,164,981	5,692,380		
25	TOTAL Utility Operating Expenses (Enter Total of lines 4 thru 24)		725,629,365	801,739,856		
26	Net Util Oper Inc (Enter Tot line 2 less 25) Carry to Pg117,line 27		127,251,805	116,273,435		

STATEMENT OF INCOME FOR THE YEAR (Continued)

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

ELECTRIC UTILITY		GAS UTILITY		OTHER UTILITY		Line No.
Current Year to Date (in dollars) (g)	Previous Year to Date (in dollars) (h)	Current Year to Date (in dollars) (i)	Previous Year to Date (in dollars) (j)	Current Year to Date (in dollars) (k)	Previous Year to Date (in dollars) (l)	
						1
852,881,170	918,013,291					2
						3
484,908,871	524,749,111					4
60,339,110	62,091,630					5
70,060,317	71,347,992					6
-1,309,127	-1,078,790					7
7,183,006	6,668,400					8
						9
						10
						11
152,184	1,485,415					12
						13
57,442,668	55,561,243					14
1,347,316	1,774,080					15
558,767	2,957,943					16
130,696,026	95,702,768					17
89,722,414	23,937,108					18
-1,192,320	-1,275,208					19
						20
						21
20						22
						23
5,164,981	5,692,380					24
725,629,365	801,739,856					25
127,251,805	116,273,435					26

STATEMENT OF INCOME FOR THE YEAR (continued)

Line No.	Title of Account (a)	(Ref.) Page No. (b)	TOTAL		Current 3 Months Ended Quarterly Only No 4th Quarter (e)	Prior 3 Months Ended Quarterly Only No 4th Quarter (f)
			Current Year (c)	Previous Year (d)		
27	Net Utility Operating Income (Carried forward from page 114)		127,251,805	116,273,435		
28	Other Income and Deductions					
29	Other Income					
30	Nonutility Operating Income					
31	Revenues From Merchandising, Jobbing and Contract Work (415)		14,045	265,147		
32	(Less) Costs and Exp. of Merchandising, Job. & Contract Work (416)		1,679	201,333		
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	-34,166	-80		
37	Interest and Dividend Income (419)		6,141,756	7,303,311		
38	Allowance for Other Funds Used During Construction (419.1)		9,426,546	8,160,682		
39	Miscellaneous Nonoperating Income (421)		7,108,557	7,400,632		
40	Gain on Disposition of Property (421.1)		1,369,757	112,984		
41	TOTAL Other Income (Enter Total of lines 31 thru 40)		24,024,816	23,041,343		
42	Other Income Deductions					
43	Loss on Disposition of Property (421.2)		23,483	2,801		
44	Miscellaneous Amortization (425)		302,248	302,248		
45	Donations (426.1)		1,131,199	1,810,642		
46	Life Insurance (426.2)		16,771	73,520		
47	Penalties (426.3)		74,323	112,000		
48	Exp. for Certain Civic, Political & Related Activities (426.4)		680,729	883,015		
49	Other Deductions (426.5)		2,785,026	3,340,037		
50	TOTAL Other Income Deductions (Total of lines 43 thru 49)		5,013,779	6,524,263		
51	Taxes Applic. to Other Income and Deductions					
52	Taxes Other Than Income Taxes (408.2)	262-263	10,342	10,946		
53	Income Taxes-Federal (409.2)	262-263	2,021,784	911,788		
54	Income Taxes-Other (409.2)	262-263				
55	Provision for Deferred Inc. Taxes (410.2)	234, 272-277	6,813,089	23,333,615		
56	(Less) Provision for Deferred Income Taxes-Cr. (411.2)	234, 272-277	5,824,779	46,209,506		
57	Investment Tax Credit Adj.-Net (411.5)					
58	(Less) Investment Tax Credits (420)		-33,996	-85,940		
59	TOTAL Taxes on Other Income and Deductions (Total of lines 52-58)		3,054,432	-21,867,217		
60	Net Other Income and Deductions (Total of lines 41, 50, 59)		15,956,605	38,384,297		
61	Interest Charges					
62	Interest on Long-Term Debt (427)		52,844,578	52,632,354		
63	Amort. of Debt Disc. and Expense (428)		908,132	609,303		
64	Amortization of Loss on Reaquired Debt (428.1)		878,710	873,492		
65	(Less) Amort. of Premium on Debt-Credit (429)					
66	(Less) Amortization of Gain on Reaquired Debt-Credit (429.1)					
67	Interest on Debt to Assoc. Companies (430)					
68	Other Interest Expense (431)		930,373	1,228,812		
69	(Less) Allowance for Borrowed Funds Used During Construction-Cr. (432)		5,573,683	4,848,397		
70	Net Interest Charges (Total of lines 62 thru 69)		49,988,110	50,495,564		
71	Income Before Extraordinary Items (Total of lines 27, 60 and 70)		93,220,300	104,162,168		
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)		93,220,300	104,162,168		

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		905,600,092	828,660,848
2	Changes			
3	Adjustments to Retained Earnings (Account 439)			
4				
5				
6				
7				
8				
9	TOTAL Credits to Retained Earnings (Acct. 439)			
10				
11				
12				
13				
14				
15	TOTAL Debits to Retained Earnings (Acct. 439)			
16	Balance Transferred from Income (Account 433 less Account 418.1)		93,254,466	104,162,248
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	Dividends Declared-Common Stock		-38,889,511	(27,223,004)
32				
33				
34				
35				
36	TOTAL Dividends Declared-Common Stock (Acct. 438)		-38,889,511	(27,223,004)
37	Transfers from Acct 216.1, Unapprop. Undistrib. Subsidiary Earnings			
38	Balance - End of Period (Total 1,9,15,16,22,29,36,37)		959,965,047	905,600,092
	APPROPRIATED RETAINED EARNINGS (Account 215)			
39				
40				

STATEMENT OF RETAINED EARNINGS

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

Line No.	Item (a)	Contra Primary Account Affected (b)	Current Quarter/Year Year to Date Balance (c)	Previous Quarter/Year Year to Date Balance (d)
41				
42				
43				
44				
45	TOTAL Appropriated Retained Earnings (Account 215)			
	APPROP. RETAINED EARNINGS - AMORT. Reserve, Federal (Account 215.1)			
46	TOTAL Approp. Retained Earnings-Amort. Reserve, Federal (Acct. 215.1)			
47	TOTAL Approp. Retained Earnings (Acct. 215, 215.1) (Total 45,46)			
48	TOTAL Retained Earnings (Acct. 215, 215.1, 216) (Total 38, 47) (216.1)		959,965,047	905,600,092
	UNAPPROPRIATED UNDISTRIBUTED SUBSIDIARY EARNINGS (Account			
	Report only on an Annual Basis, no Quarterly			
49	Balance-Beginning of Year (Debit or Credit)		-3,851,879	(3,851,799)
50	Equity in Earnings for Year (Credit) (Account 418.1)		-34,166	(80)
51	(Less) Dividends Received (Debit)			
52				
53	Balance-End of Year (Total lines 49 thru 52)		-3,886,045	(3,851,879)

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)	93,220,300	104,162,168
3	Noncash Charges (Credits) to Income:		
4	Depreciation and Depletion	70,060,317	71,347,992
5	Amortization of Other	19,285,480	23,401,714
6	Amortization of Nuclear Fuel	43,108,954	37,161,938
7			
8	Deferred Income Taxes (Net)	41,961,920	48,889,771
9	Investment Tax Credit Adjustment (Net)	-1,158,324	-1,189,268
10	Net (Increase) Decrease in Receivables	13,448,130	-4,663,614
11	Net (Increase) Decrease in Inventory	-1,972,079	-3,787,031
12	Net (Increase) Decrease in Allowances Inventory	45,814	37,023
13	Net Increase (Decrease) in Payables and Accrued Expenses	-1,116,877	11,917,513
14	Net (Increase) Decrease in Other Regulatory Assets	10,945,693	-13,491,100
15	Net Increase (Decrease) in Other Regulatory Liabilities	2,538,130	-16,870,576
16	(Less) Allowance for Other Funds Used During Construction	9,426,546	8,160,682
17	(Less) Undistributed Earnings from Subsidiary Companies	-34,166	-80
18	Other (provide details in footnote):	1,160,385	4,926,203
19			
20	Deferred Charges and Credits	-6,043,077	568,342
21	Net (Increase) Decrease in Prepayments and Other	-2,670,066	-2,537,646
22	Net Cash Provided by (Used in) Operating Activities (Total 2 thru 21)	273,422,320	251,712,827
23			
24	Cash Flows from Investment Activities:		
25	Construction and Acquisition of Plant (including land):		
26	Gross Additions to Utility Plant (less nuclear fuel)	-217,386,797	-191,050,327
27	Gross Additions to Nuclear Fuel	-51,582,298	-44,923,348
28	Gross Additions to Common Utility Plant		
29	Gross Additions to Nonutility Plant		
30	(Less) Allowance for Other Funds Used During Construction	-9,426,546	-8,160,682
31	Other (provide details in footnote):		
32			
33			
34	Cash Outflows for Plant (Total of lines 26 thru 33)	-259,542,549	-227,812,993
35			
36	Acquisition of Other Noncurrent Assets (d)		
37	Proceeds from Disposal of Noncurrent Assets (d)	1,757,476	128,942
38			
39	Investments in and Advances to Assoc. and Subsidiary Companies	-52,046	-126
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)	-107,704,536	-95,441,195
54	Investment in Decommissioning Trust Fund (Sales and Maturities)	98,542,024	82,925,674
55	Other Investing Activities	632,035	2,598,435
56	Net Cash Provided by (Used in) Investing Activities		
57	Total of lines 34 thru 55)	-266,367,596	-237,601,263
58			
59	Cash Flows from Financing Activities:		
60	Proceeds from Issuance of:		
61	Long-Term Debt (b)	242,217,000	
62	Preferred Stock		
63	Common Stock		-86,508,240
64	Other: Financing and Other Capital Lease Obligations - Proceeds	234,574,706	120,449,851
65	Exercise of Stock Options	414,087	191,700
66	Net Increase in Short-Term Debt (c)		
67	Other (provide details in footnote):		
68			
69			
70	Cash Provided by Outside Sources (Total 61 thru 69)	477,205,793	34,133,311
71			
72	Payments for Retirement of:		
73	Long-term Debt (b)	-92,535,000	
74	Preferred Stock		
75	Common Stock		
76	Other Financing Activities	-5,288,624	-1,335,817
77	Financing and Capital Lease Obligations	-245,799,264	-91,774,633
78	Net Decrease in Short-Term Debt (c)		
79	Tax Benefits from Long-Term Incentive Plans	1,101,233	1,112,240
80	Dividends on Preferred Stock		
81	Dividends on Common Stock	-38,889,511	-27,223,004
82	Net Cash Provided by (Used in) Financing Activities		
83	(Total of lines 70 thru 81)	95,794,627	-85,087,903
84			
85	Net Increase (Decrease) in Cash and Cash Equivalents		
86	(Total of lines 22,57 and 83)	102,849,351	-70,976,339
87			
88	Cash and Cash Equivalents at Beginning of Period	8,207,727	79,184,066
89			
90	Cash and Cash Equivalents at End of period	111,057,078	8,207,727

Name of Respondent	This Report is:	Date of Report	Year/Period of Report
El Paso Electric Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) / /	2012/Q4
FOOTNOTE DATA			

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

Other:	<u>2012</u>	<u>2011</u>
Gain on Sale of Property	\$(1,369,757)	\$ (112,984)
Net Losses on Equity Investments	1,041,887	1,358,197
Amortization of Unearned Compensation	1,766,219	3,831,018
Other Operating Activities	<u>(277,964)</u>	<u>(150,028)</u>
Total	<u>\$ 1,160,385</u>	<u>\$ 4,926,203</u>

Name of Respondent El Paso Electric Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report / /	Year/Period of Report End of <u>2012/Q4</u>
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NOTES TO FINANCIAL STATEMENTS

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

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

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2012/Q4
El Paso Electric Company			
NOTES TO FINANCIAL STATEMENTS (Continued)			

Note 1. Regulatory-Basis Financial Statements

The accompanying regulatory-basis financial statements are presented in accordance with the accounting requirements of the Federal Energy Regulatory Commission (the "FERC") as set forth in its applicable Uniform System of Accounts and published accounting releases which is a comprehensive basis of accounting other than generally accepted accounting principles ("GAAP") used in the 2012 Form 10-K filed by El Paso Electric Company with the Securities and Exchange Commission. Notes A through O of the regulatory-basis financial statements are from the 2012 Form 10-K and have been revised where the presentation of regulatory-basis financial statements, in accordance with requirements under the Uniform System of Accounts and published accounting releases of the FERC, result in different financial statement amounts or disclosures than under GAAP. Because many types of transactions are susceptible to varying interpretations, the amounts and classifications reported in the accompanying regulatory-basis financial statements may be subject to change at a later date upon final determination by the FERC. In the remainder of this Note 1, information contained in Notes A through O is supplemented for additional regulatory-basis disclosures.

Regulatory-Basis Financial Statements Compared to GAAP

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

GAAP requires earnings per share information on the income statement and the classification of tax assets related to the accounting guidance for "Uncertainty in Income Taxes" as a tax benefit rather than a reduction to current liabilities. GAAP also requires the classification of interest and penalties related to uncertain tax positions as tax expense rather than as interest and penalty expense.

In addition, certain items in the accompanying regulatory-basis financial statements are classified differently under FERC requirements than in the Company's GAAP financial statements. If GAAP were followed, items in the accompanying regulatory-basis financial statements would be increased (decreased) as follows (in thousands):

Name of Respondent El Paso Electric Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2012/Q4
NOTES TO FINANCIAL STATEMENTS (Continued)			

Line No.		2012	2011
Assets and Other Debits (Pages 110-111)			
2	Utility plant	\$ (864,579)	\$ (867,705)
5	Accumulated provision for depreciation, amortization and depletion	(860,515)	(866,245)
11	Nuclear fuel under capital lease	(1,164)	(1,234)
12	Accumulated provision for amortization of nuclear fuel	664	867
15	Utility plant adjustments	(1,065)	(1,367)
18	Nonutility property	(406)	(143)
21	Investment in subsidiary companies	(20)	(2)
24	Other investments	(1,295)	(1,120)
28	Other special funds	(194,467)	(175,536)
67	Total current and accrued assets	(937)	8,077
84	Total deferred debits	(54,228)	(113,365)
Liabilities and Other Credits (Pages 112-113)			
2	Common stock issued	42	89
6	Premium on capital stock	11,926	12,924
7	Other paid-in capital	(1,939)	(2,984)
10	Capital stock expense	(341)	(341)
11	Retained earnings	(20,834)	(18,426)
12	Unappropriated undistributed subsidiary earnings	3,886	3,852
15	Accumulated other comprehensive income	0	1,484
24	Total long-term debt	110,000	76,700
35	Total other noncurrent liabilities	(398,225)	(396,804)
54	Total current and accrued liabilities	12,829	43,839
65	Total deferred credits	23,664	(8,032)
Statements of Income for the Year (Pages 114-117)			
2	Operating revenues	\$ 0	\$ 0
25	Total utility operating expenses	(41,406)	(74,529)
26	Net utility operating income	41,406	74,529
60	Net other income and deductions	(1,853)	(26,861)
70	Net interest charges	(5,052)	(5,417)
-	Income tax expense	46,979	53,708
78	Net income	(2,374)	(623)
Statement of Retained Earnings (Pages 118-119)			
1	Balance – beginning of period	\$ (18,426)	\$ (17,803)
48	Total retained earnings	(20,834)	(18,426)
Statement of Cash Flows (Pages 120-121)			
22	Net cash provided by (used in) operating activities	\$ (314)	\$ (195)
57	Net cash provided by (used in) investing activities	314	195
83	Net cash provided by (used in) financing activities	0	0
Statement of Accumulated Comprehensive Income, Comprehensive Income and Hedging Activities (Page 122a-122b)			
9	Other comprehensive income	\$ (1,484)	\$ (3,579)

Name of Respondent	This Report is:	Date of Report	Year/Period of Report
El Paso Electric Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) / /	2012/Q4
NOTES TO FINANCIAL STATEMENTS (Continued)			

Statement of Cash Flows

Cash and cash equivalents and amortization of other presented on the statement of cash flows for the years ended December 31, 2012 and 2011 consist of the following (in thousands):

	<u>2012</u>	<u>2011</u>
Cash and Cash Equivalents:		
Cash (131)	\$ 109,887	\$ 7,444
Working funds (135)	823	187
Temporary cash investments (136)	347	577
Cash and cash equivalents at end of period	<u>\$ 111,057</u>	<u>\$ 8,208</u>
Amortization of Other:		
ARO depreciation (403.1)	\$ (1,309)	\$ (1,079)
Other utility plant (404)	7,183	6,668
Regulatory assets (407.3)	152	1,485
ARO liability accretion (411.10)	5,165	5,692
Miscellaneous amortization (425)	302	302
Debt expense (428)	908	609
Loss on reacquired debt (428.1)	879	873
Interest rate lock losses	385	361
RCF issuance costs	69	275
Dry cask storage amortization	1,877	2,054
Coal reclamation amortization	1,182	3,628
New Mexico rate case expense amortization	252	253
Texas rate case expense amortization	2,240	2,281
	<u>\$ 19,285</u>	<u>\$ 23,402</u>

Utility Plant Adjustments

The following table summarizes amounts reflected as Utility Plant Adjustments for the New Mexico jurisdiction as of December 31, 2012 and 2011 (in thousands):

	<u>December 31,</u>	<u>2012 Activity</u>		<u>December 31,</u>
	<u>2011</u>	<u>Additions</u>	<u>Amortization</u>	<u>2012</u>
		<u>(Debits)</u>	<u>(Credits)</u>	
New Mexico (a)				
Utility Plant Adjustment	\$ 17,848	\$ -	\$ -	\$ 17,848
Accumulated Amortization	(16,481)	-	(302)	(16,783)
	<u>\$ 1,367</u>	<u>\$ -</u>	<u>\$ (302)</u>	<u>\$ 1,065</u>

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

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El Paso Electric Company			
NOTES TO FINANCIAL STATEMENTS (Continued)			

A. Summary of Significant Accounting Policies

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

Use of Estimates. The preparation of financial statements in conformity with regulatory accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the regulatory-basis financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

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

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

Utility Plant. Utility plant is reported at original cost, less regulatory disallowances and impairments. Costs include labor, material, construction overheads and allowance for funds used during construction ("AFUDC"). Depreciation is provided on a straight-line basis at annual rates which will amortize the undepreciated cost of depreciable property over the estimated remaining lives of the assets (ranging in average from 5 to 48 years). The average composite depreciation rate utilized in 2012 and 2011 was 2.64% and 2.80%, respectively. When property subject to composite depreciation is retired or otherwise disposed of in the normal course of business, its cost – together with the cost of removal, less salvage – is charged to accumulated depreciation. For other property dispositions, the applicable cost and accumulated depreciation is removed from the balance sheet accounts and a gain or loss is recognized.

The cost of nuclear fuel is amortized to fuel expense on a units-of-production basis. A provision for spent fuel disposal costs is charged to expense based on the funding requirements of the Department of Energy (the "DOE") for disposal cost of approximately one-tenth of one cent on each kWh generated. The Company is also amortizing its share of costs associated with on-site spent fuel storage casks at Palo Verde over the burn period of the fuel that will necessitate the use of the storage casks. See Note D.

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

AFUDC and Capitalized Interest. AFUDC is determined by applying an accrual rate to the balance of certain Construction Work in Progress ("CWIP"). The FERC has promulgated procedures for the computation (a prescribed formula) of the accrual rate. The AFUDC rates used in 2012 and 2011 were 8.53% and 8.54%, respectively. The Company capitalizes interest on nuclear fuel in accordance with the FERC Uniform System of Accounts as provided for in FASB guidance for regulated operations.

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El Paso Electric Company			
NOTES TO FINANCIAL STATEMENTS (Continued)			

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

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

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

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

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

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

Revenues. Revenues related to the sale of electricity are generally recorded when service is rendered or electricity is delivered to customers. The billing of electricity sales to retail customers is based on the reading of their meters, which occurs on a systematic basis throughout the month. Unbilled revenues (or "Accrued Utility Revenues") are estimated based on monthly generation volumes and by applying an average revenue/kWh to the number of estimated kWhs delivered but not billed and recorded as Accrued Utility Revenues. The Company presents revenues net of sales taxes in its regulatory-basis statements of operations.

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El Paso Electric Company			
NOTES TO FINANCIAL STATEMENTS (Continued)			

Allowance for Doubtful Accounts. The allowance for doubtful accounts represents the Company's estimate of existing accounts receivable that will ultimately be uncollectible. The allowance is calculated by applying estimated write-off factors to various classes of outstanding receivables. The write-off factors used to estimate uncollectible accounts are based upon consideration of both historical collections experience and management's best estimate of future collections success given the existing collections environment. Additions, deductions and balances for allowance for doubtful accounts for 2012 and 2011 are as follows (in thousands):

	<u>2012</u>	<u>2011</u>
Balance at beginning of year	\$ 3,015	\$ 2,885
Additions:		
Charged to costs and expense	3,087	6,209
Recovery of previous write-offs	2,041	2,034
Uncollectible receivables written off	<u>5,237</u>	<u>8,113</u>
Balance at end of year	<u>\$ 2,906</u>	<u>\$ 3,015</u>

Income Taxes. The Company accounts for federal and state income taxes under the asset and liability method of accounting for income taxes. Deferred income taxes are recognized for the estimated future tax consequences of "temporary differences" by applying enacted statutory tax rates for each taxable jurisdiction applicable to future years to differences between the financial statement carrying amounts and the tax basis of existing assets and liabilities. Certain temporary differences are accorded flow-through treatment by the Company's regulators and impact the Company's effective tax rate. FASB guidance requires that rate-regulated companies record deferred income taxes for temporary differences accorded flow-through treatment at the direction of the regulatory commission. The resulting deferred tax assets and liabilities are recorded at the expected cash flow to be reflected in future rates. Because the Company's regulators have consistently permitted the recovery of tax effects previously flowed-through earnings, the Company has recorded regulatory liabilities and assets offsetting such deferred tax assets and liabilities. The effect on deferred tax assets and liabilities of a change in tax rate is recognized in income in the period that includes the enactment date. The Company recognizes tax assets and liabilities for uncertain tax positions in accordance with the recognition and measurement criteria of FASB guidance for uncertainty in income taxes as modified by FERC Docket AI07-2-000. See Note I.

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

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

Reclassification. Certain amounts in the regulatory-basis financial statements for 2011 have been reclassified to conform with the 2012 presentation.

B. Regulation

General

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

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El Paso Electric Company			
NOTES TO FINANCIAL STATEMENTS (Continued)			

Texas Regulatory Matters

2012 Texas Retail Rate Case. The Company filed a rate increase request with the PUCT, Docket No. 40094, the City of El Paso, and other Texas cities on February 1, 2012. The rate filing was made in response to a resolution adopted by the El Paso City Council (the "Council") requiring the Company to show cause why its base rates for customers in the El Paso city limits should not be reduced. The filing at the PUCT also included a request to reconcile \$356.5 million of fuel expense for the period July 1, 2009 through September 30, 2011.

On April 17, 2012, the Council approved the settlement of the Company's 2012 Texas retail rate case and fuel reconciliation in PUCT Docket No. 40094. The PUCT issued a final order approving the settlement on May 23, 2012.

Under the terms of the settlement, among other things, the Company agreed to:

- ☛ A reduction in its non-fuel base rates of \$15 million annually, with the decrease being allocated primarily to Texas retail commercial and industrial customer classes. The rate decrease was effective as of May 1, 2012;
- ☛ Revised depreciation rates for the Company's gas-fired generating units and for transmission and distribution plant that lower depreciation expense by \$4.1 million annually;
- ☛ Continuation of the 10.125% return on equity for the purpose of calculating the allowance for funds used during construction; and
- ☛ two-year amortization of rate case expenses, none of which will be included in future regulatory proceedings.

As part of the settlement, the Company agreed to withdraw its request to reconcile fuel costs for the period from July 1, 2009 through September 30, 2011. The Company will file a fuel reconciliation request covering the period beginning July 1, 2009 and ending no later than June 30, 2013 by December 31, 2013 or as part of its next rate case, if earlier.

Fuel and Purchased Power Costs. The Company's actual fuel costs, including purchased power energy costs, are recoverable from its customers. The PUCT has adopted a fuel cost recovery rule ("Texas Fuel Rule") that allows the Company to seek periodic adjustments to its fixed fuel factor. In 2010, the Company received approval to implement a formula to determine its fuel factor which adjusts natural gas and purchased power to reflect natural gas futures prices. The Company can seek to revise its fixed fuel factor based upon the approved formula at least four months after its last revision except in the month of December. The Texas Fuel Rule requires the Company to request to refund fuel costs in any month when the over-recovery balance exceeds a threshold material amount and it expects fuel costs to continue to be materially over-recovered. The Texas Fuel Rule also permits the Company to seek to surcharge fuel under-recoveries in any month the balance exceeds a threshold material amount and it expects fuel cost recovery to continue to be materially under-recovered. Fuel over and under-recoveries are considered material when they exceed 4% of the previous twelve months' fuel costs. All such fuel revenue and expense activities are subject to periodic final review by the PUCT in fuel reconciliation proceedings.

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El Paso Electric Company			2012/Q4
NOTES TO FINANCIAL STATEMENTS (Continued)			

During 2012, the Company filed the following petition with the PUCT to refund recent fuel cost over-recoveries, due primarily to fluctuations in natural gas markets and consumption levels. The table summarizes the docket number assigned by the PUCT, the date the Company filed the petition and the date a final order was issued by the PUCT approving the refund to customers. The fuel cost over-recovery period represents the months in which the over-recoveries took place, and the refund period represents the billing month in which customers received the refund amounts shown, including interest:

Docket No.	Date Filed	Date Approved	Recovery Period	Refund Period	Refund Amount Authorized (In Thousands)
40622	August 3, 2012	September 28, 2012	January 2011- June 2012	September 2012	\$ 6,600

The Company filed the following petition in 2012 with the PUCT to revise its fixed fuel factor pursuant to the fuel factor formula authorized in PUCT Docket No. 37690:

Docket No.	Date Filed	Date Approved	Increase (Decrease) in Fuel Factor	Effective Billing Month
40302	April 12, 2012	April 25, 2012	(18.5)%	May 2012

Generation CCN Filing. On May 2, 2012, the Company filed a petition with the PUCT requesting a CCN to construct a new generating facility to be located at a new plant site, the Montana Power Station, in east El Paso. The new facility will initially consist of two 88 MW simple-cycle aeroderivative combustion turbines, which will be powered by natural gas. The first unit is scheduled to become operational in 2014. On December 13, 2012, the PUCT issued a Final Order approving the requested CCN.

The Company has also filed two air permit applications for the Montana Power Station. One application was filed with the Texas Commission on Environmental Quality ("TCEQ") and a contested hearing on the merits of the application is scheduled for early June 2013, before the State Office of Administrative Hearings in Austin, Texas. Several parties, representing affected individuals as defined by TCEQ, have requested status in the hearing. The second air permit application is an EPA greenhouse permit application which remains under review. A final permit is expected from the EPA by August 2013 if there is no appeal. While the Company believes that the Montana Power Station complies with all air regulations, it cannot predict the final outcome of these applications.

Energy Efficiency Cost Recovery Factor ("EECRF"). On April 30, 2012, the Company filed an application to revise its EECRF and to establish revised energy efficiency goals and cost caps, pursuant to the Public Utility Regulatory Act ("PURA") Section 39.905. On September 20, 2012, the PUCT approved a unanimous settlement resolving all issues. The settlement allows the Company to recover \$5.5 million in energy efficiency costs, revised the Company's demand and energy goals and granted the Company's request to increase its 2013EECRF effective with billings in January 2013.

Military Base Discount Recovery Factor ("MBDRF"). On July 16, 2012, the Company filed a petition to revise its MBDRF. On November 16, 2012, the PUCT approved a unanimous stipulation and settlement, with the City of El Paso and Staff, which provides for the surcharge to be increased from 0.936% to 1.055% of customer bills. The revised MBDRF is designed to recover estimated discounts and the recovery of past under-recoveries spread over two years, totaling \$4.6 million and is effective with December 2012 billings.

Other Required Approvals. The Company has obtained all other required approvals for recovery of fuel costs through fixed fuel factors, other tariffs and approvals as required by the PURA and the PUCT.

New Mexico Regulatory Matters

2009 New Mexico Stipulation. On December 10, 2009, the NMPRC issued a final order conditionally approving the stipulated rates in NMPRC Case No. 09-00171-UT. The stipulated rates went into effect with January 2010 bills.

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Generation CCN Filing. On May 2, 2012, the Company filed a petition with the NMPRC requesting a CCN to construct a new generation facility to be located at a new plant site, the Montana Power Station, in east El Paso. The NMPRC approved the CCN on January 23, 2013.

2012 Annual Procurement Plan Pursuant to the Renewable Energy Act. On June 29, 2012, the Company filed its application for approval of its 2012 Annual Procurement Plan pursuant to the New Mexico Renewable Energy Act. On December 11, 2012, the NMPRC issued a final order approving the renewable procurement plan with modifications recommended by the Hearing Examiner. The plan sets out the Company's procurement of renewable resources and estimated costs for 2013 and 2014 to meet Renewable Portfolio Standards ("RPS") and resource diversity requirements. The approved plan provides for the RPS and diversity requirements for 2013 and 2014 to be met with a combination of previously approved resources and excused the Company from a requirement to make-up a deficiency in the "other" diversity requirement for 2011 and from meeting the "other" diversity requirement for the 2013 and 2014 compliance years. Costs for purchases of renewable energy delivered to the Company are recovered through the New Mexico Fuel and Purchased Power Cost Adjustment Clause ("FPPCAC") and purchases of renewable energy credits are recovered through base rates.

Long-Term Purchased Power Agreement with Macho Springs. On November 21, 2012, the Company filed an application with the NMPRC requesting approval of a Long-Term Purchase Power Agreement ("LTPPA") with Macho Springs Solar, LLC ("Macho Springs") to purchase energy from a 50 MW solar facility to be constructed by Macho Springs in the Company's New Mexico service territory. The Company also seeks approval of the recovery of costs associated with the LTPPA through the Company's FPPCAC. A final order is expected by the end of May 2013.

Other Required Approvals. The Company has obtained all other required approvals for other tariffs, securities transactions, long-term resource plans, recovery of energy efficiency costs through a base rate rider and other approvals as required by the NMPRC.

Federal Regulatory Matters

Public Service Company of New Mexico's ("PNM") 2010 Transmission Rate Case. On October 27, 2010, PNM filed a Notice of Transmission Rate Changes for transmission delivery services provided by PNM. These rates went into effect on June 1, 2011. The Company takes transmission service from PNM. On January 2, 2013, the FERC issued a letter order approving a unanimous stipulation and agreement. Pursuant to the stipulation, on January 31, 2013, PNM refunded \$1.9 million, for amounts that PNM collected since June 1, 2011, in excess of settlement rates. This amount was recorded in the fourth quarter of 2012 as a reduction of transmission expense.

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

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

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

Sales for Resale

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

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C. Regulatory Assets and Liabilities

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

	Amortization Period Ends	December 31, 2012	December 31, 2011
Regulatory assets			
Regulatory tax assets (a)	(b)	\$ 105,219	\$ 98,123
Final coal reclamation (a)	July 2016	5,473	6,655
Nuclear fuel postload daily financing charge	(c)	4,149	3,680
Texas energy efficiency	(d)	536	4,497
Texas 2009 rate case costs (e)	June 2012	—	1,146
Texas 2012 rate case costs (e)	April 2014	2,335	648
Texas military base discount and recovery factor	(g)	2,116	2,526
New Mexico procurement plan costs	(f)	139	139
New Mexico renewable energy credits	(f)	4,033	2,884
New Mexico 2009 rate case costs (e)	December 2012	—	253
New Mexico 2010 FPPCAC audit	(f)	433	427
New Mexico Palo Verde deferred depreciation	(b)	5,024	5,176
New Mexico energy efficiency	(d)	—	303
Undercollection of fuel revenues	(h)	—	9,130
Total regulatory assets		<u>\$ 129,457</u>	<u>\$ 135,587</u>
Regulatory liabilities			
Regulatory tax liabilities (a)	(b)	\$ 50,306	\$ 50,343
New Mexico energy efficiency	(d)	926	—
Overcollection of fuel revenues	(h)	4,643	2,105
Total regulatory liabilities		<u>\$ 55,875</u>	<u>\$ 52,448</u>

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

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D. Utility Plant, Palo Verde and Other Jointly-Owned Utility Plant

The table below presents the balance of each major class of depreciable assets at December 31, 2012 (in thousands):

	Gross Plant	Accumulated Depreciation	Net Plant
Nuclear production	\$ 1,734,906	\$ (1,182,430)	\$ 552,476
Steam and other	562,923	(253,222)	309,701
Total production	2,297,829	(1,435,652)	862,177
Transmission	355,501	(197,579)	157,922
Distribution	886,881	(294,075)	592,806
General	126,262	(65,316)	60,946
Intangible	56,018	(30,376)	25,642
Total	<u>\$ 3,722,491</u>	<u>\$ (2,022,998)</u>	<u>\$ 1,699,493</u>

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

2011	6,668
2012	7,183
2013 (estimated)	6,003
2014 (estimated)	5,234
2015 (estimated)	3,803
2016 (estimated)	2,879
2017 (estimated)	2,214

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

Other jointly-owned utility plant includes a 7% interest in Units 4 and 5 at Four Corners Generating Station ("Four Corners") and certain other transmission facilities. A summary of the Company's investment in jointly-owned utility plant, excluding fuel inventories, at December 31, 2012 and 2011 is as follows (in thousands):

	December 31, 2012		December 31, 2011	
	Palo Verde	Other	Palo Verde	Other
Electric plant in service	\$ 1,734,906	\$ 170,762	\$ 1,711,994	\$ 169,590
Accumulated depreciation	(1,182,430)	(127,055)	(1,171,168)	(123,152)
Construction work in progress	64,623	2,401	53,822	1,634
Total	<u>\$ 617,099</u>	<u>\$ 46,108</u>	<u>\$ 594,648</u>	<u>\$ 48,072</u>

Palo Verde

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

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obligations, each non-defaulting participant shall pay its proportionate share of the payments owed by the defaulting participant. Because it is impracticable to predict defaulting participants, the Company cannot estimate the maximum potential amount of future payment, if any, which could be required under this provision.

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

License Extension. On April 21, 2011, the Company, along with the other Palo Verde Participants, was notified that the NRC had renewed the operating licenses for all three units at Palo Verde. The renewed licenses for Units 1, 2 and 3 now expire in 2045, 2046 and 2047, respectively. The extension of the operating licenses reduced the Company's annual depreciation and amortization expense by approximately \$9.3 million and reduced the Company's annual accretion expense by approximately \$4.4 million. For 2011, the extension of the operating licenses had the effect of reducing depreciation and amortization expense by approximately \$6.9 million and reducing the accretion expense on the Palo Verde asset retirement obligation by approximately \$3.1 million.

Decommissioning. Pursuant to the ANPP Participation Agreement and federal law, the Company must fund its share of the estimated costs to decommission Palo Verde Units 1, 2 and 3, including the Common Facilities, through the term of their respective operating licenses and is required to maintain a minimum accumulation and funding level in its decommissioning account at the end of each annual reporting period during the life of the plant. The Company has established external trusts with an independent trustee, which enables the Company to record a current deduction for federal income tax purposes for most of the amounts funded. At December 31, 2012, the Company's decommissioning trust fund had a balance of \$187.1 million, which is above its minimum funding level. The Company monitors the status of its decommissioning funds and adjusts its deposits, if necessary.

Decommissioning costs are estimated every three years based upon engineering cost studies performed by outside engineers retained by APS. On March 30, 2011, the Palo Verde Participants approved the 2010 Palo Verde decommissioning study (the "2010 Study"). The 2010 Study reflects the extension of the operating license from 40 years to 60 years. The 2010 Study estimated that the Company must fund approximately \$357.4 million (stated in 2010 dollars) to cover its share of decommissioning costs which was an increase in decommissioning costs of \$33.0 million (stated in 2010 dollars) from the 2007 Palo Verde decommissioning study (the "2007 Study"). The net effect of these changes lowered the asset retirement obligation by \$41.7 million and lowered annual expenses after March 2011. Although the 2010 Study was based on the latest available information, there can be no assurance that decommissioning cost estimates will not increase in the future or that regulatory requirements will not change. In addition, until a new low-level radioactive waste repository opens and operates for a number of years, estimates of the cost to dispose of low-level radioactive waste are subject to significant uncertainty.

Spent Nuclear Fuel and Waste Disposal. Pursuant to the Nuclear Waste Policy Act of 1982, as amended in 1987 (the "Waste Act"), the DOE is legally obligated to accept and dispose of all spent nuclear fuel and other high-level radioactive waste generated by all domestic power reactors. In accordance with the Waste Act, the DOE entered into a spent nuclear fuel contract with the Company and all other Palo Verde participants. The DOE failed to begin accepting Palo Verde's spent nuclear fuel, and APS (on behalf of itself and the other Palo Verde participants) filed a lawsuit for DOE's breach of the spent nuclear fuel contract in the U.S. Court of Federal Claims. The Court of Federal Claims ruled in favor of APS and in October 2010 awarded \$30.0 million in damages to the Palo Verde participants for costs incurred through December 2006. In October 2010, the Company received \$4.8 million, representing its share of the award. The majority of the award was refunded to customers through the applicable fuel adjustment clauses. On December 19, 2012, APS, acting on behalf of itself and the participant owners of Palo Verde, filed a second breach of contract lawsuit against the DOE. This lawsuit seeks to recover damages incurred due to DOE's failure to accept Palo Verde's spent nuclear fuel for the period beginning January 1, 2007 through June 30, 2011.

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The DOE had planned to meet its disposal obligations by designing, licensing, constructing, and operating a permanent geologic repository at Yucca Mountain, Nevada. In March 2010, the DOE filed a motion to dismiss with prejudice its Yucca Mountain construction authorization application that was pending before the NRC. Several interested parties have intervened in the NRC proceeding, and the proceeding has not been conclusively decided by the NRC or the courts. Additionally, a number of interested parties have filed a variety of lawsuits in different jurisdictions around the country challenging the DOE's authority to withdraw the Yucca Mountain construction authorization application. None of these lawsuits have been conclusively decided by the courts. In addition, the NRC's rulemaking regarding temporary storage and permanent disposal of high level nuclear waste and spent nuclear fuel has been challenged and is being reworked. The Company cannot predict when spent fuel shipments to the DOE will commence.

APS and the Company believe that spent fuel storage or disposal methods will be available to allow each Palo Verde unit to continue to operate through the current term of its operating license. The Company expects to incur significant costs for on-site spent fuel storage during the life of Palo Verde which the Company believes are the responsibility of the DOE. These costs are assigned to fuel requiring the additional on-site storage and amortized as that fuel is burned until an agreement is reached with the DOE for recovery of these costs.

NRC Oversight of the Nuclear Energy Industry in the Wake of the Earthquake and Tsunami in Japan. The NRC regulates the operation of all commercial nuclear power reactors in the United States, including Palo Verde. The NRC periodically conducts inspections of nuclear facilities and monitors performance indicators to enable the agency to arrive at objective conclusions about a licensee's safety performance. Following the March 11, 2011 earthquake and tsunami in Japan, which caused significant damage to the Fukushima Daiichi Nuclear Power Station, the NRC launched a two-pronged review of U.S. nuclear power plant safety. With respect to Palo Verde, the NRC issued two orders requiring safety enhancements regarding: (1) mitigation strategies to respond to extreme natural events resulting in the loss of power at plants; and (2) enhancement of spent fuel pool instrumentation. The NRC has also requested information pertaining to re-evaluations of seismic and flooding hazards, communications, and staffing during events affecting multiple reactors at a site. Palo Verde has budgeted \$14 million, total project, in modifications for the 2013 capital budget relating to the NRC requirements. Until further action is taken by the NRC as a result of this event, the Company cannot predict any additional financial or operational impacts on Palo Verde.

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

The Palo Verde Participants maintain "all risk" (including nuclear hazards) insurance for property damage to, and decontamination of, property at Palo Verde in the aggregate amount of \$2.8 billion, a substantial portion of which must first be applied to stabilization and decontamination. The Company has also secured insurance against portions of any increased cost of generation or purchased power and business interruption resulting from a sudden and unforeseen outage of any of the three units. The insurance coverage discussed in this and the previous paragraph is subject to certain policy conditions and exclusions. A mutual insurance company whose members are utilities with nuclear facilities issues these policies. If losses at any nuclear facility covered by this mutual insurance company were to exceed the accumulated funds for these insurance programs, the Company could be assessed retrospective premium adjustments of up to \$9.8 million for the current policy period.

E. Accounting for Asset Retirement Obligations

The Company complies with FERC Order No. 631 for asset retirement obligations ("ARO"). FERC Order No. 631 affects the accounting for the decommissioning of the Company's Palo Verde and Four Corners Stations and the method used to report the decommissioning obligation. The Company also complies with FASB guidance for conditional asset retirement obligations which primarily affects the accounting for the disposal obligations of the Company's fuel oil storage tanks, water wells, evaporative ponds and asbestos found at the Company's gas-fired generating plants. The Company's AROs are subject to various assumptions and

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determinations such as: (i) whether a legal obligation exists to remove assets; (ii) estimation of the fair value of the costs of removal; (iii) when final removal will occur; (iv) future changes in decommissioning cost escalation rates; and (v) the credit-adjusted interest rates to be utilized in discounting future liabilities. Changes that may arise over time with regard to these assumptions and determinations will change amounts recorded in the future as an expense for AROs. The Company records the increase in the ARO due to the passage of time as an operating expense (accretion expense). If the Company incurs or assumes any liability in retiring any asset at the end of its useful life without a legal obligation to do so, it will record such retirement costs as incurred.

The 2012 ARO liability for Palo Verde is based upon the estimated cost of decommissioning the plant from the 2010 Palo Verde decommissioning study. See Note D. The ARO liability is calculated by adjusting the estimated decommissioning costs for spent fuel storage and a profit margin and market-risk premium factor. The resulting costs are escalated over the remaining life of the plant and finally discounted using a credit-risk adjusted discount rate. As Palo Verde approaches the end of its estimated useful life, the difference between the ARO liability and future current cost estimates will narrow over time due to the accretion of the ARO liability. Because the DOE is obligated to assume responsibility for the permanent disposal of spent fuel, spent fuel costs have not been included in the ARO calculation. The Company has six external trust funds with an independent trustee that are legally restricted to settling its ARO at Palo Verde. The fair value of the funds at December 31, 2012 is \$187.1 million.

FERC Order No. 631 requires the Company to revise its previously recorded ARO for any changes in estimated cash flows including changes in estimated probabilities related to timing of settlements. Any changes that result in an upward revision to estimated cash flows shall be treated as a new liability. Any downward revisions to the estimated cash flows result in a reduction to the previously recorded ARO. In April 2011, the Company implemented the 2010 Palo Verde decommissioning study, and as a result, revised its ARO related to Palo Verde to (i) increase estimated cash flows from the 2007 Study to the 2010 Study, and (ii) change estimated probabilities due to Palo Verde license extension (see Note D). The assumptions used to calculate the original Palo Verde ARO liability and the revised Palo Verde ARO liability are as follows:

	Escalation Rate	Credit-Risk Adjusted Discount Rate
Original ARO liability	3.60%	9.50%
Incremental ARO liability	3.60%	6.20%

A roll forward of the Company's ARO liability is presented below and revisions to estimates include both the increase to estimated cash flows and the change in estimated probabilities for life extension due to the approval of a Palo Verde license extension in 2011 and the change in the estimated probability of extending the Four Corners' original lease term in 2012.

	2012	2011
ARO liability at beginning of year	\$ 56,140	\$ 92,911
Liabilities incurred	—	—
Liabilities settled	(450)	(793)
Revisions to estimate	1,929	(41,670)
Accretion expense	5,165	5,692
ARO liability at end of year	<u>\$ 62,784</u>	<u>\$ 56,140</u>

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

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F. Common Stock

Overview

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

Long-Term Incentive Plan

On May 2, 2007, the Company's shareholders approved a stock-based long-term incentive plan (the "2007 LTIP") and authorized the issuance of up to one million shares of common stock for the benefit of directors and employees. Under the 2007 LTIP, common stock may be issued through the award or grant of non-statutory stock options, incentive stock options, stock appreciation rights, restricted stock, bonus stock, performance stock, cash-based awards and other stock-based awards. The Company may issue new shares, purchase shares on the open market, or issue shares from shares the Company has repurchased to meet the share requirements of the 2007 LTIP. As discussed in Note A, the Company accounts for its stock-based long-term incentive plan under FASB guidance for stock-based compensation.

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

The following table summarizes the transactions in the Company's stock options for 2012:

	<u>Shares</u>	<u>Weighted Average Exercise Price</u>	<u>Weighted Average Remaining Contractual Term</u>	<u>Aggregate Intrinsic Value</u> (In thousands)	<u>Cash Received</u> (In thousands)	<u>Realized Current Tax Benefits</u> (In thousands)
Options outstanding at December 31, 2011	47,336	\$ 12.80				
Options exercised	32,336	12.81			\$ 414	\$ 210
Options outstanding at December 31, 2012	<u>15,000</u>	12.78	0.93	\$ 287		
Exercisable at December 31, 2012	<u>15,000</u>	12.78	0.93	287		

The intrinsic value of stock options exercised in 2012 and 2011 were \$0.6 million and \$1.0 million, respectively. No options were forfeited, vested or expired during 2012 and 2011.

All stock options outstanding have vested. No compensation cost was recognized in 2011 and 2012 for stock options and there is no unrecognized compensation expense related to stock options.

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

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The expense, deferred tax benefit, and current tax expense recognized related to restricted stock awards in 2012 and 2011 is presented below (in thousands):

	<u>2012</u>	<u>2011</u>
Expense (a)	\$ 1,508	\$ 2,258
Deferred tax benefit	528	790
Current tax benefit recognized	94	518

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

The aggregate intrinsic value and fair value at grant date of restricted stock which vested in 2012 and 2011 are presented below (in thousands):

	<u>2012</u>	<u>2011</u>
Aggregated intrinsic value	\$ 2,242	\$ 3,279
Fair value at grant date	1,973	1,799

The unvested restricted stock transactions for 2012 are presented below:

	<u>Total Shares</u>	<u>Weighted Average Grant Date Fair Value</u>	<u>Unrecognized Compensation Expense (a)</u>	<u>Aggregate Intrinsic Value</u>
			<u>(In thousands)</u>	<u>(In thousands)</u>
Restricted shares outstanding at December 31, 2011	156,185	\$ 26.87		
Restricted stock awards	87,428	32.45		
Lapsed restrictions and vesting	(71,067)	27.76		
Forfeitures (b)	<u>(88,100)</u>	27.48		
Restricted shares outstanding at December 31, 2012	<u>84,446</u>	31.26	\$ 1,184	\$ 2,695

- (a) The unrecognized compensation expense is expected to be recognized over the weighted average remaining contractual term of the outstanding restricted stock of approximately one year.
- (b) Forfeitures include 79,489 shares with a weighted average grant date fair value of \$27.46 which were forfeited by the March 2, 2012 resignation of the Company's former Chief Executive Officer.

The weighted average fair value per share at grant date for restricted stock awarded during 2012 and 2011 were:

	<u>2012</u>	<u>2011</u>
Weighted average fair value per share	\$ 32.45	\$ 28.98

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

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

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Detail of performance shares vested follows:

<u>Date Vested</u>	<u>Payout Ratio</u>	<u>Performance Shares Awarded</u>	<u>Compensation Costs Expensed</u> (In thousands)	<u>Period Compensation Costs Expensed</u>	<u>Aggregated Intrinsic Value</u> (In thousands)
January 1, 2013	150.0%	64,275	\$ 849	2010-2012	\$ 2,051
January 1, 2012	175.0%	174,038	1,193	2009-2011	6,029
July 9, 2011	112.5%	2,250	23	2008-2011	75
September 3, 2011	112.5%	3,825	40	2008-2011	129
January 1, 2011	112.5%	34,820	565	2008-2010	959

In 2013, 2014 and 2015, subject to meeting certain performance criteria, additional performance shares could be awarded. In accordance with FASB guidance related to stock-based compensation, the Company recognizes the related compensation expense by ratably amortizing the grant date fair value of awards over the requisite service period and the compensation expense is only adjusted for forfeitures. Excluding the 64,275 shares that vested on January 1, 2013, the actual number of shares to be issued can range from zero to 170,366 shares.

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

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

	<u>Number Outstanding</u>	<u>Weighted Average Grant Date Fair Value</u>	<u>Unrecognized Compensation Expense (a)</u> (In thousands)	<u>Aggregate Intrinsic Value</u> (In thousands)
Performance shares outstanding at December 31, 2011	295,614	\$ 18.57		
Performance share awards	88,133	32.74		
Performance shares vested	(99,450)	12.00		
Performance shares lapsed	—	—		
Performance shares forfeited (b)	(156,264)	24.26		
Performance shares outstanding at December 31, 2012	<u>128,033</u>	26.48	\$ 1,269	\$ 4,086

- (a) The unrecognized compensation expense is expected to be recognized over the weighted average remaining contractual term of the awards of approximately one year.
- (b) Forfeitures include 132,914 shares with a weighted average grant date fair value of \$23.80 which were forfeited by the March 2, 2012 resignation of the Company's former Chief Executive Officer.

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A summary of information related to performance shares for 2012 and 2011 is presented below:

	2012	2011
Weighted average per share grant date fair value per share of performance shares awarded	\$ 32.74	\$ 23.45
Fair value of performance shares vested (in thousands)	1,193	628
Intrinsic value of performance shares vested (in thousands)	3,464	1,032
Compensation expense (in thousands) (a)	170	1,573
Deferred tax benefit related to compensation expense (in thousands)	59	551

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

Repurchase Program

No shares of common stocks were repurchased during the twelve months ended December 31, 2012. Detail regarding the Company's stock repurchase program is presented below:

	Since 1999 (a)	Authorized Shares
Shares repurchased (b)	25,406,184	
Cost, including commission (in thousands)	\$ 423,647	
Total remaining shares available for repurchase at December 31, 2012		393,816

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

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

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

Dividend Policy

On December 28, 2012, the Company paid \$10.0 million in quarterly cash dividends to shareholders. The Company paid a total of \$38.9 million and \$27.2 million in cash dividends during the twelve months ended December 31, 2012 and 2011. On January 17, 2013, the Board of Directors declared a quarterly cash dividend of \$0.25 per share payable on March 29, 2013 to shareholders of record on March 14, 2013.

G. Accumulated Other Comprehensive Income

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

	Net Unrealized Gains (Losses) on Marketable Securities	Unrecognized Pension and Postretirement Benefit Costs	Net Losses on Cash Flow Hedges	Accumulated Other Comprehensive Income
Balance at December 31, 2010	\$ 11,296	\$ (35,940)	\$ (13,595)	\$ (38,239)
Other comprehensive income (loss)	2,928	(74,827)	361	(71,538)
Income tax benefit (expense)	(563)	30,913	439	30,789
Balance at December 31, 2011	13,661	(79,854)	(12,795)	(78,988)
Other comprehensive income	10,969	6,525	385	17,879
Income tax expense	(2,438)	(2,406)	(131)	(4,975)
Balance at December 31, 2012	\$ 22,192	\$ (75,735)	\$ (12,541)	\$ (66,084)

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

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

	December 31,	
	2012	2011
(In thousands)		
<u>Bonds (Account 221):</u>		
Pollution Control Bonds (1):		
7.25% 2009 Series A refunding bonds, due 2040 (7.46% effective interest rate)	\$ 63,500	\$ 63,500
4.50% 2012 Series A refunding bonds, due 2042 (4.63% effective interest rate)	59,235	59,235
7.25% 2009 Series B refunding bonds, due 2040 (7.49% effective interest rate)	37,100	37,100
1.875% 2012 Series A refunding bonds, due 2032 (2.34% effective interest rate)	33,300	33,300
Total Account 221	193,135	193,135
<u>Other Long-Term Debt (Accounts 224 and 226):</u>		
Senior Notes (2):		
6.00% Senior Notes, net of discount, due 2035 (7.12% effective interest rate)	400,000	400,000
7.50% Senior Notes, net of discount, due 2038 (7.67% effective interest rate)	150,000	150,000
3.30% Senior Notes, net of discount, due 2022 (3.43% effective interest rate)	150,000	—
Total Account 224	700,000	550,000
Unamortized discount on long-term debt Account 226	(3,600)	(3,338)
Total long-term debt	\$ 889,535	\$ 739,797
<u>Obligations Under Capital Lease – Noncurrent (Account 227):</u>		
RGRT Senior Notes (3):		
3.67% Senior Notes, Series A, due 2015 (3.87% effective interest rate)	15,000	15,000
4.47% Senior Notes, Series B, due 2017 (4.62% effective interest rate)	50,000	50,000
5.04% Senior Notes, Series C, due 2020 (5.16% effective interest rate)	45,000	45,000
Total Capital Lease Obligations Noncurrent	\$ 110,000	\$ 110,000
<u>Notes Payable – (Account 231):</u>		
Revolving Credit Facility (4)	\$ —	\$ 20,000
<u>Obligations Under Capital Lease –Current (Account 243):</u>		
Revolving Credit Facility	\$ 24,064	\$ 15,288

(1) Pollution Control Bonds ("PCBs")

The Company has four series of tax exempt unsecured PCBs in aggregate principal amount of \$193.1 million. In August 2012, the 4.80% 2005 Series A (El Paso Electric Company Palo Verde Project) Pollution Control Refunding Revenue Bonds with an aggregate principal amount of \$59.2 million was refunded at a fixed rate of 4.50% and will mature on August 1, 2042. The 4.00% 2002 Series A (El Paso Electric Company Four Corners Project) Pollution Control Refunding Revenue Bonds with an aggregate principal amount of \$33.3 million was remarketed in August 2012 at a fixed rate of 1.875%, until September 1, 2017 when the bonds are subject to mandatory tender for purchase. These bonds will mature on June 1, 2032.

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(2) Senior Notes

The Senior Notes are unsecured obligations of the Company. They were issued pursuant to bond covenants that provide limitations on the Company's ability to enter into certain transactions. The 6.00% senior notes have an aggregate principal amount of \$400.0 million and were issued in May 2005. The proceeds, net of a \$2.3 million discount, were used to fund the retirement of the Company's first mortgage bonds. The Company amortizes the loss associated with a cash flow hedge recorded in accumulated other comprehensive income to earnings as interest expense over the life of the 6.00% senior notes. See Note N, "Financial Instruments and Investments - Treasury Rate Locks". This amortization is included in the effective interest rate of the 6.00% senior notes.

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

The 3.30% senior notes have an aggregate principal amount of \$150.0 million, were issued in December 2012 and will mature on December 15, 2022. The gross proceeds, net of a \$0.3 million discount, will be used to fund construction expenditures and for working capital and general corporate purposes.

(3) RGRT Senior Notes

On August 17, 2010, the Company and RGRT, a Texas grantor trust through which the Company finances its portion of fuel for Palo Verde, entered into a Note Purchase Agreement (the "Agreement") with various institutional purchasers. Under the terms of the Agreement, RGRT sold to the purchasers \$110 million aggregate principal amount of senior notes (the "Notes"). The Company guarantees the payment of principal and interest on the Notes. In the Company's regulatory-basis financial statements, the obligations to the RGRT are reported as obligations under capital leases of nuclear fuel.

RGRT will pay interest on the Notes on February 15 and August 15 of each year until maturity. RGRT may redeem the Notes, in whole or in part, at any time at a redemption price equal to 100% of the principal amount to be redeemed together with the interest on such principal amount accrued to the date of redemption, plus a make-whole amount based on the prevailing market interest rates. The Agreement requires compliance with certain covenants, including a total debt to capitalization ratio. The Company was in compliance with these requirements throughout 2012.

The sale of the Notes was made by RGRT in reliance on a private placement exemption from registration under the Securities Act of 1933, as amended.

The proceeds of \$109.4 million, net of issuance costs, from the sale of the Notes was used by RGRT to repay amounts borrowed under the revolving credit facility and will enable future nuclear fuel financing requirements of RGRT to be met with a combination of the Notes and amounts borrowed from the revolving credit facility.

(4) Revolving Credit Facility

On March 29, 2012, the Company and RGRT entered into the Incremental Facility Assumption Agreement ("the Assumption Agreement") related to the revolving credit agreement (the "RCF") with JP Morgan Chase Bank, N.A., as administrative agent and issuing bank, and Union Bank, N.A., as syndication agent, and various lending banks party thereto. The Assumption Agreement provides for the Company's exercise in full of the accordion feature provided for under the RCF, increasing the aggregate unsecured borrowing available from \$200 million to \$300 million. The RCF has a term ending September 2016. No other material modifications were made to the terms and conditions of the RCF.

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

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RCF is unsecured. The RCF requires compliance with certain covenants, including a total debt to capitalization ratio. The Company was in compliance with these requirements throughout 2012. As of December 31, 2012, the total amount borrowed by RGRT was \$22.2 million for nuclear fuel under the RCF. No borrowings were outstanding under this facility for working capital and general corporate purposes. The weighted average interest rate on the RCF was 1.5% as of December 31, 2012.

As of December 31, 2012, the scheduled maturities for the next five years of long-term debt and obligations under capital lease noncurrent are as follows (in thousands):

2013	\$ —
2014	—
2015	15,000
2016	—
2017	83,300

The \$22.2 million outstanding on the RCF for nuclear fuel financing purposes is anticipated to be paid in 2013.

I. Income Taxes

The tax effects of temporary differences that give rise to significant portions of the deferred tax assets and liabilities at December 31, 2012 and 2011 are presented below (in thousands):

	<u>December 31,</u>	
	<u>2012</u>	<u>2011</u>
Deferred tax assets:		
Capitalized revenues and other capitalized costs	\$ 60,726	\$ 55,685
Benefit of federal tax loss carryforwards	7,470	21,737
Pensions and benefits	76,655	84,742
Alternative minimum tax credit carryforward	21,599	19,863
Regulatory liabilities related to income taxes	7,505	14,762
Asset retirement obligation	22,694	21,987
Deferred fuel	1,754	—
Debt related items	7,236	7,228
Other	18,741	24,659
Total gross deferred tax assets	<u>224,380</u>	<u>250,663</u>
Deferred tax liabilities:		
Plant, principally due to depreciation and basis differences	(432,291)	(413,195)
Regulatory assets related to income taxes	(100,796)	(93,549)
Decommissioning	(24,156)	(20,019)
Deferred fuel	—	(2,279)
Other	(7,952)	(8,368)
Total gross deferred tax liabilities	<u>(565,195)</u>	<u>(537,410)</u>
Net accumulated deferred income taxes	<u>\$ (340,815)</u>	<u>\$ (286,747)</u>

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

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The Company recognized income tax expense for 2012 and 2011 as follows (in thousands):

	Years Ended December 31,	
	2012	2011
Income Tax expense:		
Federal:		
Current	\$ 3,512	\$ 2,706
Deferred	41,264	49,813
Investment tax credit	(1,158)	(1,189)
Total federal income tax	<u>\$ 43,618</u>	<u>\$ 51,330</u>
State:		
Current	416	2,938
Deferred	697	(924)
Total state income tax	<u>\$ 1,113</u>	<u>\$ 2,014</u>

As of December 31, 2012, the Company had \$21.6 million of alternative minimum tax ("AMT") credit carryforwards. The AMT credit carryforwards have an unlimited life. As of December 31, 2012, the Company had tax loss carryforwards of \$7.7 million and \$0.1 million that have lives of 20 years and 5 years, respectively.

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

	Years Ended December 31,	
	2012	2011
Federal income tax expense computed on income at statutory rate	\$ 48,295	\$ 55,127
Difference due to:		
State income taxes (federal effect)	(390)	(705)
Investment Tax Credit amortization (net of deferred taxes)	(753)	(803)
Allowance for equity funds used during construction	(1,771)	(951)
Amortization of excess deferred taxes	(717)	(773)
Amortization of regulatory assets and liabilities	(405)	(433)
Permanent tax differences	(156)	174
Other	(485)	(306)
Total federal income tax expense	<u>\$ 43,618</u>	<u>\$ 51,330</u>

The Company files income tax returns in the U.S. federal jurisdiction and in the states of Texas, New Mexico and Arizona. The Company is no longer subject to tax examination by the taxing authorities in the federal jurisdiction for years prior to 2008 and in the state jurisdictions for years prior to 1998. The Company is currently under audit in the federal jurisdiction for tax years 2009 through 2012 and in Texas for 2007. A deficiency notice relating to the Company's 1998 through 2003 and 2006 and 2007 income tax returns in Arizona contests a pollution control credit, a research and development credit and the sales and property apportionment factors. The Company is contesting these adjustments.

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

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The Company recognizes in interest and penalties expense accounts interest and penalties related to tax benefits that are uncertain. During the years ended December 31, 2012 and 2011, the Company recognized a benefit of approximately \$0.3 million and an expense of \$0.2 million, respectively, in interest. The Company had approximately \$0.1 million and \$0.4 million for the payment of interest and penalties accrued at December 31, 2012 and December 31, 2011, respectively.

J. Commitments, Contingencies and Uncertainties

Power Purchase and Sale Contracts

To supplement its own generation and operating reserves and to meet required renewable portfolio standards, the Company engages in firm power purchase arrangements which may vary in duration and amount based on evaluation of the Company's resource needs, the economics of the transactions, and specific renewable portfolio requirements. The Company had entered into the following significant agreements with various counterparties for forward firm purchases and sales of electricity:

Type of Contract	Counterparty	Quantity	Term	Commercial Operation Date
Power Purchase and Sale Agreement	Freeport	125 MW	December 2008 through December 2013	N/A
Power Purchase and Sale Agreement	Freeport	100 MW	January 2014 through December 2021	N/A
Power Purchase Agreement	Shell	Up to 40 MW	January 2011 through September 2014	N/A
Power Purchase Agreement	NRG	20 MW	August 2011 through August 2031	August 2011
Power Purchase Agreement	Sun Edison 1	10 MW	25 years after operational start date	June 2012
Power Purchase Agreement	Sun Edison 2	12 MW	25 years after operational start date	May 2012
Power Purchase Agreement	Hatch Solar Energy Center I, LLC	5 MW	July 2011 through June 2036	July 2011

The Company has a Power Purchase and Sale Agreement with Freeport-McMoran Copper and Gold Energy Services LLC ("Freeport") which provides for Freeport to deliver energy to the Company from its ownership interest in the Luna Energy Facility (a natural gas-fired combined cycle generation facility located in Luna County, New Mexico) and for the Company to deliver a like amount of energy at Greenlee, Arizona. The Company may purchase the quantities noted in the table above at a specified price at times when energy is not exchanged under the Power Purchase and Sale Agreement. Upon mutual agreement, the contract allows the parties to increase the amount of energy that is purchased and sold under the Power Purchase and Sale Agreement. The parties have agreed to increase the amount to 125 MW through December 2013. The contract was approved by the FERC and continues through December 31, 2021.

The Company entered into an agreement in 2009 to purchase capacity and unit contingent energy during 2010 from Shell Energy North America ("Shell"). Under the agreement, the Company provides natural gas to Pyramid Unit No. 4 where Shell has the right to convert natural gas to electric energy. The Company entered into a contract with Shell on May 17, 2010 to extend the term of the capacity and unit contingent energy purchase from January 1, 2011 through September 30, 2014.

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

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

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Environmental Matters

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

Air Emissions. The U.S. Clean Air Act ("CAA"), associated regulations and comparable state laws and regulations relating to air emissions impose, among other obligations, limitations on pollutants generated during the Company's operations, including sulfur dioxide ("SO₂"), particulate matter ("PM"), nitrogen oxides ("NO_x") and mercury.

Clean Air Interstate Rule/Cross State Air Pollution Rule. The U.S. Environmental Protection Agency's ("EPA") Clean Air Interstate Rule ("CAIR"), as applied to the Company, involves requirements to limit emissions of NO_x and SO₂ from certain of the Company's power plants in Texas and/or purchase allowances representing other parties' emissions reductions since 2009. While the U.S. Court of Appeals for the District of Columbia Circuit voided CAIR in 2008, such appellate court in August 2012 also vacated the EPA's proposed replacement, called the Cross-State Air Pollution Rule ("CSAPR"). The EPA is expected to propose a CSAPR replacement rule, which if finalized and upheld, would also replace CAIR. The timing and substance of any final CAIR replacement is currently unknown and until promulgated and upheld, the Company remains subject to CAIR. The annual reconciliation to comply with CAIR is due by March 31 of the following year. The Company has purchased allowances and expensed the following costs to meet its annual requirements (in thousands):

Compliance Year	Amount
2011	\$ 90
2012	37

National Ambient Air Quality Standards. Under the CAA, the EPA sets National Ambient Air Quality Standards ("NAAQS") for six criteria emissions considered harmful to public health and the environment, including PM, NO_x, carbon monoxide ("CO") and SO₂. NAAQS must be reviewed by the EPA at five-year intervals. In 2010, the EPA strengthened the NAAQS for both NO_x and SO₂. In December 2012, the EPA strengthened the NAAQS for fine PM, and it is likely to propose more stringent ozone NAAQS in 2013. The Company continues to evaluate what impact these final and proposed NAAQS could have on its operations. If the Company is required to install additional equipment to control emissions at its facilities, the revised NAAQS could have a material impact on its operations and financial results.

Utility MACT. The operation of coal-fired power plants, such as the Company's Four Corners plant, results in emissions of mercury and other air toxics. In December 2011, the EPA finalized Mercury and Air Toxics Standards (known as the "Utility MACT") for oil- and coal-fired power plants, which requires significant reductions in emissions of mercury and other air toxics. Several challenges are being made to this rule. These challenges notwithstanding, companies impacted by the new standards will have up to three (and some cases, four) years to comply. Information from the Four Corners plant operator, APS, indicates that APS believes Units 4 and 5 will require no additional modifications to achieve compliance with the Utility MACT standards; however, further testing and evaluation are planned.

Other Laws and Regulations. In addition, Four Corners, is, or may in the future be, required to comply with various other environmental laws and regulations and involved in various other legal proceedings related to such laws and regulations, which compliance and proceedings could result in increased costs to us. For example, Four Corners will be required to install pollution control equipment that constitutes the best available retrofit technology to lessen the impacts of emissions on visibility surrounding the plant, the costs of which could be material.

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Climate Change. The U.S. federal government has either considered, proposed and/or finalized legislation or regulations limiting greenhouse gas ("GHG") emissions, including carbon dioxide. In particular, the U.S. Congress is expected to consider legislation to restrict or regulate GHG emissions in the next few years. In the past few years, the EPA began using the CAA to limit carbon dioxide and other GHG emissions, such as the 2009 GHG Reporting Rule and the EPA's sulfur hexafluoride ("SF6") reporting rule, both of which the Company is subject, as well as the EPA's 2010 so-called Tailoring Rule which rule could impose significant obligation and costs on power plant owners and operators. During the second term of the Obama Administration, the EPA is expected to propose further regulations targeting GHG emissions, including from existing power plants at some point in the future. In addition, almost half the U.S. states, either individually and/or through multi-state regional initiatives, have begun to consider how to address GHG emissions and have developed, or are actively considering the development of emission inventories or regional GHG cap and trade programs. While a significant portion of the Company's generation assets are nuclear or gas-fired, and as a result, the Company believes that its greenhouse gas emissions are low relative to electric power companies who rely more on coal-fired generation, current and future legislation and regulation of GHGs or any future related litigation could impose significant costs and/or operating restrictions on the Company, reduced demand for the power the Company generates and/or require the Company to purchase rights to emit GHGs, any of which could have a material adverse effect on the Company's business, financial condition, reputation or results of operations.

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

Environmental Litigation and Investigations. Since 2009, the EPA and certain environmental organizations have been scrutinizing, and in some cases, have filed lawsuits, relating to certain air emissions and air permitting matters from or of Four Corners. Since July 2011, the U.S. Department of Justice ("DOJ"), on behalf of the EPA, and APS have been engaged in substantive settlement negotiations in an effort to resolve the pending matters. The allegations being addressed through settlement negotiations are that APS failed to obtain the necessary permits and install the controls necessary under the CAA to reduce SO₂, NO_x, and PM, and that defendants failed to obtain an operating permit under Title V of the CAA that reflects applicable requirements imposed by law. In March 2012, the DOJ provided APS with a draft consent decree to settle the EPA matter, which decree contains specific provisions for the reduction and control of NO_x, SO₂, and PM, as well as provisions for a civil penalty, and expenditures on environmental mitigation projects with an emphasis on projects that address alleged harm to the Navajo Nation. Settlement discussions are on-going.

Similar to other utilities in the western half of the U.S., the Company received notice that Earthjustice filed a lawsuit in the United States District Court for New Mexico on October 4, 2011 for alleged violations of the Prevention of Significant Deterioration ("PSD") provisions of the CAA related to Four Corners. On January 6, 2012, Earthjustice filed a First Amended Complaint adding claims for violations of the CAA's New Source Performance Standards ("NSPS") program. Among other things, the plaintiffs seek to have the court enjoin operations at Four Corners until APS applies for and obtains any required PSD permits and complies with the referenced NSPSs. The plaintiffs further request the court to order the payment of civil penalties, including a beneficial mitigation project. On April 2, 2012, APS and the other Four Corners' participants filed motions to dismiss with the court. Earthjustice filed their response briefs on May 16, 2012. APS filed reply briefs on June 22, 2012. Utility Air Regulatory Group filed an amicus brief, and plaintiffs were allowed until July 23, 2012 to respond to that amicus brief. In March 2013, the parties filed a joint motion to stay the proceedings to enable settlement discussions, and the motion was granted staying the case until May 1, 2013. The Company is unable to predict the outcome of this litigation.

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Lease Agreements

The Company leases land in El Paso adjacent to the Newman Power Station under a lease which expires in June 2033 with a renewal option of 25 years. In addition, the Company leases certain warehouse facilities in El Paso under a lease which expires in December 2014. The Company also has several other leases for office, parking facilities and equipment which expire within the next five years. These lease agreements do not impose any restrictions relating to issuance of additional debt, payment of dividends or entering into other lease arrangements. The Company has no significant capital lease agreements.

The Company's total annual rental expense related to operating leases was \$1.3 million for 2012 and \$1.1 million for 2011. As of December 31, 2012, the Company's minimum future rental payments for the next five years are as follows (in thousands):

2013	\$	1,054
2014		1,023
2015		558
2016		511
2017		412

Union Matters

The collective bargaining agreement with existing union employees expires in September 2013 and the Company anticipates entering into negotiations on a new collective bargaining agreement prior to the expiration of the current contract.

K. Litigation

The Company is a party to various legal actions. In many of these matters, the Company has excess casualty liability insurance that covers the various claims, actions and complaints. Based upon a review of these claims and applicable insurance coverage, to the extent that the Company has been able to reach a conclusion as to its ultimate liability, it believes that none of these claims will have a material adverse effect on the financial position, results of operations or cash flows of the Company.

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

L. Employee Benefits

Retirement Plans

The Company's Retirement Income Plan (the "Retirement Plan") covers employees who have completed one year of service with the Company and work at least a minimum number of hours each year. The Retirement Plan is a qualified noncontributory defined benefit plan. Upon retirement or death of a vested plan participant, assets of the Retirement Plan are used to pay benefit obligations under the Retirement Plan. Contributions from the Company are at least the minimum funding amounts required by the IRS under provisions of the Retirement Plan, as actuarially calculated. The assets of the Retirement Plan are invested in equity securities, debt securities and cash equivalents and are managed by professional investment managers appointed by the Company.

The Company has two non-qualified retirement plans that are non-funded defined benefit plans. The Company's Supplemental Retirement Plan covers certain former employees and directors of the Company. The other plan, the Excess Benefit Plan was adopted in 2004 and covers certain active and former employees of the Company. The benefit cost for the non-qualified retirement plans are based on substantially the same actuarial methods and economic assumptions as those used for the Retirement Plan. The Company complies with FASB guidance on disclosure for pension and other post-retirement plans that requires disclosure of investment policies and strategies, categories of investment and fair value measurements of plan assets, and significant concentrations of risk.

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

	December 31,			
	2012		2011	
	Retirement Income Plan	Non-Qualified Retirement Plans	Retirement Income Plan	Non-Qualified Retirement Plans
Change in projected benefit obligation:				
Benefit obligation at end of prior year	\$ 296,293	\$ 26,547	\$ 242,718	\$ 24,008
Service cost	8,530	299	6,590	260
Interest cost	12,594	963	12,871	1,116
Actuarial loss	12,417	1,338	42,508	2,980
Benefits paid	(8,988)	(1,906)	(8,394)	(1,817)
Benefit obligation at end of year	320,846	27,241	296,293	26,547
Change in plan assets:				
Fair value of plan assets at end of prior year	191,369	—	171,341	—
Actual return on plan assets	20,187	—	16,422	—
Employer contribution	18,000	1,906	12,000	1,817
Benefits paid	(8,988)	(1,906)	(8,394)	(1,817)
Fair value of plan assets at end of year	220,568	—	191,369	—
Funded status at end of year	\$ (100,278)	\$ (27,241)	\$ (104,924)	\$ (26,547)

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

	December 31,			
	2012		2011	
	Retirement Income Plan	Non- Qualified Retirement Plans	Retirement Income Plan	Non- Qualified Retirement Plans
Current liabilities	\$ —	\$ (1,829)	\$ —	\$ (1,844)
Noncurrent liabilities	(100,278)	(25,412)	(104,924)	(24,703)
Total	\$ (100,278)	\$ (27,241)	\$ (104,924)	\$ (26,547)

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

	December 31,			
	2012		2011	
	Retirement Income Plan	Non-Qualified Retirement Plans	Retirement Income Plan	Non-Qualified Retirement Plans
Projected benefit obligation	\$ (320,846)	\$ (27,241)	\$ (296,293)	\$ (26,547)
Accumulated benefit obligation	(274,890)	(26,363)	(250,753)	(26,547)
Fair value of plan assets	220,568	—	191,369	—

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

	Years Ended December 31,			
	2012		2011	
	Retirement Income Plan	Non-Qualified Retirement Plans	Retirement Income Plan	Non-Qualified Retirement Plans
Net loss	\$ 125,763	\$ 9,701	\$ 129,820	\$ 8,990
Prior service cost	3	314	24	408
Total	<u>\$ 125,766</u>	<u>\$ 10,015</u>	<u>\$ 129,844</u>	<u>\$ 9,398</u>

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

	December 31,					
	2012			2011		
	Retirement Income Plan	Non-Qualified Supplemental Retirement Plan	Excess Benefit Plan	Retirement Income Plan	Non-Qualified Supplemental Retirement Plan	Excess Benefit Plan
Discount rate	4.0%	3.1%	4.0%	4.3%	3.6%	4.1%
Rate of compensation increase	4.8%	N/A	4.8%	5.0%	N/A	5.0%

The Company reassesses various actuarial assumptions at least on an annual basis. The discount rate is reviewed at each measurement date. The discount rate used to measure obligations is based on a spot rate yield curve that matches projected future payments with the appropriate interest rate applicable to the timing of the projected future benefit payments. A 1% increase in the discount rate would decrease the December 31, 2012 retirement plans' projected benefit obligation by 12.7%. A 1% decrease in the discount rate would increase the December 31, 2012 retirement plans' projected benefit obligation by 15.7%.

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

	Years Ended December 31,			
	2012		2011	
	Retirement Income Plan	Non-Qualified Retirement Plans	Retirement Income Plan	Non-Qualified Retirement Plans
Service cost	\$ 8,530	\$ 299	\$ 6,590	\$ 260
Interest cost	12,594	963	12,871	1,116
Expected return on plan assets	(14,443)	—	(14,095)	—
Amortization of:				
Net loss	10,729	627	6,190	354
Prior service cost	21	94	21	94
Net periodic benefit cost	<u>\$ 17,431</u>	<u>\$ 1,983</u>	<u>\$ 11,577</u>	<u>\$ 1,824</u>

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

	Years Ended December 31,			
	2012		2011	
	Retirement Income Plan	Non-Qualified Retirement Plans	Retirement Income Plan	Non-Qualified Retirement Plans
Net loss	\$ 6,672	\$ 1,337	\$ 40,181	\$ 2,980
Amortization of:				
Net loss	(10,729)	(627)	(6,190)	(354)
Prior service cost	(21)	(94)	(21)	(94)
Total recognized in other comprehensive income	<u>\$ (4,078)</u>	<u>\$ 616</u>	<u>\$ 33,970</u>	<u>\$ 2,532</u>

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

	Years Ended December 31,			
	2012		2011	
	Retirement Income Plan	Non-Qualified Retirement Plans	Retirement Income Plan	Non-Qualified Retirement Plans
Total recognized in net periodic benefit cost and other comprehensive income	\$ 13,353	\$ 2,599	\$ 45,547	\$ 4,356

The following are amounts in accumulated other comprehensive income that are expected to be recognized as components of net periodic benefit cost during 2013 (in thousands):

	Retirement Income Plan	Non-Qualified Retirement Plans
Net loss	\$ 9,600	\$ 680
Prior service cost	3	90

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

	2012			2011		
	Retirement Income Plan	Non-Qualified		Retirement Income Plan	Non-Qualified	
		Supplemental Retirement Plan	Excess Benefit Plan		Supplemental Retirement Plan	Excess Benefit Plan
Discount rate	4.3%	3.6%	4.1%	5.4%	4.6%	5.3%
Expected long-term return on plan assets	7.5%	N/A	N/A	7.5%	N/A	N/A
Rate of compensation increase	5.0%	N/A	5.0%	5.0%	N/A	5.0%

The Company reassesses various actuarial assumptions at least on an annual basis. The discount rate is reviewed at each measurement date. The discount rate used to measure net periodic benefit cost is based on a spot rate yield curve that matches projected future payments with the appropriate interest rate applicable to the timing of the projected future benefit payments.

The Company's overall expected long-term rate of return on assets is 7.5% effective January 1, 2012, which is both a pre-tax and after-tax rate as pension funds are generally not subject to income tax. The expected long-term rate of return is based on the weighted average of the expected returns on investments based upon the target asset allocation of the pension fund. The Company's target allocations for the plan's assets are presented below:

	<u>December 31, 2012</u>
Equity securities	55%
Fixed income	40%
Alternative investments	5%
Total	<u>100%</u>

The Retirement Plan fund includes a diversified portfolio of funds investing in equity securities including large and small capital funds and international funds. The Retirement Plan fund also invests in fixed income securities and a real estate limited partnership. The expected returns for fund investments are based on historical risk premiums above the current fixed income rate, while the expected returns for the fixed income securities are based on the portfolio's yield to maturity.

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

- Level 1 – Observable inputs that reflect quoted market prices for identical assets and liabilities in active markets. Prices for securities held in the mutual funds and underlying portfolios of the Retirement Plan are primarily obtained from independent pricing services. These prices are based on observable market data for the same or similar securities.
- Level 2 – Inputs other than quoted market prices included in Level 1 that are observable for the asset or liability either directly or indirectly. The fair value of the Guaranteed Investment Contract is based on market interest rates of investments with similar terms and risk characteristics.
- Level 3 – Unobservable inputs using data that is not corroborated by market data. The fair value of the real estate limited partnership is reported at the net asset value of the investment.

The fair value of the Company's Retirement Plan assets at December 31, 2012 and 2011, and the level within the three levels of the fair value hierarchy defined by FASB guidance on fair value measurements are presented in the table below (in thousands):

Description of Securities	Fair Value as of December 31, 2012	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Cash and Cash Equivalents	\$ 9,163	\$ 9,163	\$ —	\$ —
U.S. Treasury Securities	24,854	24,854	—	—
Guaranteed Investment Contract	1,059	—	1,059	—
Common Stock	52,149	52,149	—	—
Mutual Funds - Fixed Income	59,150	59,150	—	—
Mutual Funds - Equity	65,634	65,634	—	—
Limited Partnership Interest in Real Estate (a)	8,559	—	—	8,559
Total Plan Investments	\$ 220,568	\$ 210,950	\$ 1,059	\$ 8,559

Description of Securities	Fair Value as of December 31, 2011	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Cash and Cash Equivalents	\$ 6,708	\$ 6,708	\$ —	\$ —
U.S. Treasury Securities	24,178	24,178	—	—
Guaranteed Investment Contract	608	—	608	—
Common Stock	70,893	70,893	—	—
Mutual Funds - Fixed Income	53,598	53,598	—	—
Mutual Funds - Equity	26,873	26,873	—	—
Limited Partnership Interest in Real Estate (a)	8,511	—	—	8,511
Total Plan Investments	\$ 191,369	\$ 182,250	\$ 608	\$ 8,511

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

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

	Fair Value of Investments in Real Estate
Balance at December 31, 2010	\$ 7,757
Unrealized gain in fair value	856
Sale of land	(102)
Balance at December 31, 2011	8,511
Unrealized gain in fair value	48
Balance at December 31, 2012	\$ 8,559

There were no purchases, issuances, and settlements related to the assets in the Level 3 fair value measurement category during the twelve month periods ending December 31, 2012 and 2011.

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

The Company contributes at least the minimum funding amounts required by the IRS for the Retirement Plan, as actuarially calculated. The Company expects to contribute \$21.8 million to its retirement plans in 2013.

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

	Retirement Income Plan	Non-Qualified Retirement Plans
2013	\$ 10,021	\$ 1,829
2014	11,064	1,786
2015	12,143	1,754
2016	13,285	1,794
2017	14,482	1,681
2018-2022	89,697	9,384

Other Postretirement Benefits

The Company provides certain health care benefits for retired employees and their eligible dependents and life insurance benefits for retired employees only. Substantially all of the Company's employees may become eligible for those benefits if they retire while working for the Company. Contributions from the Company are no more than the IRS tax deductible limit, as actuarially calculated. The assets of the plan are invested in equity securities, debt securities, and cash equivalents and are managed by professional investment managers appointed by the Company.

The Company determined that the prescription drug benefits of its plan were actuarially equivalent to the Medicare Part D benefit provided for in the Medicare Prescription Drug, Improvement, and Modernization Act of 2003. FASB guidance on accounting and disclosure requirements related to the Medicare Prescription Drug, Improvement and Modernization Act of 2003 requires measurement of the postretirement benefit obligation, the plan assets, and the net periodic postretirement benefit cost to reflect the effects of the subsidy. In March 2010, the President signed into law comprehensive health care reform legislation under the Patient Protection and Affordable Care Act and the Health Care Education and Affordability Reconciliation Act (the "Acts"). The Company modified the operations of the plan to conform to the effective provisions of the Acts.

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

	December 31,	
	2012	2011
Change in benefit obligation:		
Benefit obligation at end of prior year	\$ 133,272	\$ 95,254
Service cost	4,378	2,988
Interest cost	5,651	5,379
Actuarial (gain) loss	(5,009)	32,694
Benefits paid	(3,929)	(4,180)
Retiree contributions	1,086	941
Medicare Part D subsidy	231	196
Benefit obligation at end of year	<u>135,680</u>	<u>133,272</u>
Change in plan assets:		
Fair value of plan assets at end of prior year	32,817	33,660
Actual return on plan assets	2,605	—
Employer contribution	3,700	2,200
Benefits paid	(3,929)	(4,180)
Retiree contributions	1,086	941
Medicare Part D subsidy	231	196
Fair value of plan assets at end of year	<u>36,510</u>	<u>32,817</u>
Funded status (a)	<u>\$ (99,170)</u>	<u>\$ (100,455)</u>

(a) These amounts are recognized in the Company's regulatory-basis balance sheets as a non-current liability.

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

	December 31,	
	2012	2011
Net loss	\$ 13,630	\$ 20,144
Prior service credit	(24,770)	(30,647)
Transition obligation	—	2,426
	<u>\$ (11,140)</u>	<u>\$ (8,077)</u>

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

	December 31,	
	2012	2011
Discount rate at end of year	4.10%	4.30%
Health care cost trend rates:		
Initial	7.75%	8.00%
Ultimate	4.50%	4.50%
Year ultimate reached	2026	2026

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The discount rate is reviewed at each measurement date. The discount rate used to measure obligations is based on a spot rate yield curve that matches projected future payments with the appropriate interest rate applicable to the timing of the projected future benefit payments. A 1% increase in the discount rate would decrease the December 31, 2012 accumulated postretirement benefit obligation by 14.2%. A 1% decrease in the discount rate would increase the December 31, 2012 accumulated postretirement benefit obligation by 18.1%.

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

	<u>Years Ended December 31,</u>	
	<u>2012</u>	<u>2011</u>
Service cost	\$ 4,378	\$ 2,988
Interest cost	5,651	5,379
Expected return on plan assets	(1,714)	(1,823)
Amortization of:		
Unrecognized transition obligation	2,426	2,157
Prior service benefit	(5,877)	(5,927)
Net loss (gain)	615	(39)
Net periodic benefit cost	<u>\$ 5,479</u>	<u>\$ 2,735</u>

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

	<u>Years Ended December 31,</u>	
	<u>2012</u>	<u>2011</u>
Net loss (gain)	\$ (5,900)	\$ 34,517
Amortization of:		
Unrecognized transition obligation	(2,426)	(2,157)
Prior service benefit	5,877	5,927
Net (loss) gain	(615)	39
Total recognized in other comprehensive income	<u>\$ (3,064)</u>	<u>\$ 38,326</u>

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

	<u>Years Ended December 31,</u>	
	<u>2012</u>	<u>2011</u>
Total recognized in net periodic benefit cost and other comprehensive income	<u>\$ 2,415</u>	<u>\$ 41,061</u>

The amount in accumulated other comprehensive income that is expected to be recognized as a component of net periodic benefit cost during 2013 is a prior service benefit of \$5.6 million.

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

	<u>2012</u>	<u>2011</u>
Discount rate at beginning of year	4.3%	5.5%
Expected long-term return on plan assets	5.2%	5.2%
Health care cost trend rates:		
Initial	8.0%	8.5%
Ultimate	4.5%	5.0%
Year ultimate reached	2026	2018

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The Company reassesses various actuarial assumptions at least on an annual basis. The discount rate is reviewed at each measurement date. The discount rate used to measure net periodic benefit cost is based on a spot yield curve that matches projected future payments with the appropriate interest rate applicable to the timing of the projected future benefit payments.

For measurement purposes, an 8.0% annual rate of increase in the per capita cost of covered health care benefits was assumed for 2012. The rate was assumed to decrease gradually to 4.5% for 2026 and remain at that level thereafter. Assumed health care cost trend rates have a significant effect on the amounts reported for the health care plan. The effect of a 1% change in these assumed health care cost trend rates would increase or decrease the December 31, 2012 benefit obligation by \$23.5 million or \$18.7 million, respectively. In addition, such a 1% change would increase or decrease the aggregate 2012 service and interest cost components of the net periodic benefit cost by \$2.1 million or \$1.6 million, respectively.

The Company's overall expected long-term rate of return on assets, on an after-tax basis, is 5.2% effective January 1, 2012. The expected long-term rate of return is based on the after-tax weighted average of the expected returns on investments based upon the target asset allocation. The Company's target allocations for the plan's assets are presented below:

	<u>December 31, 2012</u>
Equity securities	65%
Fixed income	30%
Alternative investments	5%
Total	100%

The asset portfolio includes a diversified mix of funds investing in equity securities including large and small capital funds and international funds. The asset portfolio also includes fixed income securities, cash equivalents, and a real estate limited partnership. The expected returns for fund investments are based on historical risk premiums above the current fixed income rate, while the expected returns for the fixed income securities are based on the portfolio's yield to maturity.

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

- Level 1 – Observable inputs that reflect quoted market prices for identical assets and liabilities in active markets. Prices for securities held in the mutual funds and underlying portfolios of the Other Postretirement Benefits Plan are primarily obtained from independent pricing services. These prices are based on observable market data for the same or similar securities.
- Level 2 – Inputs other than quoted market prices included in Level 1 that are observable for the asset or liability either directly or indirectly. The fair value of municipal securities – tax-exempt are reported at fair value based on evaluated prices that reflect observable market information, such as actual trade information of similar securities, adjusted for observable differences.
- Level 3 – Unobservable inputs using data that is not corroborated by market data. The fair value of the real estate limited partnership is reported at the net asset value of the investment.

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The fair value of the Company's Other Postretirement Benefits Plan assets at December 31, 2012 and 2011, and the level within the three levels of the fair value hierarchy defined by FASB guidance on fair value measurements are presented in the table below (in thousands):

Description of Securities	Fair Value as of December 31, 2012	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Cash and Cash Equivalents	\$ 2,075	\$ 2,075	\$ —	\$ —
Municipal Securities – Tax Exempt	12,811	—	12,811	—
Common Stock	14,397	14,397	—	—
Mutual Funds – Equity	5,622	5,622	—	—
Limited Partnership Interest in Real Estate (a)	1,605	—	—	1,605
Total Plan Investments	\$ 36,510	\$ 22,094	\$ 12,811	\$ 1,605

Description of Securities	Fair Value as of December 31, 2011	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Cash and Cash Equivalents	\$ 3,000	\$ 3,000	\$ —	\$ —
Municipal Securities – Tax Exempt	12,062	—	12,062	—
Common Stock	16,159	16,159	—	—
Limited Partnership Interest in Real Estate (a)	1,596	—	—	1,596
Total Plan Investments	\$ 32,817	\$ 19,159	\$ 12,062	\$ 1,596

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

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

	Fair Value of Investments in Real Estate
Balance at December 31, 2010	\$ 1,455
Sale of land	(19)
Unrealized gain in fair value	<u>160</u>
Balance at December 31, 2011	1,596
Unrealized gain in fair value	<u>9</u>
Balance at December 31, 2012	<u><u>\$ 1,605</u></u>

There were no purchases, issuances, and settlements related to the assets in the Level 3 fair value measurement category during the twelve month periods ending December 31, 2012 and 2011.

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

The Company expects to contribute \$4 million to its other postretirement benefits plan in 2013. The following benefit payments, which reflect expected future service, as appropriate, are expected to be paid (in thousands):

2013	\$ 3,749
2014	4,197
2015	4,698
2016	5,185
2017	5,682
2018-2022	34,806

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401(k) Defined Contribution Plans

The Company sponsors 401(k) defined contribution plans covering substantially all employees. Historically, the Company has provided a 50 percent matching contribution up to 6 percent of the employee's compensation subject to certain other limits and exclusions. Annual matching contributions made to the savings plans for the years 2012 and 2011 were \$1.8 million and \$1.7 million, respectively.

Annual Short-Term Incentive Plan

The Annual Short-Term Incentive Plan (the "Incentive Plan") provides for the payment of cash awards to eligible Company employees, including each of its officers. Payment of awards is based on the achievement of performance measures reviewed and approved by the Company's Board of Directors' Compensation Committee. Generally, these performance measures are based on meeting certain financial, operational and individual performance criteria. The financial performance goals are based on earnings per share and the operational performance goals are based on safety, regulatory compliance, and customer satisfaction. If a specified level of earnings per share is not attained, no amounts will be paid under the Incentive Plan. In 2012, the Company reached the required levels of earnings per share, safety, regulatory compliance, and customer satisfaction goals for an incentive payment of \$7.9 million. The Company reached the required levels of earnings per share, safety, and regulatory compliance goals for an incentive payment of \$7.3 million in 2011. The Company has renewed the Incentive Plan in 2013 with similar goals.

M. Franchises and Significant Customers

El Paso and Las Cruces Franchises

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

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

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

(a) Based on a percentage of revenue.

(b) Of the 4.00% franchise fee, 0.75% is to be placed in a restricted fund to be used solely for economic development and renewable energy purposes.

Military Installations

The Company currently serves Holloman Air Force Base ("Holloman"), White Sands Missile Range ("White Sands") and Fort Bliss. The Company's sales to the military installations represent approximately 5% of annual retail revenues. The Company signed a contract with Fort Bliss in October 2008 under which Fort Bliss takes retail electric service from the Company. The contract with Fort Bliss expired in 2010 and the Company is serving Fort Bliss under the applicable Texas tariffs. In April 1999, the Army and the Company entered into a ten-year contract to provide retail electric service to White Sands. The contract with White Sands expired in 2009 and the Company is serving White Sands under the applicable New Mexico tariffs. In March 2006, the Company signed a contract with Holloman that provides for the Company to provide retail electric service and limited wheeling services to Holloman for a ten-year term which expires in January 2016.

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NOTES TO FINANCIAL STATEMENTS (Continued)			

N. Financial Instruments and Investments

FASB guidance requires the Company to disclose estimated fair values for its financial instruments. The Company has determined that cash and temporary investments, investment in debt securities, accounts receivable, decommissioning trust funds, long-term debt, and financing and capital lease obligations, accounts payable and customer deposits meet the definition of financial instruments. The carrying amounts of cash and temporary investments, accounts receivable, accounts payable and customer deposits approximate fair value because of the short maturity of these items. Investments in debt securities and decommissioning trust funds are carried at fair value.

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

	December 31,			
	2012		2011	
	Carrying Amount	Estimated Fair Value	Carrying Amount	Estimated Fair Value
Pollution Control Bonds	\$ 193,135	\$ 215,228	\$ 193,135	\$ 206,756
Senior Notes	696,400	823,497	546,662	700,371
RGRT Senior Notes (1)	110,000	120,985	110,000	116,985
RCF (1)	24,064	24,064	35,288	35,288
Total	<u>\$ 1,023,599</u>	<u>\$ 1,183,774</u>	<u>\$ 885,085</u>	<u>\$ 1,059,400</u>

(1) Nuclear fuel capital lease obligations as of December 31, 2012 and December 31, 2011 is funded through the \$110 million RGRT Senior Notes and \$24.1 million and \$15.3 million, respectively under the RCF. As of December 31, 2012, there was no amount outstanding under the RCF for working capital or general corporate purposes. As of December 31, 2011, \$20.0 million was outstanding under the RCF for working capital and general corporate purposes. The interest rate on the Company's borrowings under the RCF is reset throughout the period reflecting current market rates. Consequently, the carrying value approximates fair value.

Treasury Rate Locks. The Company entered into treasury rate lock agreements in 2005 to hedge against potential movements in the treasury reference interest rate pending the issuance of the 6% Senior Notes. The treasury rate lock agreements met the criteria for hedge accounting and were designated as a cash flow hedge. In accordance with cash flow hedge accounting, the Company recorded the loss associated with the fair value of the cash flow hedge, net of tax, as a component of accumulated other comprehensive loss and amortizes the accumulated comprehensive loss to earnings as interest expense over the life of the 6% Senior Notes. In 2013, approximately \$0.4 million of this accumulated other comprehensive loss item will be reclassified to interest expense.

Contracts and Derivative Accounting. The Company uses commodity contracts to manage its exposure to price and availability risks for fuel purchases and power sales and purchases and these contracts generally have the characteristics of derivatives. The Company does not trade or use these instruments with the objective of earning financial gains on the commodity price fluctuations. The Company has determined that all such contracts outstanding at December 31, 2012, except for certain natural gas commodity contracts with optionality features, that had the characteristics of derivatives met the "normal purchases and normal sales" exception provided in FASB guidance for accounting for derivative instruments and hedging activities, and, as such, were not required to be accounted for as derivatives.

The Company determined that certain of its natural gas commodity contracts with optionality features are not eligible for the normal purchases exception and, therefore, are required to be accounted for as derivative instruments pursuant to FASB guidance for accounting for derivative instruments and hedging activities. However, as of December 31, 2012, the variable, market-based pricing provisions of existing gas contracts are such that these derivative instruments have no significant fair value.

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NOTES TO FINANCIAL STATEMENTS (Continued)			

Marketable Securities. The Company's marketable securities, included in decommissioning trust funds in the regulatory-basis balance sheets, are reported at fair value which was \$187.1 million and \$168.0 million at December 31, 2012 and 2011, respectively. These securities are classified as available for sale under FASB guidance for certain investments in debt and equity securities and are valued using prices and other relevant information generated by market transactions involving identical or comparable securities. The reported fair values include gross unrealized losses on marketable securities whose impairment the Company has deemed to be temporary. The tables below present the gross unrealized losses and the fair value of these securities, aggregated by investment category and length of time that individual securities have been in a continuous unrealized loss position (in thousands):

Description of Securities (1):	December 31, 2012					
	Less than 12 Months		12 Months or Longer		Total	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
Federal Agency Mortgage Backed Securities	\$ 1,792	\$ (5)	\$ 416	\$ (9)	\$ 2,208	\$ (14)
U.S. Government Bonds	6,633	(79)	4,457	(114)	11,090	(193)
Municipal Obligations	5,306	(39)	5,760	(241)	11,066	(280)
Corporate Obligations	452	(11)	—	—	452	(11)
Total Debt Securities	14,183	(134)	10,633	(364)	24,816	(498)
Common Stock	3,603	(409)	—	—	3,603	(409)
Total Temporarily Impaired Securities	\$ 17,786	\$ (543)	\$ 10,633	\$ (364)	\$ 28,419	\$ (907)

(1) Includes approximately 65 securities.

Description of Securities (2):	December 31, 2011					
	Less than 12 Months		12 Months or Longer		Total	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
Federal Agency Mortgage Backed Securities	\$ 515	\$ (8)	\$ 1,233	\$ (23)	\$ 1,748	\$ (31)
U.S. Government Bonds	100	(1)	2,413	(38)	2,513	(39)
Municipal Obligations	2,275	(31)	4,731	(144)	7,006	(175)
Corporate Obligations	3,525	(118)	1,234	(43)	4,759	(161)
Total Debt Securities	6,415	(158)	9,611	(248)	16,026	(406)
Common stock	10,688	(2,065)	1,740	(489)	12,428	(2,554)
Total Temporarily Impaired Securities	\$ 17,103	\$ (2,223)	\$ 11,351	\$ (737)	\$ 28,454	\$ (2,960)

(2) Includes approximately 96 securities.

The Company monitors the length of time the security trades below its cost basis along with the amount and percentage of the unrealized loss in determining if a decline in fair value of marketable securities below recorded cost is considered to be other than temporary. In addition, the Company will research the future prospects of individual securities as necessary. As a result of these factors, as well as the Company's intent and ability to hold these securities until their market price recovers, these securities are considered temporarily impaired. The Company will not have a requirement to expend monies held in trust before 2044 or a later period when the Company begins to decommission Palo Verde.

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El Paso Electric Company			
NOTES TO FINANCIAL STATEMENTS (Continued)			

The reported fair values also include gross unrealized gains on marketable securities which have not been recognized in the Company's net income. The table below presents the unrecognized gross unrealized gains and the fair value of these securities, aggregated by investment category (in thousands):

Description of Securities:	December 31, 2012		December 31, 2011	
	Fair Value	Unrealized Gains	Fair Value	Unrealized Gains
Federal Agency Mortgage Backed Securities	\$ 17,289	\$ 1,036	\$ 25,077	\$ 1,220
U.S. Government Bonds	13,295	678	10,263	972
Municipal Obligations	22,797	1,531	30,310	1,792
Corporate Obligations	12,378	1,134	7,641	459
Total Debt Securities	65,759	4,379	73,291	4,443
Common Stock	73,210	22,839	62,479	15,681
Mutual Funds - Equity	15,194	1,821	—	—
Cash and Cash Equivalents	4,471	—	3,739	—
Total	\$ 158,634	\$ 29,039	\$ 139,509	\$ 20,124

The Company's marketable securities include investments in municipal, corporate and federal debt obligations. Substantially all of the Company's mortgage-backed securities, based on contractual maturity, are due in ten years or more. The mortgage-backed securities have an estimated weighted average maturity which generally range from three years to seven years and reflects anticipated future prepayments. The contractual year for maturity for these available-for-sale securities as of December 31, 2012 is as follows (in thousands):

	Total	2013	2014 through 2017	2018 through 2022	2023 and Beyond
Municipal Debt Obligations	\$ 33,863	\$ 2,326	\$ 12,223	\$ 14,483	\$ 4,831
Corporate Debt Obligations	12,830	432	4,653	3,991	3,754
U.S. Government Bonds	24,385	3,174	7,287	8,605	5,319

The Company recognizes impairment losses on certain of its securities deemed to be other than temporary. In accordance with FASB guidance, these impairment losses are recognized in net income, and a lower cost basis is established for these securities. For the twelve months ended December 31, 2012 and 2011 the Company recognized other than temporary impairment losses on its available-for-sale securities as follows (in thousands):

	2012	2011
Gross unrealized holding losses included in pre-tax income	\$ (479)	\$ (2,116)

The Company's marketable securities in its decommissioning trust funds are sold from time to time, and the Company uses the specific identification basis on which to determine the amount to reclassify out of accumulated other comprehensive income and into net income. The proceeds from the sale of these securities during the twelve months ended December 31, 2012 and 2011 and the related effects on pre-tax income are as follows (in thousands):

	2012	2011
Proceeds from sales or maturities of available-for-sale securities	\$ 98,542	\$ 82,926
Gross realized gains included in pre-tax income	\$ 1,478	\$ 1,479
Gross realized losses included in pre-tax income	(2,041)	(721)
Gross unrealized losses included in pre-tax income	(479)	(2,116)
Net losses in pre-tax income	\$ (1,042)	\$ (1,358)
Net unrealized holding gains included in accumulated other comprehensive income	\$ 9,927	\$ 1,570
Net losses reclassified out of accumulated other comprehensive income	1,042	1,358
Net gains in other comprehensive income	\$ 10,969	\$ 2,928

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NOTES TO FINANCIAL STATEMENTS (Continued)			

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

- Level 1 - Observable inputs that reflect quoted market prices for identical assets and liabilities in active markets. Financial assets utilizing Level 1 inputs include the nuclear decommissioning trust investments in active exchange-traded equity securities, mutual funds and U.S. Treasury securities that are in a highly liquid and active market.
- Level 2 - Inputs other than quoted market prices included in Level 1 that are observable for the asset or liability either directly or indirectly. Financial assets utilizing Level 2 inputs include the nuclear decommissioning trust investments in fixed income securities. The fair value of these financial instruments is based on evaluated prices that reflect observable market information, such as actual trade information of similar securities, adjusted for observable differences.
- Level 3 - Unobservable inputs using data that is not corroborated by market data and primarily based on internal Company analysis using models and various other analyses. Financial assets utilizing Level 3 inputs include the Company's investments in debt securities.

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

The fair value of the Company's decommissioning trust funds and investments in debt securities, at December 31, 2012 and 2011, and the level within the three levels of the fair value hierarchy defined by FASB guidance are presented in the table below (in thousands):

Description of Securities	Fair Value as of December 31, 2012	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	\$ 1,295	\$ —	\$ —	\$ 1,295
Available for sale:				
U.S. Government Bonds	\$ 24,385	\$ 24,385	\$ —	\$ —
Federal Agency Mortgage Backed Securities	19,497	—	19,497	—
Municipal Bonds	33,863	—	33,863	—
Corporate Asset Backed Obligations	12,830	—	12,830	—
Subtotal, Debt Securities	90,575	24,385	66,190	—
Common Stock	76,813	76,813	—	—
Mutual Funds - Equity	15,194	15,194	—	—
Cash and Cash Equivalents	4,471	4,471	—	—
Total available for sale	\$ 187,053	\$ 120,863	\$ 66,190	\$ —

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NOTES TO FINANCIAL STATEMENTS (Continued)			

Description of Securities	Fair Value as of December 31, 2011	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	\$ 1,120	\$ —	\$ —	\$ 1,120
Available for sale:				
U.S. Government Bonds	\$ 12,776	\$ 12,776	\$ —	\$ —
Federal Agency Mortgage Backed Securities	26,825	—	26,825	—
Municipal Bonds	37,316	—	37,316	—
Corporate Asset Backed Obligations	12,400	—	12,400	—
Subtotal, Debt Securities	89,317	12,776	76,541	—
Common Stock	74,907	74,907	—	—
Cash and Cash Equivalents	3,739	3,739	—	—
Total available for sale	\$ 167,963	\$ 91,422	\$ 76,541	\$ —

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

	2012	2011
Balance at January 1	\$ 1,120	\$ 2,909
Sale of debt security	—	(2,000)
Realized gain on sale of debt security (a)	—	431
Net unrealized gains (losses) in fair value recognized in income on debt securities still held (a)	175	(220)
Balance at December 31	\$ 1,295	\$ 1,120

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

There were no transfers in and out of Level 1 and Level 2 fair value measurements categories during the twelve month periods ending December 31, 2012 and 2011. There were no purchases, issuances, and settlements related to the assets in the Level 3 fair value measurement category during the twelve month periods ending December 31, 2012 and 2011.

O. Supplemental Statements of Cash Flows Disclosures

	Years Ended December 31,	
	2012	2011
(In thousands)		
Cash paid for:		
Interest on long-term debt and borrowing under the revolving credit facility	\$ 50,189	\$ 48,797
Income taxes paid (refund), net	5,031	(6,260)
Non-cash financing activities:		
Grants of restricted shares of common stock	2,411	3,268
Issuance of performance shares	1,193	628
Acquisition of treasury stock for options exercised	—	500

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	11,296,071			(35,940,108)
2	Preceding Qtr/Yr to Date Reclassifications from Acct 219 to Net Income	1,096,944			(43,913,778)
3	Preceding Quarter/Year to Date Changes in Fair Value	1,267,732			
4	Total (lines 2 and 3)	2,364,676			(43,913,778)
5	Balance of Account 219 at End of Preceding Quarter/Year	13,660,747			(79,853,886)
6	Balance of Account 219 at Beginning of Current Year	13,660,747			(79,853,886)
7	Current Qtr/Yr to Date Reclassifications from Acct 219 to Net Income	810,348			4,118,710
8	Current Quarter/Year to Date Changes in Fair Value	7,720,913			
9	Total (lines 7 and 8)	8,531,261			4,118,710
10	Balance of Account 219 at End of Current Quarter/Year	22,192,008			(75,735,176)

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

Line No.	Other Cash Flow Hedges Interest Rate Swaps (f)	Other Cash Flow Hedges [Specify] (g)	Totals for each category of items recorded in Account 219 (h)	Net Income (Carried Forward from Page 117, Line 78) (i)	Total Comprehensive Income (j)
1		(13,595,209)	(38,239,246)		
2		360,827	(42,456,007)		
3		438,929	1,706,661		
4		799,756	(40,749,346)	104,162,168	63,412,822
5		(12,795,453)	(78,988,592)		
6		(12,795,453)	(78,988,592)		
7		254,619	5,183,677		
8			7,720,913		
9		254,619	12,904,590	93,220,300	106,124,890
10		(12,540,834)	(66,084,002)		

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FOOTNOTE DATA			

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

During the first quarter of 2005, the Company entered into treasury rate lock agreements to hedge against potential movements in the treasury reference interest rate pending the issuance of 6% Senior Notes. These treasury rate locks were terminated on May 11, 2005. The treasury rate lock agreements met the criteria for hedge accounting and were designated as a cash flow hedge. In accordance with cash flow hedge accounting, the Company recorded the loss associated with the fair value of the cash flow hedge of approximately \$14.5 million, net of tax, as a component of accumulated other comprehensive income. In May 2005, the Company began to recognize in earnings (as additional interest expense) the accumulated other comprehensive income associated with the cash flow hedge. During the next twelve month period, approximately \$0.4 million of this accumulated other comprehensive income item will be reclassified to interest expense.

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

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

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

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

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

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

Line No.	Classification (a)	Total Company for the Current Year/Quarter Ended (b)	Electric (c)
1	Utility Plant		
2	In Service		
3	Plant in Service (Classified)	3,544,472,317	3,544,472,317
4	Property Under Capital Leases		
5	Plant Purchased or Sold		
6	Completed Construction not Classified	178,018,931	178,018,931
7	Experimental Plant Unclassified		
8	Total (3 thru 7)	3,722,491,248	3,722,491,248
9	Leased to Others		
10	Held for Future Use		
11	Construction Work in Progress	287,357,626	287,357,626
12	Acquisition Adjustments		
13	Total Utility Plant (8 thru 12)	4,009,848,874	4,009,848,874
14	Accum Prov for Depr, Amort, & Depl	2,022,997,765	2,022,997,765
15	Net Utility Plant (13 less 14)	1,986,851,109	1,986,851,109
16	Detail of Accum Prov for Depr, Amort & Depl		
17	In Service:		
18	Depreciation	1,992,621,577	1,992,621,577
19	Amort & Depl of Producing Nat Gas Land/Land Right		
20	Amort of Underground Storage Land/Land Rights		
21	Amort of Other Utility Plant	30,376,188	30,376,188
22	Total In Service (18 thru 21)	2,022,997,765	2,022,997,765
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)	2,022,997,765	2,022,997,765

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

Gas (d)	Other (Specify) (e)	Other (Specify) (f)	Other (Specify) (g)	Common (h)	Line No.
					1
					2
					3
					4
					5
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					25
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					32
					33

NUCLEAR FUEL MATERIALS (Account 120.1 through 120.6 and 157)

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

Line No.	Description of item (a)	Balance Beginning of Year (b)	Changes during Year
			Additions (c)
1	Nuclear Fuel in process of Refinement, Conv, Enrichment & Fab (120.1)		
2	Fabrication		
3	Nuclear Materials		
4	Allowance for Funds Used during Construction		
5	(Other Overhead Construction Costs, provide details in footnote)		
6	SUBTOTAL (Total 2 thru 5)		
7	Nuclear Fuel Materials and Assemblies		
8	In Stock (120.2)		
9	In Reactor (120.3)		
10	SUBTOTAL (Total 8 & 9)		
11	Spent Nuclear Fuel (120.4)		
12	Nuclear Fuel Under Capital Leases (120.6)	172,666,608	48,266,986
13	(Less) Accum Prov for Amortization of Nuclear Fuel Assem (120.5)	59,014,704	-1,743,023
14	TOTAL Nuclear Fuel Stock (Total 6, 10, 11, 12, less 13)	113,651,904	
15	Estimated net Salvage Value of Nuclear Materials in line 9		
16	Estimated net Salvage Value of Nuclear Materials in line 11		
17	Est Net Salvage Value of Nuclear Materials in Chemical Processing		
18	Nuclear Materials held for Sale (157)		
19	Uranium		
20	Plutonium		
21	Other (provide details in footnote):		
22	TOTAL Nuclear Materials held for Sale (Total 19, 20, and 21)		

Name of Respondent

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NUCLEAR FUEL MATERIALS (Account 120.1 through 120.6 and 157)

Changes during Year		Balance End of Year (f)	Line No.
Amortization (d)	Other Reductions (Explain in a footnote) (e)		
			1
			2
			3
			4
			5
			6
			7
			8
			9
			10
			11
	29,848,773	191,084,821	12
-42,278,000	29,848,773	69,700,908	13
		121,383,913	14
			15
			16
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			20
			21
			22

Name of Respondent El Paso Electric Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2012/Q4
FOOTNOTE DATA			

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

Retirement of fully amortized nuclear fuel in connection with the 2012 reloads in Units 2 and 3.

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

Dry cask storage costs allocated to Units 1 and 3.

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

Retirement of fully amortized nuclear fuel in connection with the 2012 reloads in Units 2 and 3.

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

All of the Company's nuclear fuel financing is accomplished through a trust that has \$110 million aggregate principal amount borrowed through senior notes and borrowings under a revolving credit facility. On March 29, 2012, the Company increased the aggregate principal unsecured borrowing available under the revolving credit facility from \$200 million to \$300 million. The assets and liabilities of the trust are reported on the Company's regulatory basis balance sheets.

The total amount borrowed for nuclear fuel by the trust at December 31, 2012 was \$134.1 million of which \$24.1 million had been borrowed under the revolving credit facility, and \$110 million was borrowed through the senior notes. During 2012, the Company capitalized approximately \$5.6 million of costs, including interest on trust borrowings, issuance costs and accrued interest on the senior notes, trustee fees and miscellaneous legal expenses, in connection with the financing of nuclear fuel through the trust. Information on quantities of nuclear fuel materials is not available.

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

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

Line No.	Account (a)	Balance Beginning of Year (b)	Additions (c)
1	1. INTANGIBLE PLANT		
2	(301) Organization		
3	(302) Franchises and Consents		
4	(303) Miscellaneous Intangible Plant	109,725,846	2,319,601
5	TOTAL Intangible Plant (Enter Total of lines 2, 3, and 4)	109,725,846	2,319,601
6	2. PRODUCTION PLANT		
7	A. Steam Production Plant		
8	(310) Land and Land Rights	291,469	
9	(311) Structures and Improvements	28,851,434	361,548
10	(312) Boiler Plant Equipment	162,298,304	558,713
11	(313) Engines and Engine-Driven Generators	17,082,676	-151,352
12	(314) Turbogenerator Units	240,605,230	488,133
13	(315) Accessory Electric Equipment	26,568,801	10,474
14	(316) Misc. Power Plant Equipment	66,197,971	267,035
15	(317) Asset Retirement Costs for Steam Production	-216,996	1,929,306
16	TOTAL Steam Production Plant (Enter Total of lines 8 thru 15)	541,678,889	3,463,857
17	B. Nuclear Production Plant		
18	(320) Land and Land Rights	2,347,703	
19	(321) Structures and Improvements	462,854,759	9,749,125
20	(322) Reactor Plant Equipment	743,132,530	1,062,811
21	(323) Turbogenerator Units	226,134,432	3,802,102
22	(324) Accessory Electric Equipment	169,985,460	1,233,784
23	(325) Misc. Power Plant Equipment	81,461,980	9,014,698
24	(326) Asset Retirement Costs for Nuclear Production	-40,328,558	
25	TOTAL Nuclear Production Plant (Enter Total of lines 18 thru 24)	1,645,588,306	24,862,520
26	C. Hydraulic Production Plant		
27	(330) Land and Land Rights		
28	(331) Structures and Improvements		
29	(332) Reservoirs, Dams, and Waterways		
30	(333) Water Wheels, Turbines, and Generators		
31	(334) Accessory Electric Equipment		
32	(335) Misc. Power PLant Equipment		
33	(336) Roads, Railroads, and Bridges		
34	(337) Asset Retirement Costs for Hydraulic Production		
35	TOTAL Hydraulic Production Plant (Enter Total of lines 27 thru 34)		
36	D. Other Production Plant		
37	(340) Land and Land Rights	10,000	
38	(341) Structures and Improvements	731,436	39,815
39	(342) Fuel Holders, Products, and Accessories	480,893	
40	(343) Prime Movers		
41	(344) Generators	11,367,575	919,737
42	(345) Accessory Electric Equipment	451,417	167,361
43	(346) Misc. Power Plant Equipment	4,033,083	
44	(347) Asset Retirement Costs for Other Production	15,479	
45	TOTAL Other Prod. Plant (Enter Total of lines 37 thru 44)	17,089,883	1,126,913
46	TOTAL Prod. Plant (Enter Total of lines 16, 25, 35, and 45)	2,204,357,078	29,453,290

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

Line No.	Account (a)	Balance Beginning of Year (b)	Additions (c)
47	3. TRANSMISSION PLANT		
48	(350) Land and Land Rights	11,825,061	
49	(352) Structures and Improvements	6,793,507	808,583
50	(353) Station Equipment	145,999,134	5,011,082
51	(354) Towers and Fixtures	24,760,840	1,751,868
52	(355) Poles and Fixtures	87,033,969	4,896,265
53	(356) Overhead Conductors and Devices	75,572,111	2,128,538
54	(357) Underground Conduit		
55	(358) Underground Conductors and Devices		
56	(359) Roads and Trails	1,095,500	
57	(359.1) Asset Retirement Costs for Transmission Plant		
58	TOTAL Transmission Plant (Enter Total of lines 48 thru 57)	353,080,122	14,596,336
59	4. DISTRIBUTION PLANT		
60	(360) Land and Land Rights	3,832,757	111,325
61	(361) Structures and Improvements	3,944,816	657,060
62	(362) Station Equipment	146,493,076	12,989,879
63	(363) Storage Battery Equipment		
64	(364) Poles, Towers, and Fixtures	124,061,159	8,125,723
65	(365) Overhead Conductors and Devices	73,350,127	3,094,844
66	(366) Underground Conduit	107,843,592	-4,051,492
67	(367) Underground Conductors and Devices	104,609,002	4,414,117
68	(368) Line Transformers	170,075,636	23,673,470
69	(369) Services	40,298,165	979,301
70	(370) Meters	37,757,549	4,174,974
71	(371) Installations on Customer Premises	10,803,814	667,703
72	(372) Leased Property on Customer Premises		
73	(373) Street Lighting and Signal Systems	9,885,132	76,652
74	(374) Asset Retirement Costs for Distribution Plant		
75	TOTAL Distribution Plant (Enter Total of lines 60 thru 74)	832,954,825	54,913,556
76	5. REGIONAL TRANSMISSION AND MARKET OPERATION PLANT		
77	(380) Land and Land Rights		
78	(381) Structures and Improvements		
79	(382) Computer Hardware		
80	(383) Computer Software		
81	(384) Communication Equipment		
82	(385) Miscellaneous Regional Transmission and Market Operation Plant		
83	(386) Asset Retirement Costs for Regional Transmission and Market Oper		
84	TOTAL Transmission and Market Operation Plant (Total lines 77 thru 83)		
85	6. GENERAL PLANT		
86	(389) Land and Land Rights	899,211	
87	(390) Structures and Improvements	41,398,767	2,222,976
88	(391) Office Furniture and Equipment	30,892,911	-218,058
89	(392) Transportation Equipment	29,258,833	3,094,306
90	(393) Stores Equipment	239,072	
91	(394) Tools, Shop and Garage Equipment	2,767,330	78,723
92	(395) Laboratory Equipment	3,469,382	414,510
93	(396) Power Operated Equipment	6,301,550	-99,224
94	(397) Communication Equipment	38,784,600	402,921
95	(398) Miscellaneous Equipment	3,348,714	325,953
96	SUBTOTAL (Enter Total of lines 86 thru 95)	157,360,370	6,222,107
97	(399) Other Tangible Property		
98	(399.1) Asset Retirement Costs for General Plant		
99	TOTAL General Plant (Enter Total of lines 96, 97 and 98)	157,360,370	6,222,107
100	TOTAL (Accounts 101 and 106)	3,657,478,241	107,504,890
101	(102) Electric Plant Purchased (See Instr. 8)		
102	(Less) (102) Electric Plant Sold (See Instr. 8)		
103	(103) Experimental Plant Unclassified		
104	TOTAL Electric Plant in Service (Enter Total of lines 100 thru 103)	3,657,478,241	107,504,890

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

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

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

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

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

Retirements (d)	Adjustments (e)	Transfers (f)	Balance at End of Year (g)		Line No.
					1
					2
					3
8,909,460		112,500	103,248,487		4
8,909,460		112,500	103,248,487		5
					6
					7
			291,469		8
10,140		12,481,315	41,684,157		9
81,900		59,115,546	221,890,663		10
		37,501,698	54,433,022		11
25,200		-110,156,890	130,911,273		12
1,400		9,547,978	36,125,853		13
205,240		-8,602,147	57,657,619		14
			1,712,310		15
323,880		-112,500	544,706,366		16
					17
			2,347,703		18
603,417			472,000,467		19
1,138,144			743,057,197		20
1,229,720			228,706,814		21
200,276			171,018,968		22
1,466,620			89,010,058		23
			-40,328,558		24
4,638,177			1,665,812,649		25
					26
					27
					28
					29
					30
					31
					32
					33
					34
					35
					36
			10,000		37
			771,251		38
			480,893		39
					40
			12,287,312		41
			618,778		42
			4,033,083		43
			15,479		44
			18,216,796		45
4,962,057		-112,500	2,228,735,811		46

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

Retirements (d)	Adjustments (e)	Transfers (f)	Balance at End of Year (g)	Line No.
				47
		-262,248	11,562,813	48
			7,602,090	49
151,953			150,858,263	50
			26,512,708	51
			91,930,234	52
			77,700,649	53
				54
				55
			1,095,500	56
				57
151,953		-262,248	367,262,257	58
				59
1,350			3,942,732	60
			4,601,876	61
505,372			158,977,583	62
				63
133,607			132,053,275	64
21,069			76,423,902	65
6,764			103,785,336	66
10,540			109,012,579	67
306,386			193,442,720	68
			41,277,466	69
			41,932,523	70
530			11,470,987	71
				72
1,613			9,960,171	73
				74
987,231			886,881,150	75
				76
				77
				78
				79
				80
				81
				82
				83
				84
				85
			899,211	86
564,391			43,057,352	87
8,559,822			22,115,031	88
1,934,746			30,418,393	89
57,687			181,385	90
411,136			2,434,917	91
1,810,435			2,073,457	92
326,710			5,875,616	93
12,046,469			27,141,052	94
1,507,538			2,167,129	95
27,218,934			136,363,543	96
				97
				98
27,218,934			136,363,543	99
42,229,635		-262,248	3,722,491,248	100
				101
				102
				103
42,229,635		-262,248	3,722,491,248	104

Name of Respondent
El Paso Electric Company

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

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

Year/Period of Report
End of 2012/Q4

ELECTRIC PLANT LEASED TO OTHERS (Account 104)

Line No.	Name of Lessee (Designate associated companies with a double asterisk) (a)	Description of Property Leased (b)	Commission Authorization (c)	Expiration Date of Lease (d)	Balance at End of Year (e)
1	None				
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
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42					
43					
44					
45					
46					
47	TOTAL				

Name of Respondent
El Paso Electric Company

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

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

Year/Period of Report
End of 2012/Q4

ELECTRIC PLANT HELD FOR FUTURE USE (Account 105)

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

Line No.	Description and Location Of Property (a)	Date Originally Included in This Account (b)	Date Expected to be used in Utility Service (c)	Balance at End of Year (d)
1	Land and Rights:			
2	None			
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				
15				
16				
17				
18				
19				
20				
21	Other Property:			
22				
23				
24				
25				
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35				
36				
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39				
40				
41				
42				
43				
44				
45				
46				
47	Total			0

CONSTRUCTION WORK IN PROGRESS - - ELECTRIC (Account 107)

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

Line No.	Description of Project (a)	Construction work in progress - Electric (Account 107) (b)
1	RIO GRANDE UNIT 9	81,618,939
2	PALO VERDE CAPITAL IMPROVEMENTS	64,623,364
3	MONTANA POWER STATION	35,588,345
4	INFORMATION TECHNOLOGY HARDWARE & SOFTWARE PROJECTS	6,967,146
5	DISTRIBUTION COMMERCIAL CONSTRUCTION - TX	6,258,787
6	DIAMOND HEAD SUBSTATION	5,952,062
7	DISTRIBUTION RESIDENTIAL CONSTRUCTION - TX	4,752,436
8	BUSINESS INTELLIGENCE AND REPORTING SYSTEM	4,660,980
9	SANTA TERESA - MONTOYA TRANSMISSION LINE EXPANSION	4,338,958
10	FACILITIES SERVICES STRUCTURAL IMPROVEMENTS	4,095,764
11	TRANSPORTATION EQUIPMENT	3,457,733
12	NEWMAN TRANSMISSION LINE BREAKER REPLACEMENT & UPGRADE	3,447,905
13	NEWMAN STATION - GAS TURBINE SYSTEM UPGRADES	3,318,201
14	DISTRIBUTION WORK MANAGEMENT & GIS SYSTEM UPGRADE	3,263,871
15	DISTRIBUTION BETTERMENT - TX	2,483,650
16	DISTRIBUTION SUBSTATION TRANSFORMERS REPLACEMENTS - TX	2,396,270
17	NEWMAN REVERSE OSMOSIS SYSTEM	2,333,380
18	FOUR CORNERS CAPITAL IMPROVEMENTS	2,792,558
19	TRANSMISSION CAPITAL IMPROVEMENTS	2,028,472
20	AUSTIN SUBSTATION REGULATOR REPLACEMENT	2,019,472
21	DISTRIBUTION BETTERMENT - NM	1,986,024
22	SUNSET SUBSTATION UPGRADES	1,984,008
23	DISTRIBUTION COMMERCIAL CONSTRUCTION - NM	1,663,441
24	FARAH SUBSTATION TRANSFORMER UPGRADE	1,311,289
25	LANE TO COPPER TRANSMISSION LINE REBUILD	1,256,439
26	NEWMAN UNIT 4 COOLING TOWER REBUILD	1,254,116
27	GLOBAL REACH TRANSMISSION LINE	1,250,530
28	AUSTIN TO DYER TRANSMISSION LINE UPGRADE	1,106,054
29	NETWORK VAULT IMPROVEMENTS	1,043,186
30	RIO GRANDE UNIT 9 SUBSTATION UPGRADE	1,025,927
31	MINOR PROJECTS	27,078,319
32		
33		
34		
35		
36		
37		
38		
39		
40		
41		
42		
43	TOTAL	287,357,626

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

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

Section A. Balances and Changes During Year

Line No.	Item (a)	Total (c+d+e) (b)	Electric Plant in Service (c)	Electric Plant Held for Future Use (d)	Electric Plant Leased to Others (e)
1	Balance Beginning of Year	1,955,795,302	1,955,795,302		
2	Depreciation Provisions for Year, Charged to				
3	(403) Depreciation Expense	70,060,317	70,060,317		
4	(403.1) Depreciation Expense for Asset Retirement Costs	-1,309,127	-1,309,127		
5	(413) Exp. of Elec. Plt. Leas. to Others				
6	Transportation Expenses-Clearing				
7	Other Clearing Accounts				
8	Other Accounts (Specify, details in footnote):				
9					
10	TOTAL Deprec. Prov for Year (Enter Total of lines 3 thru 9)	68,751,190	68,751,190		
11	Net Charges for Plant Retired:				
12	Book Cost of Plant Retired	33,320,176	33,320,176		
13	Cost of Removal	976,269	976,269		
14	Salvage (Credit)	2,371,530	2,371,530		
15	TOTAL Net Chrgs. for Plant Ret. (Enter Total of lines 12 thru 14)	31,924,915	31,924,915		
16	Other Debit or Cr. Items (Describe, details in footnote):				
17					
18	Book Cost or Asset Retirement Costs Retired				
19	Balance End of Year (Enter Totals of lines 1, 10, 15, 16, and 18)	1,992,621,577	1,992,621,577		

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

20	Steam Production	242,781,352	242,781,352		
21	Nuclear Production	1,182,429,683	1,182,429,683		
22	Hydraulic Production-Conventional				
23	Hydraulic Production-Pumped Storage				
24	Other Production	10,440,765	10,440,765		
25	Transmission	197,578,650	197,578,650		
26	Distribution	294,074,664	294,074,664		
27	Regional Transmission and Market Operation				
28	General	65,316,463	65,316,463		
29	TOTAL (Enter Total of lines 20 thru 28)	1,992,621,577	1,992,621,577		

INVESTMENTS IN SUBSIDIARY COMPANIES (Account 123.1)

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

Line No.	Description of Investment (a)	Date Acquired (b)	Date Of Maturity (c)	Amount of Investment at Beginning of Year (d)
1	MiraSol Energy Services, Inc.			
2	Capital Stock:			
3	Common Stock - 1,000 shares authorized, issued and outstanding			
4	No par value	03/01/01		1,000
5				
6	Additional Paid-in Capital	03/01/01		3,852,689
7				
8	Accumulated Deficit			-3,851,879
9				
10				
11				
12				
13				
14				
15				
16				
17				
18				
19				
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22				
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41				
42	Total Cost of Account 123.1 \$	19,690	TOTAL	1,810

INVESTMENTS IN SUBSIDIARY COMPANIES (Account 123.1) (Continued)

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

Equity in Subsidiary Earnings of Year (e)	Revenues for Year (f)	Amount of Investment at End of Year (g)	Gain or Loss from Investment Disposed of (h)	Line No.
				1
				2
				3
		1,000		4
				5
	52,046	3,904,735		6
				7
-34,166		-3,886,045		8
				9
				10
				11
				12
				13
				14
				15
				16
				17
				18
				19
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				30
				31
				32
				33
				34
				35
				36
				37
				38
				39
				40
				41
-34,166	52,046	19,690		42

Name of Respondent El Paso Electric Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2012/Q4
FOOTNOTE DATA			

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

MATERIALS AND SUPPLIES

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

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

Line No.	Account (a)	Balance Beginning of Year (b)	Balance End of Year (c)	Department or Departments which Use Material (d)
1	Fuel Stock (Account 151)	1,503,621	1,394,321	Production
2	Fuel Stock Expenses Undistributed (Account 152)			
3	Residuals and Extracted Products (Account 153)			
4	Plant Materials and Operating Supplies (Account 154)			
5	Assigned to - Construction (Estimated)			
6	Assigned to - Operations and Maintenance			
7	Production Plant (Estimated)	26,305,618	28,794,475	Production
8	Transmission Plant (Estimated)	4,622,282	4,561,943	Transmission
9	Distribution Plant (Estimated)	5,877,414	5,573,949	Distribution
10	Regional Transmission and Market Operation Plant (Estimated)			
11	Assigned to - Other (provide details in footnote)	1,879,833	2,044,813	Various
12	TOTAL Account 154 (Enter Total of lines 5 thru 11)	38,685,147	40,975,180	
13	Merchandise (Account 155)			
14	Other Materials and Supplies (Account 156)			
15	Nuclear Materials Held for Sale (Account 157) (Not applic to Gas Util)			
16	Stores Expense Undistributed (Account 163)		433	
17				
18				
19				
20	TOTAL Materials and Supplies (Per Balance Sheet)	40,188,768	42,369,934	

Name of Respondent El Paso Electric Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2012/Q4
FOOTNOTE DATA			

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

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

Allowances (Accounts 158.1 and 158.2)

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

Line No.	SO2 Allowances Inventory (Account 158.1) (a)	Current Year		2013	
		No. (b)	Amt. (c)	No. (d)	Amt. (e)
1	Balance-Beginning of Year	10,770.00		359.00	
2					
3	Acquired During Year:				
4	Issued (Less Withheld Allow)	-14.00			
5	Returned by EPA				
6					
7					
8	Purchases/Transfers:				
9	Private Transfer	2,190.00			
10					
11					
12					
13					
14					
15	Total	2,190.00			
16					
17	Relinquished During Year:				
18	Charges to Account 509				
19	Other:				
20					
21	Cost of Sales/Transfers:				
22					
23					
24					
25					
26					
27					
28	Total				
29	Balance-End of Year	12,946.00		359.00	
30					
31	Sales:				
32	Net Sales Proceeds(Assoc. Co.)				
33	Net Sales Proceeds (Other)				
34	Gains				
35	Losses				
	Allowances Withheld (Acct 158.2)				
36	Balance-Beginning of Year				
37	Add: Withheld by EPA				
38	Deduct: Returned by EPA				
39	Cost of Sales				
40	Balance-End of Year				
41					
42	Sales:				
43	Net Sales Proceeds (Assoc. Co.)				
44	Net Sales Proceeds (Other)				
45	Gains				
46	Losses				

Allowances (Accounts 158.1 and 158.2) (Continued)

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

2014		2015		Future Years		Totals		Line No.
No. (f)	Amt. (g)	No. (h)	Amt. (i)	No. (j)	Amt. (k)	No. (l)	Amt. (m)	
359.00		359.00		8,975.00		20,822.00		1
								2
								3
				718.00		704.00		4
								5
								6
								7
								8
						2,190.00		9
								10
								11
								12
								13
								14
						2,190.00		15
								16
								17
								18
								19
								20
								21
								22
								23
								24
								25
								26
								27
								28
359.00		359.00		9,693.00		23,716.00		29
								30
								31
								32
								33
								34
								35
								36
								37
								38
								39
								40
								41
								42
								43
								44
								45
								46

Name of Respondent El Paso Electric Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2012/Q4
FOOTNOTE DATA			

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

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

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

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

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

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

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

Represents allowances allocated to the Company by the EPA based on our current electric generation and the current regulatory framework. Proposed allowances for future years include allowances for each year beginning in 2016 and beyond.

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

Represents allowances banked by the Company through December 31, 2011.

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

The Company has not purchased any allowances; however, at December 31, 2012 SO2 allowances were trading at \$0.80 per ton (allowance).

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

Represents 14 allowances withheld by the EPA.

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

Represents 359 allowances allocated to the Company by the EPA based on our current electric generation and the current regulatory framework.

Allowances (Accounts 158.1 and 158.2)

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

Line No.	NOx Allowances Inventory (Account 158.1) (a)	Current Year		2013	
		No. (b)	Amt. (c)	No. (d)	Amt. (e)
1	Balance-Beginning of Year	943.00	33,483		
2					
3	Acquired During Year:				
4	Issued (Less Withheld Allow)	37.00			
5	Returned by EPA				
6					
7					
8	Purchases/Transfers:				
9	Evolution Markets	550.00	19,250		
10					
11					
12					
13					
14					
15	Total	550.00	19,250		
16					
17	Relinquished During Year:				
18	Charges to Account 509	833.00	36,652		
19	Other:				
20		930.00	28,412		
21	Cost of Sales/Transfers:				
22					
23					
24					
25					
26					
27					
28	Total				
29	Balance-End of Year	-233.00	-12,331		
30					
31	Sales:				
32	Net Sales Proceeds(Assoc. Co.)				
33	Net Sales Proceeds (Other)				
34	Gains				
35	Losses				
	Allowances Withheld (Acct 158.2)				
36	Balance-Beginning of Year				
37	Add: Withheld by EPA				
38	Deduct: Returned by EPA				
39	Cost of Sales				
40	Balance-End of Year				
41					
42	Sales:				
43	Net Sales Proceeds (Assoc. Co.)				
44	Net Sales Proceeds (Other)				
45	Gains				
46	Losses				

Allowances (Accounts 158.1 and 158.2) (Continued)

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

2014		2015		Future Years		Totals		Line No.
No. (f)	Amt. (g)	No. (h)	Amt. (i)	No. (j)	Amt. (k)	No. (l)	Amt. (m)	
						943.00	33,483	1
								2
								3
						37.00		4
								5
								6
								7
						550.00	19,250	8
								9
								10
								11
								12
								13
						550.00	19,250	14
								15
								16
						833.00	36,652	17
								18
						930.00	28,412	19
								20
								21
								22
								23
								24
								25
								26
								27
								28
						-233.00	-12,331	29
								30
								31
								32
								33
								34
								35
								36
								37
								38
								39
								40
								41
								42
								43
								44
								45
								46

Name of Respondent El Paso Electric Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2012/Q4
FOOTNOTE DATA			

Schedule Page: 229 Line No.: 18 Column: b
Represents the NOx allowances expected to be purchased for the 2012 compliance year.

Schedule Page: 229 Line No.: 18 Column: c
Represents the accrual related to the NOx allowances expected to be purchased for the 2012 compliance year.

Schedule Page: 229 Line No.: 20 Column: b
Includes an adjustment of (i) 8 NOx allowances to true-up to the 2011 actual shortage and (ii) 922 NOx allowances to reflect the application of the EPA issued emission allowances for 2012.

Schedule Page: 229 Line No.: 20 Column: c
Represents the NOx allowance cost adjustment to true-up to the 2011 actual shortage.

Name of Respondent

El Paso Electric Company

This Report Is:

(1) An Original

(2) A Resubmission

Date of Report

(Mo, Da, Yr)

/ /

Year/Period of Report

End of 2012/Q4

EXTRAORDINARY PROPERTY LOSSES (Account 182.1)

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

Name of Respondent
El Paso Electric Company

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

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

Year/Period of Report
End of 2012/Q4

UNRECOVERED PLANT AND REGULATORY STUDY COSTS (182.2)

Line No.	Description of Unrecovered Plant and Regulatory Study Costs [Include in the description of costs, the date of Commission Authorization to use Acc 182.2 and period of amortization (mo, yr to mo, yr)] (a)	Total Amount of Charges (b)	Costs Recognised During Year (c)	WRITTEN OFF DURING YEAR		Balance at End of Year (f)
				Account Charged (d)	Amount (e)	
21	None					
22						
23						
24						
25						
26						
27						
28						
29						
30						
31						
32						
33						
34						
35						
36						
37						
38						
39						
40						
41						
42						
43						
44						
45						
46						
47						
48						
49	TOTAL					

Transmission Service and Generation Interconnection Study Costs

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

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

OTHER REGULATORY ASSETS (Account 182.3)

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

Line No.	Description and Purpose of Other Regulatory Assets (a)	Balance at Beginning of Current Quarter/Year (b)	Debits (c)	CREDITS		Balance at end of Current Quarter/Year (f)
				Written off During the Quarter/Year Account Charged (d)	Written off During the Period Amount (e)	
1	Taxes - Regulatory Assets	98,123,535	28,299,931	Various	21,204,951	105,218,515
2						
3	Rio Grande Resources Trust:					
4	Nuclear Fuel Postload Daily Finance Charge	3,679,623	3,245,621	518	2,777,070	4,148,174
5						
6	Coal Reclamation	6,654,856		501/431	1,181,926	5,472,930
7						
8	Net Undercollection of Fuel Revenues:					
9	Texas	9,130,052		440s	9,130,052	
10						
11	Texas:					
12	2009 Rate Case Cost	1,145,586		928	1,145,586	
13	2012 Rate Case Cost	648,431	2,836,987	928	1,150,188	2,335,230
14						
15	Texas Military Base Discount and Recovery	2,526,095	3,415,829	142	3,825,492	2,116,432
16						
17	Texas Energy Efficiency	4,496,559	4,675,671	142	8,635,836	536,394
18						
19	New Mexico Renewable Energy Cost:					
20	Renewable Procurement Plan	139,248				139,248
21	Renewable Energy Credits	2,883,912	1,149,343			4,033,255
22						
23	New Mexico Energy Efficiency Program	302,747		254.3	302,747	
24						
25	New Mexico:					
26	2009 Rate Case Cost	252,863		928	252,863	
27	2010 FPPCAC Audit	427,270	5,305			432,575
28						
29	Palo Verde Deferred Depreciation	5,176,321		407.3	152,184	5,024,137
30						
31						
32						
33						
34						
35						
36						
37						
38						
39						
40						
41						
42						
43						
44	TOTAL	135,587,098	43,628,687		49,758,895	129,456,890

Name of Respondent El Paso Electric Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2012/Q4
FOOTNOTE DATA			

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

Amortization period ranges from 5 to 40 years.

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

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

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

Represents total Company final coal mine reclamation liability. Final coal mine reclamation represents the cost to reclaim the land disturbed during the coal mining that was not previously reclaimed while the mine was in operation. Current ongoing reclamation of land is passed through as reconcilable fuel costs. In the Company's New Mexico jurisdiction, the recovery of final coal reclamation costs was approved as a base fuel component in Case No. 06-00258-UT and will be amortized through July 2016, the remaining life of the Four Corners generating facility. In the Company's Texas jurisdiction, the recovery of final reclamation costs was approved as a component of reconcilable fuel in the Final Order of PUCT Docket No. 38361 issued January 27, 2011 to be amortized over a 113 month period beginning March 2007 through July 2016. In the Company's FERC jurisdiction final coal reclamation costs will not be recovered until actual final reclamation is paid in the last two years of the mining contract.

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

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

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

Represents rate case costs related to PUCT Docket No. 40094 to be amortized over a two year period beginning May 2012.

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

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

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

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

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

The Company will request these costs as a component of base rates in the Company's next rate case filing.

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

The Company will request these costs as a component of base rates in the Company's next rate case filing.

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

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

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

Represents costs incurred for a Fuel and Purchased Power Cost Adjustment Clause (FPPCAC) audit. As ordered by the NMPRC in Case No. 09-00171-UT, the Company can defer these costs as a regulatory asset and request recovery in a future rate proceeding after the costs are incurred.

Schedule Page: 232 Line No.: 29 Column: b

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

MISCELLANEOUS DEFFERED DEBITS (Account 186)

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

Line No.	Description of Miscellaneous Deferred Debits (a)	Balance at Beginning of Year (b)	Debits (c)	CREDITS		Balance at End of Year (f)
				Account Charged (d)	Amount (e)	
1	Facility & Impact Study	-381,415	1,274,658	131	893,243	
2						
3	Miscellaneous	43,258	76,679	Various	76,418	43,519
4						
5	Reimbursable Transmission &					
6	Distribution Projects	605,492	2,292,583	131	2,684,968	213,107
7						
8	El Paso Water Utilities Land					
9	Lease	1,848,000	333,008	507	426,504	1,754,504
10						
11	Palo Verde Water					
12	Agreement Deposit	2,162,942	1,065,751			3,228,693
13						
14						
15						
16						
17						
18						
19						
20						
21						
22						
23						
24						
25						
26						
27						
28						
29						
30						
31						
32						
33						
34						
35						
36						
37						
38						
39						
40						
41						
42						
43						
44						
45						
46						
47	Misc. Work in Progress	54,648				49,400
48	Deferred Regulatory Comm. Expenses (See pages 350 - 351)					
49	TOTAL	4,332,925				5,289,223

Name of Respondent El Paso Electric Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2012/Q4
FOOTNOTE DATA			

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

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

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

ACCUMULATED DEFERRED INCOME TAXES (Account 190)

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

Line No.	Description and Location (a)	Balance of Beginning of Year (b)	Balance at End of Year (c)
1	Electric		
2		247,527,359	222,326,485
3			
4			
5			
6			
7	Other		
8	TOTAL Electric (Enter Total of lines 2 thru 7)	247,527,359	222,326,485
9	Gas		
10			
11			
12			
13			
14			
15	Other		
16	TOTAL Gas (Enter Total of lines 10 thru 15)		
17	Other (Specify)	3,135,358	2,053,850
18	TOTAL (Acct 190) (Total of lines 8, 16 and 17)	250,662,717	224,380,335

Notes

Name of Respondent El Paso Electric Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2012/Q4
FOOTNOTE DATA			

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

< Page 234 Line 2 Column (a) >

	Balance at Beginning of Year	Balance at End of Year
ELECTRIC		
Deferred tax assets:		
Capitalized revenues and other capitalized costs	55,684,906	45,390,460
Benefit of tax loss carryforwards	21,737,289	7,459,704
Pensions and benefits	84,742,029	83,480,581
Alternative minimum tax credit carryforward	19,862,584	21,599,450
Regulatory liabilities related to income taxes	14,761,658	13,523,331
Asset retirement obligation	21,987,160	23,428,204
Deferred fuel	0	1,804,753
Debt	7,227,966	7,093,235
Other	21,523,767	18,546,767
Net deferred tax assets	<u>247,527,359</u>	<u>222,326,485</u>

< Page 234 Line 17 Column (a) >

	Balance at Beginning of Year	Balance at End of Year
OTHER (Specify)		
Deferred tax assets:		
Other	3,135,358	2,053,850
Net deferred tax assets	<u>3,135,358</u>	<u>2,053,850</u>
 Total Account 190	 <u>250,662,717</u>	 <u>224,380,335</u>

CAPITAL STOCKS (Account 201 and 204)

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

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

Line No.	Class and Series of Stock and Name of Stock Series (a)	Number of shares Authorized by Charter (b)	Par or Stated Value per share (c)	Call Price at End of Year (d)
1	201			
2	Common Stock (1)			
3	New York Stock Exchange (NYSE)	100,000,000	1.00	
4	Total Common Stock (2)	100,000,000		
5				
6	204			
7	Preferred Stock	2,000,000		
8	Total Preferred Stock	2,000,000		
9				
10				
11	(1) As of December 31, 2012, 623,918			
12	unissued shares of Common Stock of the			
13	Company were reserved for future			
14	allocations under the 1999 Long-Term			
15	Incentive Plan and 2007 Long-Term			
16	Incentive Plan.			
17				
18				
19				
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27				
28	Note: For additional information see the			
29	El Paso Electric Company 2012 Form 10-K			
30	filed with the SEC February 25, 2013.			
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CAPITAL STOCKS (Account 201 and 204) (Continued)

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

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

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

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

OUTSTANDING PER BALANCE SHEET (Total amount outstanding without reduction for amounts held by respondent)		HELD BY RESPONDENT				Line No.
Shares (e)	Amount (f)	AS REACQUIRED STOCK (Account 217)		IN SINKING AND OTHER FUNDS		
		Shares (g)	Cost (h)	Shares (i)	Amount (j)	
						1
						2
65,604,997	65,562,893	25,492,919	424,646,957			3
65,604,997	65,562,893	25,492,919	424,646,957			4
						5
						6
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						42

Name of Respondent
El Paso Electric Company

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

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

Year/Period of Report
End of 2012/Q4

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

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

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

Line No.	Item (a)	Amount (b)
1	211. Other Paid-in Capital	
2	Deferred Compensation:	
3	Performance Awards	1,866,826
4	Stock Options	72,300
5		
6		
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39		
40	TOTAL	1,939,126

Name of Respondent El Paso Electric Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2012/Q4
FOOTNOTE DATA			

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

Represents deferred compensation related to grants of performance share awards to certain officers in 2010, 2011, and 2012 under the Company's existing long-term incentive plans, which provide for the issuance of Company stock based on the achievement of certain performance criteria over a three-year period.

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

In accordance with FASB guidance for accounting for stock-based compensation, the Company began expensing the fair value of outstanding awards for which the requisite service had not been rendered as of January 1, 2006. No compensation cost was recognized in 2012, and there is no remaining unrecognized compensation costs related to stock options.

Name of Respondent

El Paso Electric Company

This Report Is:

(1) An Original

(2) A Resubmission

Date of Report

(Mo, Da, Yr)

/ /

Year/Period of Report

End of 2012/Q4

CAPITAL STOCK EXPENSE (Account 214)

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

Line No.	Class and Series of Stock (a)	Balance at End of Year (b)
1	214. Capital Stock Expense	340,939
2		
3		
4		
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21		
22	TOTAL	340,939

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

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

Line No.	Class and Series of Obligation, Coupon Rate (For new issue, give commission Authorization numbers and dates) (a)	Principal Amount Of Debt issued (b)	Total expense, Premium or Discount (c)
1	Account 221		
2			
3	2009 Series A Palo Verde Pollution Control Bonds	63,500,000	1,168,950
4	2009 Series B Palo Verde Pollution Control Bonds	37,100,000	811,106
5	2012 Series A Palo Verde Pollution Control Bonds	59,235,000	894,022
6	2012 Series A Four Corners Pollution Control Bonds	33,300,000	900,667
7			
8	Subtotal	193,135,000	3,774,745
9			
10	Account 222		
11			
12	Subtotal		
13			
14	Account 224		
15			
16	2005 Senior Notes	400,000,000	5,239,886
17			2,312,000 D
18	2008 Senior Notes	150,000,000	1,714,035
19			1,281,000 D
20	2012 Senior Notes	150,000,000	1,335,345
21			318,000 D
22	Treasury Rate Lock Agreements		
23	Subtotal	700,000,000	12,200,266
24			
25	Interest on obligations under capital lease (Rio Grande Resources Trust II):		
26	\$110 million RGRT Senior Notes		
27	Revolving Credit Facility		
28			
29			
30			
31			
32			
33	TOTAL	893,135,000	15,975,011

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

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

Nominal Date of Issue (d)	Date of Maturity (e)	AMORTIZATION PERIOD		Outstanding (Total amount outstanding without reduction for amounts held by respondent) (h)	Interest for Year Amount (i)	Line No.
		Date From (f)	Date To (g)			
						1
						2
03/26/09	02/01/40	03/26/09	02/01/40	63,500,000	4,603,750	3
03/26/09	04/01/40	03/26/09	04/01/40	37,100,000	2,689,750	4
08/28/12	08/01/42	08/28/12	08/01/42	59,235,000	2,979,520	5
08/28/12	06/01/32	08/28/12	06/01/32	33,300,000	1,060,489	6
						7
				193,135,000	11,333,509	8
						9
						10
						11
						12
						13
						14
						15
05/17/05	05/15/35	05/17/05	05/15/35	400,000,000	24,000,000	16
						17
06/03/08	03/15/38	06/03/08	03/15/38	150,000,000	11,250,000	18
						19
12/06/12	12/15/22	12/06/12	12/15/22	150,000,000	357,500	20
						21
					384,946	22
				700,000,000	35,992,446	23
						24
						25
					5,053,500	26
					465,123	27
						28
						29
						30
						31
						32
				893,135,000	52,844,578	33

Name of Respondent El Paso Electric Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2012/Q4
FOOTNOTE DATA			

Schedule Page: 256 Line No.: 5 Column: a

2012 Series A Palo Verde Pollution Control Bonds were authorized in FERC Docket No. ES12-34-000.

Schedule Page: 256 Line No.: 6 Column: a

2012 Series A Four Corners Pollution Control Bonds were authorized in FERC Docket No. ES12-34-000.

Schedule Page: 256 Line No.: 20 Column: a

The 2012 Senior Notes were authorized in FERC Docket No. ES11-43-000 dated October 13, 2011.

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

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

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

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

Schedule Page: 256 Line No.: 27 Column: b

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

RECONCILIATION OF REPORTED NET INCOME WITH TAXABLE INCOME FOR FEDERAL INCOME TAXES

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

Line No.	Particulars (Details) (a)	Amount (b)
1	Net Income for the Year (Page 117)	93,220,300
2		
3		
4	Taxable Income Not Reported on Books	
5	(see page 261 footnote)	7,041,046
6		
7		
8		
9	Deductions Recorded on Books Not Deducted for Return	
10	(see page 261 footnote)	35,860,714
11		
12		
13		
14	Income Recorded on Books Not Included in Return	
15	(see page 261 footnote)	-7,483,768
16		
17	Federal Income Taxes (detail below)	43,618,377
18		
19	Deductions on Return Not Charged Against Book Income	
20	(see page 261 footnote)	-71,780,727
21		
22		
23		
24		
25		
26		
27	Federal Tax Net Income	100,475,942
28	Show Computation of Tax:	
29		
30		
31	Tax Computed at Statutory Rate (see page 261 footnote)	48,283,118
32	ITC Amortization Net of Deferred Taxes	-752,909
33	Amortization of Excess Deferred Taxes	-717,147
34	Permanent Differences	-156,408
35	State Income Taxes (Federal Effect)	-389,581
36	Amortization of Regulatory Assets	-405,413
37	Allowance for Equity Funds Used During Construction	-1,771,495
38	Other	-471,788
39		
40		
41		
42	Total Federal Income Tax Expense (Benefit)	43,618,377
43		
44		

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2012/Q4
El Paso Electric Company			
FOOTNOTE DATA			

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

Contributions in aid of construction	25,045
Capitalized Construction Interest	7,010,481
Las Cruces Settlement	5,520
Taxable Income Not Reported on Books	7,041,046

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

Meals and Entertainment	133,912
Lobbying	676,415
Capitalized A&G	5,487,220
Legal Expense Accrual	(226,080)
Debt Issuance Costs	4,218,566
Employee Benefit Plans	6,508,710
Deferred State Taxes and Reserves	697,352
Deferred Fuel	11,668,182
Vacation Accrual	407,000
Subsidiary Losses	34,166
Coal Reclamation	1,181,926
FAS 143 ARO	5,164,982
Water Utility Lease	93,496
Penalties	74,867
Other	(260,000)
Deductions Recorded on Books Not Deducted for Return	35,860,714

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

Decommissioning Trust Interest Net of Fees	(784,373)
Unbilled Revenue	(1,326,710)
AFUDC	(5,186,009)
Life Insurance	4,437
Other	(191,113)
Income Reported on Books Not Included in Return	(7,483,768)

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

Debt Costs	
Employee Benefit Plans	(3,589,965)
Environmental Cost Accrual	(338,261)
Dividends on Common Stock	(103,866)
Depreciation and Amortization Differences	(35,221,362)
Section 174 R&D	(3,000,000)
Decommissioning Costs	(10,641,754)
Projects Care and Bravo	(117,987)
Stock Incentive	(3,149,059)
Repair Allowance	(12,000,000)
Taxes Other Than Federal	(543,596)
Uncollectible Accounts Receivable	(109,299)
Other	(2,965,578)
Deductions on Return not Charged Against Book Income	(71,780,727)

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

Name of Respondent El Paso Electric Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2012/Q4
FOOTNOTE DATA			

Net Income	93,220,300
Federal and State Income Tax Expense	44,731,465
Pre-Tax Income	137,951,765
Tax Rate	35%
Tax Computed at Statutory Rate	48,283,118

TAXES ACCRUED, PREPAID AND CHARGED DURING YEAR

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

Line No.	Kind of Tax (See instruction 5) (a)	BALANCE AT BEGINNING OF YEAR		Taxes Charged During Year (d)	Taxes Paid During Year (e)	Adjustments (f)
		Taxes Accrued (Account 236) (b)	Prepaid Taxes (Include in Account 165) (c)			
1	FEDERAL					
2	Current FIT Payable	84,728		2,054,580	2,231,000	
3	Prior Years	336,903	54,924	94,888		
4	FUTA			44,177	44,177	
5	Insurance Contributions			5,838,617	5,838,617	
6	Subtotal	421,631	54,924	8,032,262	8,113,794	
7						
8	State County & Local - TX					
9	Ad Valorem	6,882,669		6,903,177	6,975,067	
10	Gross Receipts	1,689,303		10,276,570	10,446,331	
11	Unemployment			112,197	112,197	
12	Franchise Tax / Margin Tax	2,310,038		-38,200	2,800,000	
13	Use Tax	502,388		3,684,327	3,804,637	
14	Regulatory Commission	497,423		983,450	1,037,776	
15	Franchise Fees (OSR)	3,923,990	10,147	20,349,053	20,230,480	
16	Subtotal	15,805,811	10,147	42,270,574	45,406,488	
17						
18	State County & Local - NM					
19	Ad Valorem	1,443,013	1,857	3,388,345	3,138,074	
20	Income	1,145	865,867	-25,585		
21	Unemployment			21,784	21,784	
22	Compensating	141,196		938,825	1,138,106	
23	Regulatory Commission	977,443		945,935	966,619	
24	Franchise Fees (OSR)	186,845	220,042	3,252,207	3,357,423	
25	L.C. Fran. Pumping Facility					
26	Payroll Taxes			128,975	128,975	
27	Worker's Compensation Fee					
28						
29						
30	Other Taxes	-726			-168	
31	Subtotal	2,748,916	1,087,766	8,650,486	8,750,813	
32						
33						
34	State County & Local - AZ					
35	Ad Valorem	3,174,108		6,312,791	6,330,852	
36	Income	114,379	2,399,701	479,145		
37	Palo Verde Payroll Taxes			21,420	21,420	
38	Sales & Use Taxes	1,346		96	1,346	
39	Subtotal	3,289,833	2,399,701	6,813,452	6,353,618	
40						
41	TOTAL	22,266,191	3,552,538	65,766,774	68,624,713	

TAXES ACCRUED, PREPAID AND CHARGED DURING YEAR (Continued)

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

BALANCE AT END OF YEAR		DISTRIBUTION OF TAXES CHARGED				Line No.
(Taxes accrued Account 236) (g)	Prepaid Taxes (Incl. in Account 165) (h)	Electric (Account 408.1, 409.1) (i)	Extraordinary Items (Account 409.3) (j)	Adjustments to Ret. Earnings (Account 439) (k)	Other (l)	
						1
-91,692		1,347,316			707,264	2
376,867					94,888	3
		36,353			7,824	4
		4,819,679			1,018,938	5
285,175		6,203,348			1,828,914	6
						7
						8
6,810,779		6,903,178			-1	9
1,519,542		10,276,570				10
		92,327			19,870	11
1,809,378	2,337,540	-38,200				12
382,078		288,493			3,395,834	13
443,097		983,450				14
4,043,812	11,396	20,349,053				15
15,008,686	2,348,936	38,854,871			3,415,703	16
						17
						18
1,693,243	1,816	3,388,345				19
1,725	892,032	227,501			-253,086	20
		17,926			3,858	21
-58,085		8,633			930,192	22
956,759		945,935				23
131,886	270,299	92,397			3,159,810	24
						25
		128,975				26
						27
						28
						29
-558		-16,598			16,598	30
2,724,970	1,164,147	4,793,114			3,857,372	31
						32
						33
						34
3,156,047		6,312,791				35
-113,189	1,692,988	369,466			109,679	36
		2,815,161			-2,793,741	37
96					96	38
3,042,954	1,692,988	9,497,418			-2,683,966	39
						40
21,061,785	5,206,071	59,348,751			6,418,023	41

ACCUMULATED DEFERRED INVESTMENT TAX CREDITS (Account 255)

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

Line No.	Account Subdivisions (a)	Balance at Beginning of Year (b)	Deferred for Year		Allocations to Current Year's Income		Adjustments (g)
			Account No. (c)	Amount (d)	Account No. (e)	Amount (f)	
1	Electric Utility						
2	3%				411.4		
3	4%						
4	7%						
5	10%	25,194,352			411.4/420.0	1,117,315	
6	30%	307,887			411.4	41,009	
7							
8	TOTAL	25,502,239				1,158,324	
9	Other (List separately and show 3%, 4%, 7%, 10% and TOTAL)						
10					411.4	1,192,320	
11					420.0	-33,996	
12							
13							
14							
15							
16							
17							
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34							
35							
36							
37							
38							
39							
40							
41							
42							
43							
44							
45							
46							
47							
48							

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

Balance at End of Year (h)	Average Period of Allocation to Income (i)	ADJUSTMENT EXPLANATION	Line No.
			1
			2
			3
			4
24,077,037			5
266,878			6
			7
24,343,915			8
			9
			10
-1,192,320			10
33,996			11
			12
			13
			14
			15
			16
			17
			18
			19
			20
			21
			22
			23
			24
			25
			26
			27
			28
			30
			31
			32
			33
			34
			35
			36
			37
			38
			39
			40
			41
			42
			43
			44
			45
			46
			47
			48

OTHER DEFERRED CREDITS (Account 253)

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

Line No.	Description and Other Deferred Credits (a)	Balance at Beginning of Year (b)	DEBITS		Credits (e)	Balance at End of Year (f)
			Contra Account (c)	Amount (d)		
1	Coal Reclamation	11,700,000				11,700,000
2						
3	OPEB					
4	Palo Verde	284,226	131	260,543		23,683
5	Four Corners	686,537	131	686,537		
6						
7	Environmental Accrual	305,000	131/506	280,000	175,000	200,000
8						
9	Texas Docket 23530 Settlement	2,243,963	131	122,743	4,757	2,125,977
10						
11	345KV Transmission Line Relocation	3,000,000	186	3,000,000		
12						
13	Other	132,569	131	52,858	720,247	799,958
14						
15						
16						
17						
18						
19						
20						
21						
22						
23						
24						
25						
26						
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33						
34						
35						
36						
37						
38						
39						
40						
41						
42						
43						
44						
45						
46						
47	TOTAL	18,352,295		4,402,681	900,004	14,849,618

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

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

Line No.	Account (a)	Balance at Beginning of Year (b)	CHANGES DURING YEAR	
			Amounts Debited to Account 410.1 (c)	Amounts Credited to Account 411.1 (d)
1	Accelerated Amortization (Account 281)			
2	Electric			
3	Defense Facilities			
4	Pollution Control Facilities			
5	Other (provide details in footnote):			
6				
7				
8	TOTAL Electric (Enter Total of lines 3 thru 7)			
9	Gas			
10	Defense Facilities			
11	Pollution Control Facilities			
12	Other (provide details in footnote):			
13				
14				
15	TOTAL Gas (Enter Total of lines 10 thru 14)			
16				
17	TOTAL (Acct 281) (Total of 8, 15 and 16)			
18	Classification of TOTAL			
19	Federal Income Tax			
20	State Income Tax			
21	Local Income Tax			

NOTES

Name of Respondent

El Paso Electric Company

This Report Is:

(1) An Original

(2) A Resubmission

Date of Report

(Mo, Da, Yr)

/ /

Year/Period of Report

End of 2012/Q4

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

3. Use footnotes as required.

CHANGES DURING YEAR		ADJUSTMENTS				Balance at End of Year (k)	Line No.
Amounts Debited to Account 410.2 (e)	Amounts Credited to Account 411.2 (f)	Debits		Credits			
		Account Credited (g)	Amount (h)	Account Debited (i)	Amount (j)		
							1
							2
							3
							4
							5
							6
							7
							8
							9
							10
							11
							12
							13
							14
							15
							16
							17
							18
							19
							20
							21

NOTES (Continued)

Name of Respondent
El Paso Electric Company

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

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

Year/Period of Report
End of 2012/Q4

ACCUMULATED DEFFERED INCOME TAXES - OTHER PROPERTY (Account 282)

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

Line No.	Account (a)	Balance at Beginning of Year (b)	CHANGES DURING YEAR	
			Amounts Debited to Account 410.1 (c)	Amounts Credited to Account 411.1 (d)
1	Account 282			
2	Electric	469,365,852	128,438,905	36,401,310
3	Gas			
4				
5	TOTAL (Enter Total of lines 2 thru 4)	469,365,852	128,438,905	36,401,310
6				
7				
8				
9	TOTAL Account 282 (Enter Total of lines 5 thru 8)	469,365,852	128,438,905	36,401,310
10	Classification of TOTAL			
11	Federal Income Tax	469,365,852	128,438,905	36,401,310
12	State Income Tax			
13	Local Income Tax			

NOTES

Name of Respondent
El Paso Electric Company

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

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

Year/Period of Report
End of 2012/Q4

ACCUMULATED DEFERRED INCOME TAXES - OTHER PROPERTY (Account 282) (Continued)

3. Use footnotes as required.

CHANGES DURING YEAR		ADJUSTMENTS				Balance at End of Year (k)	Line No.
Amounts Debited to Account 410.2 (e)	Amounts Credited to Account 411.2 (f)	Debits		Credits			
		Account Credited (g)	Amount (h)	Account Debited (i)	Amount (j)		
							1
4,158,338	72,962,544	various	507,650			492,091,591	2
							3
							4
4,158,338	72,962,544		507,650			492,091,591	5
							6
							7
							8
4,158,338	72,962,544		507,650			492,091,591	9
							10
4,158,338	72,962,544		507,650			492,091,591	11
							12
							13

NOTES (Continued)

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2012/Q4
El Paso Electric Company			
FOOTNOTE DATA			

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

	Balance at Beginning of Year	Balance at End of Year
Electric:		
Plant, principally due to depreciation and basis differences	\$413,194,396	\$432,290,718
Regulatory assets related to income taxes	33,873,687	35,645,182
Decommissioning	20,018,626	24,155,691
Deferred Fuel	2,279,143	0
Total - Electric Other	<u>\$469,365,852</u>	<u>\$492,091,591</u>

ACCUMULATED DEFERRED INCOME TAXES - OTHER (Account 283)

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

Line No.	Account (a)	Balance at Beginning of Year (b)	CHANGES DURING YEAR	
			Amounts Debited to Account 410.1 (c)	Amounts Credited to Account 411.1 (d)
1	Account 283			
2	Electric			
3	Deferred Tax	8,672,398	10,640,245	4,712,926
4				
5	Deferred State Tax	31,133,881		
6				
7	FIT on SIT	21,742,939		
8	Other - Debt	6,494,215		
9	TOTAL Electric (Total of lines 3 thru 8)	68,043,433	10,640,245	4,712,926
10	Gas			
11				
12				
13				
14				
15				
16				
17	TOTAL Gas (Total of lines 11 thru 16)			
18				
19	TOTAL (Acct 283) (Enter Total of lines 9, 17 and 18)	68,043,433	10,640,245	4,712,926
20	Classification of TOTAL			
21	Federal Income Tax	36,909,552	10,640,245	4,712,926
22	State Income Tax	31,133,881		
23	Local Income Tax			

NOTES

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

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

CHANGES DURING YEAR		ADJUSTMENTS				Balance at End of Year (k)	Line No.
Amounts Debited to Account 410.2 (e)	Amounts Credited to Account 411.2 (f)	Debits		Credits			
		Account Credited (g)	Amount (h)	Account Debited (i)	Amount (j)		
							1
							2
		254.3	2,973,120	182.3	13,609,054	25,235,651	3
							4
		254.3	17,388,629	182.3	20,844,484	34,589,736	5
							6
		254.3	20,334,732	182.3	11,869,885	13,278,092	7
1,079,001	7,422,460	254.3	178,441	182.3	27,711	26	8
1,079,001	7,422,460		40,874,922		46,351,134	73,103,505	9
							10
							11
							12
							13
							14
							15
							16
							17
							18
1,079,001	7,422,460		40,874,922		46,351,134	73,103,505	19
							20
1,079,001	7,422,460		23,486,293		25,506,650	38,513,769	21
			17,388,629		20,844,484	34,589,736	22
							23

NOTES (Continued)

OTHER REGULATORY LIABILITIES (Account 254)

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

Line No.	Description and Purpose of Other Regulatory Liabilities (a)	Balance at Beginning of Current Quarter/Year (b)	DEBITS		Credits (e)	Balance at End of Current Quarter/Year (f)
			Account Credited (c)	Amount (d)		
1	Regulatory Tax Liabilities	50,342,880	various	8,843,644	8,806,846	50,306,082
2						
3	Net Overcollection of Fuel Revenues:					
4	Texas				2,294,928	2,294,928
5	New Mexico	2,099,823			179,681	2,279,504
6	FERC	5,088			63,521	68,609
7						
8	New Mexico Energy Efficiency Program		182.3	3,964,839	4,891,076	926,237
9						
10						
11						
12						
13						
14						
15						
16						
17						
18						
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27						
28						
29						
30						
31						
32						
33						
34						
35						
36						
37						
38						
39						
40						
41	TOTAL	52,447,791		12,808,483	16,236,052	55,875,360

Name of Respondent El Paso Electric Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2012/Q4
FOOTNOTE DATA			

Schedule Page: 278 Line No.: 8 Column: a

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

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	299,370,743	315,202,372
3	(442) Commercial and Industrial Sales		
4	Small (or Comm.) (See Instr. 4)	244,955,724	267,812,171
5	Large (or Ind.) (See Instr. 4)	65,302,794	75,626,551
6	(444) Public Street and Highway Lighting	5,543,637	4,778,012
7	(445) Other Sales to Public Authorities	129,539,438	137,306,045
8	(446) Sales to Railroads and Railways		
9	(448) Interdepartmental Sales		
10	TOTAL Sales to Ultimate Consumers	744,712,336	800,725,151
11	(447) Sales for Resale	76,465,581	82,495,288
12	TOTAL Sales of Electricity	821,177,917	883,220,439
13	(Less) (449.1) Provision for Rate Refunds		581,752
14	TOTAL Revenues Net of Prov. for Refunds	821,177,917	882,638,687
15	Other Operating Revenues		
16	(450) Forfeited Discounts	1,371,365	2,313,009
17	(451) Miscellaneous Service Revenues	5,070,186	4,513,702
18	(453) Sales of Water and Water Power		
19	(454) Rent from Electric Property	2,529,880	2,224,516
20	(455) Interdepartmental Rents		
21	(456) Other Electric Revenues	389,503	571,539
22	(456.1) Revenues from Transmission of Electricity of Others	22,342,319	25,751,838
23	(457.1) Regional Control Service Revenues		
24	(457.2) Miscellaneous Revenues		
25			
26	TOTAL Other Operating Revenues	31,703,253	35,374,604
27	TOTAL Electric Operating Revenues	852,881,170	918,013,291

ELECTRIC OPERATING REVENUES (Account 400)

6. Commercial and industrial Sales, Account 442, may be classified according to the basis of classification (Small or Commercial, and Large or Industrial) regularly used by the respondent if such basis of classification is not generally greater than 1000 Kw of demand. (See Account 442 of the Uniform System of Accounts. Explain basis of classification in a footnote.)

7. See pages 108-109, Important Changes During Period, for important new territory added and important rate increase or decreases.

8. For Lines 2,4,5,and 6, see Page 304 for amounts relating to unbilled revenue by accounts.

9. Include unmetered sales. Provide details of such Sales in a footnote.

MEGAWATT HOURS SOLD		AVG.NO. CUSTOMERS PER MONTH		Line No.
Year to Date Quarterly/Annual (d)	Amount Previous year (no Quarterly) (e)	Current Year (no Quarterly) (f)	Previous Year (no Quarterly) (g)	
				1
2,648,348	2,633,390	340,962	336,219	2
				3
2,366,541	2,352,218	37,966	37,652	4
1,082,973	1,096,040	50	50	5
42,872	25,642	172	200	6
1,574,734	1,553,923	4,438	4,426	7
				8
				9
7,715,468	7,661,213	383,588	378,547	10
3,128,976	3,358,975	29	28	11
10,844,444	11,020,188	383,617	378,575	12
				13
10,844,444	11,020,188	383,617	378,575	14

Line 12, column (b) includes \$ -1,701,000 of unbilled revenues.
 Line 12, column (d) includes -20,768 MWH relating to unbilled revenues

Name of Respondent El Paso Electric Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2012/Q4
FOOTNOTE DATA			

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

Includes 450,578 MWs related to the Company's Power Purchase and Sales Agreement with Freeport-McMoRan dated December 16, 2005.

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

Includes 608,688 MWs related to the Company's Power Purchase and Sales Agreement with Freeport-McMoRan dated December 16, 2005.

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

Includes 450,578 MWs related to the Company's Power Purchase and Sales Agreement with Freeport-McMoRan dated December 16, 2005.

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

Includes 608,688 MWs related to the Company's Power Purchase and Sales Agreement with Freeport-McMoRan dated December 16, 2005.

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

Includes 450,578 MWs related to the Company's Power Purchase and Sales Agreement with Freeport-McMoRan dated December 16, 2005.

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

Includes 608,688 MWs related to the Company's Power Purchase and Sales Agreement with Freeport-McMoRan dated December 16, 2005.

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

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

	<u>December 2012</u>
Non Pay Reconnect Charges	2,015,211
Name Change/Cut in Charge	1,034,305
New Service Charges	230,888
Overhead/Underground Connection Charges	211,499
Texas Energy Efficiency Bonus	1,260,894
Misc Other	317,389
Total	<u>5,070,186</u>

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

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

	<u>December 2011</u>
Non Pay Reconnect Charges	1,942,509
Name Change/Cut in Charge	1,011,084
New Service Charges	251,266
Overhead/Underground Connection Charges	204,529
Texas Energy Efficiency Bonus	833,347
Misc Other	270,967
Total	<u>4,513,702</u>

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

Includes \$389,503 related to the Company's 15.8% share of Palo Verde other electric revenues from APS.

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

Includes \$311,349 related to the Company's 15.8% share of Palo Verde other electric revenues from APS and \$260,190 adjustment related to prior periods.

REGIONAL TRANSMISSION SERVICE REVENUES (Account 457.1)

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

Line No.	Description of Service (a)	Balance at End of Quarter 1 (b)	Balance at End of Quarter 2 (c)	Balance at End of Quarter 3 (d)	Balance at End of Year (e)
1					
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
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31					
32					
33					
34					
35					
36					
37					
38					
39					
40					
41					
42					
43					
44					
45					
46	TOTAL				

SALES OF ELECTRICITY BY RATE SCHEDULES

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

Line No.	Number and Title of Rate schedule (a)	MWh Sold (b)	Revenue (c)	Average Number of Customers (d)	KWh of Sales Per Customer (e)	Revenue Per KWh Sold (f)
1	(440)					
2	RESIDENTIAL SALES-TX					
3	01 Residential Service	1,981,050	225,040,171	259,701	7,628	0.1136
4	28 Private Area Lighting Service	2,086	323,069	234	8,915	0.1549
5	TXVRE-R Voluntary Renewable		35,910			
6	Deferred Fuel		-5,914,566			
7	Unbilled Revenue	-8,033	-611,000			0.0761
8	Renewable Energy Credit		-35,895			
9	Power Factor Adjustment		623,345			
10						
11	RESIDENTIAL SALES-NM					
12	01 Residential Service	674,525	79,628,102	80,694	8,359	0.1181
13	12 Private Area Lighting Service	2,499	572,139	333	7,505	0.2289
14	Deferred Fuel		-28,688			
15	Unbilled Revenue	-3,779	-253,000			0.0669
16	Renewable Energy Credit		-8,844			
17						
18	Total (440)	2,648,348	299,370,743	340,962	7,767	0.1130
19						
20						
21	(442)					
22	C & I SALES SMALL-TX					
23	02 Small Commercial Service	237,002	33,590,655	21,949	10,798	0.1417
24	07 Outdoor Recreational Lighting	376	41,836	20	18,800	0.1113
25	22 Irrigation Service	2,190	255,213	57	38,421	0.1165
26	24 General Service	1,370,637	136,499,404	6,189	221,463	0.0996
27	25 Large Power Service	214,775	19,265,590	56	3,835,268	0.0897
28	28 Private Area Lighting Service	14,495	1,822,462	390	37,167	0.1257
29	34 Cotton Gin Service	1,759	152,637	1	1,759,000	0.0868
30	TXVRE-C Voluntary Renewable		1,060			
31	Deferred Fuel		-5,591,559			
32	Unbilled Revenue	-2,497	-521,000			0.2087
33	Renewable Energy Credit		-1,056			
34						
35	C & I SALES SMALL-NM					
36	03 Small Commercial Service	156,929	21,678,346	7,951	19,737	0.1381
37	04 General Service	287,976	29,307,815	580	496,510	0.1018
38	05 Irrigation Service	50,600	5,430,359	645	78,450	0.1073
39	08 Municipal Water Pumping	1,838	170,733	23	79,913	0.0929
40	09 Large Power Service	22,503	2,027,306	4	5,625,750	0.0901
41	TOTAL Billed	7,736,236	746,413,336	383,588	20,168	0.0965
42	Total Unbilled Rev.(See Instr. 6)	-20,768	-1,701,000	0	0	0.0819
43	TOTAL	7,715,468	744,712,336	383,588	20,114	0.0965

SALES OF ELECTRICITY BY RATE SCHEDULES

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

Line No.	Number and Title of Rate schedule (a)	MWh Sold (b)	Revenue (c)	Average Number of Customers (d)	KWh of Sales Per Customer (e)	Revenue Per KWh Sold (f)
1	12 Private Area Lighting Service	1,956	438,289	70	27,943	0.2241
2	19 Seasonal Agr. Processing Svc.	4,342	579,909	18	241,222	0.1336
3	25 Outdoor Recreational Lighting	109	15,485	12	9,083	0.1421
4	29 Interrupt. Svc. for Lg Power	2,506	126,649	1	2,506,000	0.0505
5	Deferred Fuel		-60,700			
6	Unbilled Revenue	-955	-38,000			0.0398
7	Renewable Energy Credit		-8,220			
8						
9	C & I SALES LARGE-TX					
10	15 Electrolytic Refining	55,616	3,749,737	1	55,616,000	0.0674
11	25 Large Power Service	318,400	28,073,366	34	9,364,706	0.0882
12	26 Petroleum Refinery Service	333,102	20,627,001	1	333,102,000	0.0619
13	28 Private Area Lighting Service	226	27,427			0.1214
14	30 Electric Furnace	24,767	1,499,706	1	24,767,000	0.0606
15	38 Interrupt. Svc. for Lg Power	280,034	9,926,032	6	46,672,333	0.0354
16	Deferred Fuel		-3,160,602			
17	Unbilled Revenue	-2,070	-226,000			0.1092
18	Power Factor Adjustment		-881,467			
19						
20	C & I SALES LARGE-NM					
21	09 Large Power Service	48,974	4,305,634	4	12,243,500	0.0879
22	29 Interrupt. Svc. for Lg Power	23,626	1,137,123	3	7,875,333	0.0481
23	Deferred Fuel		-34,652			
24	Unbilled Revenue	298	32,000			0.1074
25						
26	Total (442)	3,449,514	310,258,518	38,016	90,738	0.0899
27						
28	(444)					
29	PUBLIC ST. & HIGHWAY LIGHT-TX					
30	08 Gov't Street Lights and Signal	39,588	5,120,802	154	257,065	0.1294
31	Deferred Fuel		-128,785			
32	Unbilled Revenue	40	3,000			0.0750
33	Power Factor Adjustment		11,456			
34						
35	PUBLIC ST. & HIGHWAY LIGHT-NM					
36	11 Municipal St. Lighting and Sig	3,248	537,603	18	180,444	0.1655
37	Deferred Fuel		-439			
38	Unbilled Revenue	-4				
39						
40	Total (444)	42,872	5,543,637	172	249,256	0.1293
41	TOTAL Billed	7,736,236	746,413,336	383,588	20,168	0.0965
42	Total Unbilled Rev.(See Instr. 6)	-20,768	-1,701,000	0	0	0.0819
43	TOTAL	7,715,468	744,712,336	383,588	20,114	0.0965

SALES OF ELECTRICITY BY RATE SCHEDULES

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

Line No.	Number and Title of Rate schedule (a)	MWh Sold (b)	Revenue (c)	Average Number of Customers (d)	KWh of Sales Per Customer (e)	Revenue Per KWh Sold (f)
1						
2	(445)					
3	OTHER SALES PUB AUTH-TX					
4	01 Residential Service	369	45,140	87	4,241	0.1223
5	02 Small Commercial Service	7,385	1,070,171	1,004	7,356	0.1449
6	07 Outdoor Recreational Lighting	4,900	525,484	166	29,518	0.1072
7	11 Municipal Pumping Service	170,674	13,197,718	398	428,829	0.0773
8	22 Irrigation	1,764	200,097	13	135,692	0.1134
9	24 General Service	135,436	13,658,017	421	321,701	0.1008
10	25 Large Power Service	66,744	5,754,266	10	6,674,400	0.0862
11	28 Private Area Lighting	9,567	1,135,374	119	80,395	0.1187
12	31 Military Reservation Service	338,433	24,856,261	1	338,433,000	0.0734
13	38 Interruptible Service Large Po	27,898	980,919	1	27,898,000	0.0352
14	41 City and County Service	309,041	30,876,330	905	341,482	0.0999
15	43 University Service	64,833	4,295,956	2	32,416,500	0.0663
16	45 Supplemental Power	22,631	1,693,167	1	22,631,000	0.0748
17	Deferred Fuel		-3,500,697			
18	Unbilled Revenue	-1,468	-64,000			0.0436
19	University Discount		-328,843			
20	Power Factor Adjustment		246,654			
21						
22	OTHER SALES PUB AUTH-NM					
23	01 Residential Service	130	16,874	28	4,643	0.1298
24	03 Small Commercial Service	5,004	674,430	227	22,044	0.1348
25	04 General Service	24,447	2,467,243	49	498,918	0.1009
26	05 Irrigation Service	153	16,924	5	30,600	0.1106
27	07 City and County Service	72,315	8,306,781	814	88,839	0.1149
28	08 Municipal Pumping Service	29,568	2,650,527	131	225,710	0.0896
29	09 Large Power Service	56,837	4,743,810	5	11,367,400	0.0835
30	10 Military Research & Dev. Power	180,981	12,443,224	2	90,490,500	0.0688
31	12 Private Area Lighting	325	69,547	27	12,037	0.2140
32	25 Outdoor Recreational Lighting	708	87,649	21	33,714	0.1238
33	26 State University Service	48,359	3,514,685	1	48,359,000	0.0727
34	Deferred Fuel		-55,202			
35	Unbilled Revenue	-2,300	-23,000			0.0100
36	Renewable Energy Credit		-16,068			
37						
38	Total (445)	1,574,734	129,539,438	4,438	354,830	0.0823
39						
40						
41	TOTAL Billed	7,736,236	746,413,336	383,588	20,168	0.0965
42	Total Unbilled Rev.(See Instr. 6)	-20,768	-1,701,000	0	0	0.0819
43	TOTAL	7,715,468	744,712,336	383,588	20,114	0.0965

Name of Respondent El Paso Electric Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2012/Q4
FOOTNOTE DATA			

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

Estimated Fuel Clause Revenues by Rate Schedule

(440) RESIDENTIAL SALES

TEXAS

01 Residential Service	\$ 47,446,601
28 Private Area Lighting Service	50,941
Power Factor Adjustment	623,345
Deferred Fuel	(5,914,566)
Total - Texas	<u>42,206,321</u>

NEW MEXICO

01 Residential Service	(6,639,230)
12 Private Area Lighting Service	(25,715)
Deferred Fuel	(28,688)
Total - New Mexico	<u>(6,693,633)</u>

Total (440) \$ 35,512,688

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

There were less than 1,200 duplicate customers for all rate schedules combined in 2012.

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

Estimated Fuel Clause Revenues by Rate Schedule

(442) COMMERCIAL AND INDUSTRIAL SALES

SMALL - TEXAS

02 Small Commercial Service	\$ 5,676,181
07 Outdoor Recreational Lighting	9,156
22 Irrigation Service	51,320
24 General Service	32,842,397
25 Large Power Service	5,184,186
28 Private Area Lighting Service	351,932
34 Cotton Gin Service	44,295
Power Factor Adjustment	561,184
Deferred Fuel	(5,591,559)
Total - Texas	<u>39,129,092</u>

SMALL - NEW MEXICO

03 Small Commercial Service	(1,570,619)
04 General Service	(2,900,414)
05 Irrigation Service	(521,529)
08 Municipal Water Pumping	(18,421)
09 Large Power Service	(228,092)
12 Private Area Lighting Service	(20,144)
19 Seasonal Agr. Processing Svc.	(44,260)
25 Outdoor Recreational Lighting	(1,073)
29 Interrup. Svc for Lg Power	(25,179)
Deferred Fuel	(60,700)
Total - New Mexico	<u>(5,390,431)</u>

LARGE - TEXAS

15 Electrolytic refining	1,282,151
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Name of Respondent	This Report is:	Date of Report	Year/Period of Report
El Paso Electric Company	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) / /	2012/Q4

FOOTNOTE DATA

25 Large Power Service	7,658,236
26 Petroleum Refinery Service	7,703,306
28 Private Area Lighting Service	5,459
30 Electric Furnace	50,889
38 Interruptible Svc for Large Power	7,050,227
Power Factor Adjustment	284,673
Deferred Fuel	(3,160,602)
Total - Texas	<u>20,874,339</u>

LARGE - NEW MEXICO

09 Large Power Service	(494,755)
29 Interruptible Service Large Power	(240,334)
Deferred Fuel	(34,652)
Total - New Mexico	<u>(769,741)</u>

Total (442) \$ 53,843,259

Schedule Page: 304.1 Line No.: 28 Column: c

Estimated Fuel Clause Revenues by Rate Schedule

(444) PUBLIC STREET AND HIGHWAY LIGHTING

TEXAS

08 Municipal St. Lights & Signals	\$ 959,809
Power Factor Adjustment	11,456
Deferred Fuel	(128,785)
Total - Texas	<u>842,480</u>

NEW MEXICO

11 Municipal St. Lights & Signals	(33,397)
Deferred Fuel	(439)
Total - New Mexico	<u>(33,836)</u>

Total (444) \$ 808,644

Schedule Page: 304.2 Line No.: 2 Column: c

Estimated Fuel Clause Revenues by Rate Schedule

(445) OTHER SALES TO PUBLIC AUTHORITIES

TEXAS

01 Residential Service	\$ 8,845
02 Small Commercial Service	177,898
07 Outdoor Rec. Lighting Service	118,789
11 Municipal Pumping Service	4,097,693
22 Irrigation	41,392
24 General Service	3,211,513
25 Large Power Service	1,594,031
28 Private Area Lighting	232,544
31 Military Reservation Service	7,777,115
38 Interruptible Service for Large	647,597
41 City and County Service	7,452,431
43 University Service	1,534,433
45 Supplemental Power	534,251
Power Factor Adjustment	342,351
Deferred Fuel	(3,500,697)
Total - Texas	<u>24,270,186</u>

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2012/Q4
El Paso Electric Company			
FOOTNOTE DATA			

NEW MEXICO

01 Residential Service	(1,277)
03 Small Commercial Service	(47,841)
04 General Service	(246,848)
05 Irrigation Service	(1,584)
07 City and County Service	(726,847)
08 Municipal Pumping	(300,324)
09 Large Power Service	(562,205)
10 Military Research & Dev. Power	(1,727,608)
12 Private Area Lighting	(3,332)
25 Outdoor Rec. Lighting Service	(7,565)
26 State University Service	(477,916)
Deferred Fuel	(55,202)
Total - New Mexico	<u>(4,158,549)</u>
Total (445)	\$ <u>20,111,637</u>

SALES FOR RESALE (Account 447)

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

Line No.	Name of Company or Public Authority (Footnote Affiliations) (a)	Statistical Classification (b)	FERC Rate Schedule or Tariff Number (c)	Average Monthly Billing Demand (MW) (d)	Actual Demand (MW)	
					Average Monthly NCP Demand (e)	Average Monthly CP Demand (f)
1	Rio Grande Electric Cooperative	RQ	18	8.9	13.6	10.9
2	Arizona Electric Power Cooperative, Inc	SF	1			
3	Arizona Public Service Company	SF	1			
4	Barclays Bank PLC	SF	1			
5	Black Hills Power Inc	SF	1			
6	BNP Paribas Energy Trading GP	SF	1			
7	BP Energy Company	SF	1			
8	Cargill Power Markets, LLC	SF	1			
9	Citigroup Energy Inc.	SF	1			
10	City of Burbank California	SF	1			
11	City of Glendale California	SF	1			
12	Comision Federal De Electricidad	OS	N/A			
13	Constellation Energy Commodities Group	SF	1			
14	DB Energy Trading LLC	SF	1			
	Subtotal RQ			0	0	0
	Subtotal non-RQ			0	0	0
	Total			0	0	0

SALES FOR RESALE (Account 447)

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

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

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

Line No.	Name of Company or Public Authority (Footnote Affiliations) (a)	Statistical Classification (b)	FERC Rate Schedule or Tariff Number (c)	Average Monthly Billing Demand (MW) (d)	Actual Demand (MW)	
					Average Monthly NCP Demand (e)	Average Monthly CP Demand (f)
1	Tri-State G & T Association, Inc	SF	1			
2	Tucson Electric Power Marketing	OS	1			
3	Tucson Electric Power Marketing	SF	1			
4	UNS Electric Inc	SF	1			
5	Western Area Power Administration-DSW	SF	1			
6	Arizona Electric Power Cooperative, Inc	SF	104	N/A	N/A	N/A
7	Arizona Public Service Company	SF	104	N/A	N/A	N/A
8	Eagle	SF	104	N/A	N/A	N/A
9	HGMA	SF	104	N/A	N/A	N/A
10	IID	SF	104	N/A	N/A	N/A
11	Panda Gila River	SF	104	N/A	N/A	N/A
12	Public Service Company of New Mexico	SF	104	N/A	N/A	N/A
13	SEMPRA	SF	104	N/A	N/A	N/A
14	Salt River Project	SF	104	N/A	N/A	N/A
	Subtotal RQ			0	0	0
	Subtotal non-RQ			0	0	0
	Total			0	0	0

SALES FOR RESALE (Account 447)

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

Line No.	Name of Company or Public Authority (Footnote Affiliations) (a)	Statistical Classification (b)	FERC Rate Schedule or Tariff Number (c)	Average Monthly Billing Demand (MW) (d)	Actual Demand (MW)	
					Average Monthly NCP Demand (e)	Average Monthly CP Demand (f)
1	South West Transmission Co-Op	SF	104	N/A	N/A	N/A
2	Tucson Electric Power Company	SF	104	N/A	N/A	N/A
3	TRI-STATE	SF	104	N/A	N/A	N/A
4						
5						
6						
7						
8						
9						
10						
11						
12						
13						
14						
	Subtotal RQ			0	0	0
	Subtotal non-RQ			0	0	0
	Total			0	0	0

SALES FOR RESALE (Account 447) (Continued)

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

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

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

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

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

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

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

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

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

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

MegaWatt Hours Sold (g)	REVENUE			Total (\$) (h+i+j) (k)	Line No.
	Demand Charges (\$) (h)	Energy Charges (\$) (i)	Other Charges (\$) (j)		
64,266	2,040,373	1,718,984	-63,523	3,695,834	1
21,412		444,952	4,891	449,843	2
2,645		59,452		59,452	3
2,000		57,240		57,240	4
65		2,200		2,200	5
25		763		763	6
1,200		35,300		35,300	7
96,542		2,311,177		2,311,177	8
75,672		1,813,272	6,783	1,820,055	9
19,710		473,704		473,704	10
3,400		84,780		84,780	11
277,383		12,763,609	1,614,334	14,377,943	12
66,150		1,495,982	1,681	1,497,663	13
24,375		632,282		632,282	14
64,266	2,040,373	1,718,984	-63,523	3,695,834	
3,064,710	0	70,869,694	1,900,053	72,769,747	
3,128,976	2,040,373	72,588,678	1,836,530	76,465,581	

SALES FOR RESALE (Account 447) (Continued)

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

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

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

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

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

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

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

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

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

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

MegaWatt Hours Sold (g)	REVENUE			Total (\$) (h+i+j) (k)	Line No.
	Demand Charges (\$) (h)	Energy Charges (\$) (i)	Other Charges (\$) (j)		
105,283		2,644,986		2,644,986	1
450,578		923,685		923,685	2
			17,826	17,826	3
67,554		1,615,794	1,791	1,617,585	4
55,800		1,605,038		1,605,038	5
8,903		203,335		203,335	6
6,368		153,070		153,070	7
			187,000	187,000	8
46		2,389		2,389	9
16,110		420,160		420,160	10
35,749		756,514	571	757,085	11
413,697		9,443,031	4,044	9,447,075	12
4,570		101,277		101,277	13
11,343		320,808		320,808	14
64,266	2,040,373	1,718,984	-63,523	3,695,834	
3,064,710	0	70,869,694	1,900,053	72,769,747	
3,128,976	2,040,373	72,588,678	1,836,530	76,465,581	

SALES FOR RESALE (Account 447) (Continued)

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

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

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

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

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

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

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

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

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

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

MegaWatt Hours Sold (g)	REVENUE			Total (\$) (h+i+j) (k)	Line No.
	Demand Charges (\$) (h)	Energy Charges (\$) (i)	Other Charges (\$) (j)		
13,036		300,222		300,222	1
1,200		30,600		30,600	2
2,492		62,982		62,982	3
			1,485	1,485	4
18,588		444,915		444,915	5
287,659		7,502,368	181	7,502,549	6
			810	810	7
61,508		1,627,607	1,431	1,629,038	8
690,673		17,448,440	681	17,449,121	9
11,400		271,309	861	272,170	10
12,504		336,821	16,205	353,026	11
1,029		32,809		32,809	12
55,300		1,339,645		1,339,645	13
			34,711	34,711	14
64,266	2,040,373	1,718,984	-63,523	3,695,834	
3,064,710	0	70,869,694	1,900,053	72,769,747	
3,128,976	2,040,373	72,588,678	1,836,530	76,465,581	

SALES FOR RESALE (Account 447) (Continued)

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

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

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

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

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

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

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

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

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

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

MegaWatt Hours Sold (g)	REVENUE			Total (\$) (h+i+j) (k)	Line No.
	Demand Charges (\$) (h)	Energy Charges (\$) (i)	Other Charges (\$) (j)		
50,217		1,120,085		1,120,085	1
			1,665	1,665	2
87,846		1,872,534		1,872,534	3
1,900		37,470		37,470	4
80		2,525		2,525	5
203		6,042		6,042	6
105		3,424		3,424	7
38		748		748	8
144		3,594		3,594	9
25		851		851	10
522		13,791	2,954	16,745	11
364		9,812		9,812	12
406		12,097		12,097	13
155		4,040		4,040	14
64,266	2,040,373	1,718,984	-63,523	3,695,834	
3,064,710	0	70,869,694	1,900,053	72,769,747	
3,128,976	2,040,373	72,588,678	1,836,530	76,465,581	

SALES FOR RESALE (Account 447) (Continued)

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

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

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

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

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

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

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

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

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

MegaWatt Hours Sold (g)	REVENUE			Total (\$) (h+i+j) (k)	Line No.
	Demand Charges (\$) (h)	Energy Charges (\$) (i)	Other Charges (\$) (j)		
139		4,612		4,612	1
514		13,412		13,412	2
83		2,139	148	2,287	3
					4
					5
					6
					7
					8
					9
					10
					11
					12
					13
					14
64,266	2,040,373	1,718,984	-63,523	3,695,834	
3,064,710	0	70,869,694	1,900,053	72,769,747	
3,128,976	2,040,373	72,588,678	1,836,530	76,465,581	

Name of Respondent El Paso Electric Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2012/Q4
FOOTNOTE DATA			

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

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

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

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

Schedule Page: 310 Line No.: 9 Column: j
Transmission services.

Schedule Page: 310 Line No.: 12 Column: b
Non-firm energy sales.

Schedule Page: 310 Line No.: 12 Column: j
Transmission and ancillary services.

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

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

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

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

Schedule Page: 310.1 Line No.: 8 Column: b
Spinning reserves.

Schedule Page: 310.1 Line No.: 8 Column: j
Spinning reserves.

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

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

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

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

Schedule Page: 310.2 Line No.: 6 Column: j
Transmission services.

Schedule Page: 310.2 Line No.: 7 Column: b
Spinning reserves.

Schedule Page: 310.2 Line No.: 7 Column: j
Spinning reserves.

Schedule Page: 310.2 Line No.: 8 Column: j
Transmission services.

Schedule Page: 310.2 Line No.: 9 Column: j
Transmission services.

Schedule Page: 310.2 Line No.: 10 Column: j
Transmission services.

Schedule Page: 310.2 Line No.: 11 Column: j
Transmission services.

Schedule Page: 310.2 Line No.: 14 Column: b
Spinning reserves.

Schedule Page: 310.2 Line No.: 14 Column: j
Spinning reserves.

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

Name of Respondent El Paso Electric Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2012/Q4
FOOTNOTE DATA			

Spinning reserves.

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

Spinning reserves.

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

Other Charges are for Southwest Reserve Sharing Group ("SRSG") charge received.

Schedule Page: 310.4 Line No.: 3 Column: j

Other Charges are for SRSG charge received.

ELECTRIC OPERATION AND MAINTENANCE EXPENSES

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

Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)
1	1. POWER PRODUCTION EXPENSES		
2	A. Steam Power Generation		
3	Operation		
4	(500) Operation Supervision and Engineering	2,095,157	2,333,830
5	(501) Fuel	138,989,057	176,480,323
6	(502) Steam Expenses	3,894,373	4,061,992
7	(503) Steam from Other Sources		
8	(Less) (504) Steam Transferred-Cr.		
9	(505) Electric Expenses	3,366,611	2,465,522
10	(506) Miscellaneous Steam Power Expenses	4,460,931	4,716,757
11	(507) Rents	1,443,288	1,422,512
12	(509) Allowances	65,064	142,023
13	TOTAL Operation (Enter Total of Lines 4 thru 12)	154,314,481	191,622,959
14	Maintenance		
15	(510) Maintenance Supervision and Engineering	1,500,114	1,701,893
16	(511) Maintenance of Structures	1,384,058	1,133,160
17	(512) Maintenance of Boiler Plant	8,919,057	10,434,297
18	(513) Maintenance of Electric Plant	10,324,222	8,702,408
19	(514) Maintenance of Miscellaneous Steam Plant	2,389,310	2,116,164
20	TOTAL Maintenance (Enter Total of Lines 15 thru 19)	24,516,761	24,087,922
21	TOTAL Power Production Expenses-Steam Power (Entr Tot lines 13 & 20)	178,831,242	215,710,881
22	B. Nuclear Power Generation		
23	Operation		
24	(517) Operation Supervision and Engineering	13,733,764	12,884,201
25	(518) Fuel	49,794,664	44,118,186
26	(519) Coolants and Water	5,954,270	5,890,634
27	(520) Steam Expenses	5,314,694	5,741,310
28	(521) Steam from Other Sources		
29	(Less) (522) Steam Transferred-Cr.		
30	(523) Electric Expenses	4,835,623	3,666,805
31	(524) Miscellaneous Nuclear Power Expenses	18,221,793	19,511,705
32	(525) Rents	71,895	87,698
33	TOTAL Operation (Enter Total of lines 24 thru 32)	97,926,703	91,900,539
34	Maintenance		
35	(528) Maintenance Supervision and Engineering	4,131,491	4,998,318
36	(529) Maintenance of Structures	1,099,175	1,657,811
37	(530) Maintenance of Reactor Plant Equipment	6,381,307	7,454,367
38	(531) Maintenance of Electric Plant	8,151,275	8,401,683
39	(532) Maintenance of Miscellaneous Nuclear Plant	2,333,212	2,737,833
40	TOTAL Maintenance (Enter Total of lines 35 thru 39)	22,096,460	25,250,012
41	TOTAL Power Production Expenses-Nuc. Power (Entr tot lines 33 & 40)	120,023,163	117,150,551
42	C. Hydraulic Power Generation		
43	Operation		
44	(535) Operation Supervision and Engineering		
45	(536) Water for Power		
46	(537) Hydraulic Expenses		
47	(538) Electric Expenses		
48	(539) Miscellaneous Hydraulic Power Generation Expenses		
49	(540) Rents		
50	TOTAL Operation (Enter Total of Lines 44 thru 49)		
51	C. Hydraulic Power Generation (Continued)		
52	Maintenance		
53	(541) Maintenance Supervision and Engineering		
54	(542) Maintenance of Structures		
55	(543) Maintenance of Reservoirs, Dams, and Waterways		
56	(544) Maintenance of Electric Plant		
57	(545) Maintenance of Miscellaneous Hydraulic Plant		
58	TOTAL Maintenance (Enter Total of lines 53 thru 57)		
59	TOTAL Power Production Expenses-Hydraulic Power (tot of lines 50 & 58)		

ELECTRIC OPERATION AND MAINTENANCE EXPENSES (Continued)

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

Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)
60	D. Other Power Generation		
61	Operation		
62	(546) Operation Supervision and Engineering	29,652	29,566
63	(547) Fuel	2,448,213	3,053,028
64	(548) Generation Expenses	25,945	
65	(549) Miscellaneous Other Power Generation Expenses	299,738	101,535
66	(550) Rents	6,363	31
67	TOTAL Operation (Enter Total of lines 62 thru 66)	2,809,911	3,184,160
68	Maintenance		
69	(551) Maintenance Supervision and Engineering	281	1,151
70	(552) Maintenance of Structures	22,376	23,508
71	(553) Maintenance of Generating and Electric Plant	832,414	183,296
72	(554) Maintenance of Miscellaneous Other Power Generation Plant	95,651	-56,926
73	TOTAL Maintenance (Enter Total of lines 69 thru 72)	950,722	151,029
74	TOTAL Power Production Expenses-Other Power (Enter Tot of 67 & 73)	3,760,633	3,335,189
75	E. Other Power Supply Expenses		
76	(555) Purchased Power	60,251,292	75,149,296
77	(556) System Control and Load Dispatching	1,176,092	1,183,787
78	(557) Other Expenses	804,000	96,900
79	TOTAL Other Power Supply Exp (Enter Total of lines 76 thru 78)	62,231,384	76,429,983
80	TOTAL Power Production Expenses (Total of lines 21, 41, 59, 74 & 79)	364,846,422	412,626,604
81	2. TRANSMISSION EXPENSES		
82	Operation		
83	(560) Operation Supervision and Engineering	1,190,625	837,195
84			
85	(561.1) Load Dispatch-Reliability	92,594	126,147
86	(561.2) Load Dispatch-Monitor and Operate Transmission System	599,646	547,381
87	(561.3) Load Dispatch-Transmission Service and Scheduling	468,506	513,648
88	(561.4) Scheduling, System Control and Dispatch Services	939,847	766,895
89	(561.5) Reliability, Planning and Standards Development	753,063	720,169
90	(561.6) Transmission Service Studies		279
91	(561.7) Generation Interconnection Studies		
92	(561.8) Reliability, Planning and Standards Development Services		
93	(562) Station Expenses	167,553	208,675
94	(563) Overhead Lines Expenses	227,740	238,784
95	(564) Underground Lines Expenses		
96	(565) Transmission of Electricity by Others	4,712,519	6,577,553
97	(566) Miscellaneous Transmission Expenses	4,071,024	4,528,475
98	(567) Rents	326,622	338,509
99	TOTAL Operation (Enter Total of lines 83 thru 98)	13,549,739	15,403,710
100	Maintenance		
101	(568) Maintenance Supervision and Engineering	197,055	27,448
102	(569) Maintenance of Structures	13,873	26,188
103	(569.1) Maintenance of Computer Hardware		
104	(569.2) Maintenance of Computer Software		
105	(569.3) Maintenance of Communication Equipment		
106	(569.4) Maintenance of Miscellaneous Regional Transmission Plant		
107	(570) Maintenance of Station Equipment	635,165	593,942
108	(571) Maintenance of Overhead Lines	1,179,845	1,418,604
109	(572) Maintenance of Underground Lines		
110	(573) Maintenance of Miscellaneous Transmission Plant	44,851	-30,695
111	TOTAL Maintenance (Total of lines 101 thru 110)	2,070,789	2,035,487
112	TOTAL Transmission Expenses (Total of lines 99 and 111)	15,620,528	17,439,197

ELECTRIC OPERATION AND MAINTENANCE EXPENSES (Continued)

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

Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)
113	3. REGIONAL MARKET EXPENSES		
114	Operation		
115	(575.1) Operation Supervision		
116	(575.2) Day-Ahead and Real-Time Market Facilitation		
117	(575.3) Transmission Rights Market Facilitation		
118	(575.4) Capacity Market Facilitation		
119	(575.5) Ancillary Services Market Facilitation		
120	(575.6) Market Monitoring and Compliance		
121	(575.7) Market Facilitation, Monitoring and Compliance Services		
122	(575.8) Rents		
123	Total Operation (Lines 115 thru 122)		
124	Maintenance		
125	(576.1) Maintenance of Structures and Improvements		
126	(576.2) Maintenance of Computer Hardware		
127	(576.3) Maintenance of Computer Software		
128	(576.4) Maintenance of Communication Equipment		
129	(576.5) Maintenance of Miscellaneous Market Operation Plant		
130	Total Maintenance (Lines 125 thru 129)		
131	TOTAL Regional Transmission and Market Op Expns (Total 123 and 130)		
132	4. DISTRIBUTION EXPENSES		
133	Operation		
134	(580) Operation Supervision and Engineering	763,468	650,245
135	(581) Load Dispatching		
136	(582) Station Expenses	1,519,426	1,353,380
137	(583) Overhead Line Expenses	918,058	763,408
138	(584) Underground Line Expenses	305,425	203,067
139	(585) Street Lighting and Signal System Expenses	779,393	816,615
140	(586) Meter Expenses	1,872,417	1,746,079
141	(587) Customer Installations Expenses	468,839	450,517
142	(588) Miscellaneous Expenses	8,125,343	7,446,951
143	(589) Rents	455,327	421,847
144	TOTAL Operation (Enter Total of lines 134 thru 143)	15,207,696	13,852,109
145	Maintenance		
146	(590) Maintenance Supervision and Engineering	-17,352	25,330
147	(591) Maintenance of Structures		
148	(592) Maintenance of Station Equipment	840,890	865,573
149	(593) Maintenance of Overhead Lines	3,861,001	3,985,582
150	(594) Maintenance of Underground Lines	421,292	454,331
151	(595) Maintenance of Line Transformers	23,032	1,677
152	(596) Maintenance of Street Lighting and Signal Systems	206,482	184,382
153	(597) Maintenance of Meters	201,113	108,552
154	(598) Maintenance of Miscellaneous Distribution Plant	259,929	364,495
155	TOTAL Maintenance (Total of lines 146 thru 154)	5,796,387	5,989,922
156	TOTAL Distribution Expenses (Total of lines 144 and 155)	21,004,083	19,842,031
157	5. CUSTOMER ACCOUNTS EXPENSES		
158	Operation		
159	(901) Supervision		
160	(902) Meter Reading Expenses	3,181,804	3,329,612
161	(903) Customer Records and Collection Expenses	12,713,597	11,985,110
162	(904) Uncollectible Accounts	3,086,580	6,207,463
163	(905) Miscellaneous Customer Accounts Expenses	289,223	442,857
164	TOTAL Customer Accounts Expenses (Total of lines 159 thru 163)	19,271,204	21,965,042

ELECTRIC OPERATION AND MAINTENANCE EXPENSES (Continued)

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

Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)
165	6. CUSTOMER SERVICE AND INFORMATIONAL EXPENSES		
166	Operation		
167	(907) Supervision		
168	(908) Customer Assistance Expenses	32,976	619,221
169	(909) Informational and Instructional Expenses	170,191	210,995
170	(910) Miscellaneous Customer Service and Informational Expenses		
171	TOTAL Customer Service and Information Expenses (Total 167 thru 170)	203,167	830,216
172	7. SALES EXPENSES		
173	Operation		
174	(911) Supervision		
175	(912) Demonstrating and Selling Expenses		
176	(913) Advertising Expenses		
177	(916) Miscellaneous Sales Expenses		
178	TOTAL Sales Expenses (Enter Total of lines 174 thru 177)		
179	8. ADMINISTRATIVE AND GENERAL EXPENSES		
180	Operation		
181	(920) Administrative and General Salaries	25,786,357	23,428,660
182	(921) Office Supplies and Expenses	5,424,843	4,925,693
183	(Less) (922) Administrative Expenses Transferred-Credit		
184	(923) Outside Services Employed	15,111,366	15,698,914
185	(924) Property Insurance	2,989,792	2,366,903
186	(925) Injuries and Damages	4,145,167	4,477,454
187	(926) Employee Pensions and Benefits	41,948,590	35,713,358
188	(927) Franchise Requirements		
189	(928) Regulatory Commission Expenses	6,231,651	6,718,590
190	(929) (Less) Duplicate Charges-Cr.		
191	(930.1) General Advertising Expenses	1,742,469	1,258,036
192	(930.2) Miscellaneous General Expenses	15,501,572	14,520,109
193	(931) Rents	512,779	452,676
194	TOTAL Operation (Enter Total of lines 181 thru 193)	119,394,586	109,560,393
195	Maintenance		
196	(935) Maintenance of General Plant	4,907,991	4,577,258
197	TOTAL Administrative & General Expenses (Total of lines 194 and 196)	124,302,577	114,137,651
198	TOTAL Elec Op and Maint Expns (Total 80,112,131,156,164,171,178,197)	545,247,981	586,840,741

PURCHASED POWER (Account 555)
(Including power exchanges)

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

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

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

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

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

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

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

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

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

Line No.	Name of Company or Public Authority (Footnote Affiliations) (a)	Statistical Classification (b)	FERC Rate Schedule or Tariff Number (c)	Average Monthly Billing Demand (MW) (d)	Actual Demand (MW)	
					Average Monthly NCP Demand (e)	Average Monthly CP Demand (f)
1	Arizona Electric Power COOP	SF	1			
2	Arizona Public Service Company	SF	1			
3	Barclays Bank PLC	SF	1			
4	Black Hills Power, Inc.	SF	1			
5	Cargill Power Markets, LLC	SF	1			
6	Citigroup Energy Inc.	SF	1			
7	City of Burbank Water & Power	SF	1			
8	Constellation Energy Commodities Group	SF	1			
9	DB Energy Trading, LLC	SF	1			
10	EDF Trading North America, LLC	SF	1			
11	Four Peaks Energy Inc.	LU	1			
12	Freeport-McMoran Copper & Gold Energy	LU	2			
13	Gila River Power, L.P.	SF	1			
14	Gila River Power, L.P.	OS	1			
	Total					

PURCHASED POWER (Account 555)
(Including power exchanges)

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

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

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

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

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

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

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Line No.	Name of Company or Public Authority (Footnote Affiliations) (a)	Statistical Classification (b)	FERC Rate Schedule or Tariff Number (c)	Average Monthly Billing Demand (MW) (d)	Actual Demand (MW)	
					Average Monthly NCP Demand (e)	Average Monthly CP Demand (f)
1	Hatch Solar Energy Center LLC	LU	1			
2	Iberdrola Renewables, Inc	SF	1			
3	Imperial Irrigation District	SF	1			
4	J.P. Morgan Ventures Energy Corp	SF	1			
5	Los Angeles Dept of Water and Power	SF	1			
6	Los Angeles Dept of Water and Power	OS	1			
7	Macquarie Cook Power Inc.	SF	1			
8	Morgan Stanley Capital Group, Inc.	SF	1			
9	Noble Americas Gas and Power Corp	SF	1			
10	NRG Solar Roadrunner, LLC	LU	1			
11	PacifiCorp	SF	1			
12	PowerEx Corp.	SF	1			
13	Public Service Company of Colorado	SF	1			
14	Public Service Company of New Mexico	SF	1			
	Total					

PURCHASED POWER (Account 555)
(Including power exchanges)

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

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

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

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

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

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

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

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

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

Line No.	Name of Company or Public Authority (Footnote Affiliations) (a)	Statistical Classification (b)	FERC Rate Schedule or Tariff Number (c)	Average Monthly Billing Demand (MW) (d)	Actual Demand (MW)	
					Average Monthly NCP Demand (e)	Average Monthly CP Demand (f)
1	Salt River Project Agricultural Improv	SF	1			
2	Salt River Project Agricultural Improv	OS	1			
3	Sempra Generation	SF	1			
4	Shell Energy North America (U.S.), L.P	SF	2	40	40	40
5	Shell Energy North America (U.S.), L.P	OS	2			
6	Southern California Edison	SF	1			
7	Southwest Environmental Center	LU	1			
8	Southwestern Public Service Company	SF	1			
9	SunE EPE 1 LLC	LU	1			
10	SunE EPE 2 LLC	LU	1			
11	Tenaska Power Service CO	SF	1			
12	Transalta Energy Marketing (U.S.) Inc.	SF	1			
13	Tri-State G & T Power Association Inc.	SF	1			
14	Tucson Electric Power Marketing	SF	1			
	Total					

PURCHASED POWER (Account 555)
(Including power exchanges)

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

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

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

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

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

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

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

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

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

Line No.	Name of Company or Public Authority (Footnote Affiliations) (a)	Statistical Classification (b)	FERC Rate Schedule or Tariff Number (c)	Average Monthly Billing Demand (MW) (d)	Actual Demand (MW)	
					Average Monthly NCP Demand (e)	Average Monthly CP Demand (f)
1	Tucson Electric Power Marketing	OS	1			
2	UNS Electric, INC.	SF	1			
3	Arizona Electric Power Cooperative	SF	104	N/A	N/A	N/A
4	Eagle	SF	104	N/A	N/A	N/A
5	Farmington	SF	104	N/A	N/A	N/A
6	HGMA	SF	104	N/A	N/A	N/A
7	IID	SF	104	N/A	N/A	N/A
8	Los Alamos	SF	104	N/A	N/A	N/A
9	Panda Gila River	SF	104	N/A	N/A	N/A
10	Public Service Company	SF	104	N/A	N/A	N/A
11	SEMPRA	SF	104	N/A	N/A	N/A
12	Salt River Project	SF	104	N/A	N/A	N/A
13	Tucson Electric Power Company	SF	104	N/A	N/A	N/A
14	TRI-STATE	SF	104	N/A	N/A	N/A
	Total					

PURCHASED POWER (Account 555)
(Including power exchanges)

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

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

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

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

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

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

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

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

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

Line No.	Name of Company or Public Authority (Footnote Affiliations) (a)	Statistical Classification (b)	FERC Rate Schedule or Tariff Number (c)	Average Monthly Billing Demand (MW) (d)	Actual Demand (MW)	
					Average Monthly NCP Demand (e)	Average Monthly CP Demand (f)
1	Western Area Power Administration	SF	104	N/A	N/A	N/A
2	Arizona Electric Power Cooperative	EX	01			
3	Arizona Public Service Co. (Start-Up)	EX	53			
4	Public Service Company of New Mexico	EX	01			
5	Coral Power	EX	01			
6	Salt River Project	EX	01			
7	Tri-State G&T Association, Inc.	EX	01			
8	Tucson Electric Power Company	EX	01			
9	Western Area Power Administration	EX	01			
10	Inadvertent					
11	NM Net Mtr PP	OS	16			
12	NM Net Mrt RECs	OS	33			
13	TX Non-Firm PP	OS	48			
14						
	Total					

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

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

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

MegaWatt Hours Purchased (g)	POWER EXCHANGES		COST/SETTLEMENT OF POWER				Line No.
	MegaWatt Hours Received (h)	MegaWatt Hours Delivered (i)	Demand Charges (\$) (j)	Energy Charges (\$) (k)	Other Charges (\$) (l)	Total (j+k+l) of Settlement (\$) (m)	
480				12,880		12,880	1
29,510				909,530		909,530	2
400				7,010		7,010	3
2,342				57,420		57,420	4
38,824				890,215		890,215	5
18,028				552,543		552,543	6
2,418				84,110		84,110	7
10,490				229,290		229,290	8
1,600				65,400		65,400	9
38,344				1,070,403		1,070,403	10
2,277				99,955	36,482	136,437	11
450,578							12
38,597				1,113,583		1,113,583	13
					1,750	1,750	14
2,169,491	70,948	21,051	1,536,000	57,009,828	1,705,464	60,251,292	

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

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

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

MegaWatt Hours Purchased (g)	POWER EXCHANGES		COST/SETTLEMENT OF POWER				Line No.
	MegaWatt Hours Received (h)	MegaWatt Hours Delivered (i)	Demand Charges (\$) (j)	Energy Charges (\$) (k)	Other Charges (\$) (l)	Total (j+k+l) of Settlement (\$) (m)	
9,272				1,103,307		1,103,307	1
3,922				115,032		115,032	2
2,930				60,080		60,080	3
9,285				275,990		275,990	4
1,273				21,443		21,443	5
					14,382	14,382	6
3,888				97,670		97,670	7
81,670				2,263,613		2,263,613	8
800				35,200		35,200	9
53,519				6,705,041		6,705,041	10
54,700				1,479,518		1,479,518	11
12,778				436,339		436,339	12
2,030				50,745		50,745	13
8,633				266,266		266,266	14
2,169,491	70,948	21,051	1,536,000	57,009,828	1,705,464	60,251,292	

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

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

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

MegaWatt Hours Purchased (g)	POWER EXCHANGES		COST/SETTLEMENT OF POWER				Line No.
	MegaWatt Hours Received (h)	MegaWatt Hours Delivered (i)	Demand Charges (\$) (j)	Energy Charges (\$) (k)	Other Charges (\$) (l)	Total (j+k+l) of Settlement (\$) (m)	
235,181				6,848,802		6,848,802	1
					2,460	2,460	2
19,573				604,516		604,516	3
672,426			1,536,000	15,895,294		17,431,294	4
33,124					1,018,415	1,018,415	5
4				112		112	6
9				1,210		1,210	7
223,018				9,692,937		9,692,937	8
15,093				1,482,136		1,482,136	9
25,297				2,484,767		2,484,767	10
1,608				74,148		74,148	11
25,016				713,042		713,042	12
14,710				449,819		449,819	13
23,035				691,730		691,730	14
2,169,491	70,948	21,051	1,536,000	57,009,828	1,705,464	60,251,292	

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

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

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

MegaWatt Hours Purchased (g)	POWER EXCHANGES		COST/SETTLEMENT OF POWER				Line No.
	MegaWatt Hours Received (h)	MegaWatt Hours Delivered (i)	Demand Charges (\$) (j)	Energy Charges (\$) (k)	Other Charges (\$) (l)	Total (j+k+l) of Settlement (\$) (m)	
					991	991	1
1,275				39,550		39,550	2
30				905		905	3
5				250	123	373	4
28				1,477		1,477	5
					3,334	3,334	6
					37	37	7
5				267	76	343	8
15				775		775	9
60				1,725		1,725	10
34				887		887	11
236				7,352		7,352	12
425				763		763	13
141				14,781		14,781	14
2,169,491	70,948	21,051	1,536,000	57,009,828	1,705,464	60,251,292	

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

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

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

MegaWatt Hours Purchased (g)	POWER EXCHANGES		COST/SETTLEMENT OF POWER				Line No.
	MegaWatt Hours Received (h)	MegaWatt Hours Delivered (i)	Demand Charges (\$) (j)	Energy Charges (\$) (k)	Other Charges (\$) (l)	Total (j+k+l) of Settlement (\$) (m)	
40							1
	1,130						2
		2,592					3
	19,019						4
	1,518						5
		13,672					6
	15,863						7
	10,712						8
	332						9
	22,374	4,787					10
571					26,253	26,253	11
					598,089	598,089	12
-56					3,072	3,072	13
							14
2,169,491	70,948	21,051	1,536,000	57,009,828	1,705,464	60,251,292	

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2012/Q4
El Paso Electric Company			
FOOTNOTE DATA			

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

Schedule Page: 326 Line No.: 11 Column: b
Interconnection Agreement and Contract for Power Service between El Paso Electric Company and Four Peaks Energy, Inc. Contract is an evergreen contract.

Schedule Page: 326 Line No.: 11 Column: l
Payment of charges related to New Mexico Public Regulatory Commission (NMPRC) Final Order No. 09-00259-UT.

Schedule Page: 326 Line No.: 12 Column: g
The 450,578 MWhs relate to purchases from Freeport-McMoran Copper & Gold Energy Services LLC ("Freeport") related to El Paso Electric's Power Purchase and Sales Agreement with Freeport dated December 16, 2005.

Schedule Page: 326 Line No.: 14 Column: b
Spinning reserve purchases.

Schedule Page: 326 Line No.: 14 Column: l
Spinning reserve purchases.

Schedule Page: 326.1 Line No.: 1 Column: b
Renewable Purchase Power Agreement between Hatch Solar Energy Center 1, LLC and El Paso Electric Company effective August 31, 2010, and continues for twenty-five years following the date of commercial operation.

Schedule Page: 326.1 Line No.: 6 Column: b
Spinning reserve purchases.

Schedule Page: 326.1 Line No.: 6 Column: l
Spinning reserve purchases.

Schedule Page: 326.1 Line No.: 10 Column: b
Solar Energy Purchase Power Agreement between NRG Solar Roadrunner LLC and El Paso Electric Company dated June 4, 2010, and continues for twenty years following the date of commercial operation.

Schedule Page: 326.2 Line No.: 2 Column: b
Spinning reserve purchases.

Schedule Page: 326.2 Line No.: 2 Column: l
Spinning reserve purchases.

Schedule Page: 326.2 Line No.: 5 Column: b
Energy conversion services agreement between Shell Energy North America (U.S.), L.P. and El Paso Electric Company dated May 17, 2010. Contract is effective January 1, 2011 through September 30, 2014.

Schedule Page: 326.2 Line No.: 5 Column: l
Includes startup and energy conversion fees related to the energy conversion services agreement between Shell Energy North America (U.S.), L.P. and El Paso Electric Company. Also includes gas purchased from various vendors by El Paso Electric and delivered to Pyramid Unit 4 for energy conversion.

Schedule Page: 326.2 Line No.: 7 Column: b
Renewable Purchased Power Agreement between Southwest Environmental Center and El Paso Electric Company. Contract has a minimum twenty year term beginning in 2008.

Schedule Page: 326.2 Line No.: 9 Column: b
Renewable Purchased Power Agreement between SunEdison 1 and El Paso Electric Company dated November 8, 2010, and continues for twenty-five years following the date of commercial operation in 2012.

Schedule Page: 326.2 Line No.: 10 Column: b
Renewable Purchased Power Agreement between SunEdison 2 and El Paso Electric Company dated November 8, 2010, and continues for twenty-five years following the date of commercial operation in 2012.

Schedule Page: 326.3 Line No.: 1 Column: b
Spinning reserve purchases.

Schedule Page: 326.3 Line No.: 1 Column: l

Name of Respondent El Paso Electric Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2012/Q4
FOOTNOTE DATA			

Spinning reserve purchases.

Schedule Page: 326.3 Line No.: 4 Column: I

Southwest Reserve Sharing Group (SRSB) Charge.

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

Prior Period Adjustment related to January 2010.

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

Southwest Reserve Sharing Group (SRSB) Charge.

Schedule Page: 326.3 Line No.: 8 Column: I

Southwest Reserve Sharing Group (SRSB) Charge.

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

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

Schedule Page: 326.4 Line No.: 11 Column: c

New Mexico Rate No. 16

Schedule Page: 326.4 Line No.: 11 Column: I

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

Schedule Page: 326.4 Line No.: 12 Column: c

New Mexico Rate No. 33

Schedule Page: 326.4 Line No.: 12 Column: I

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

Schedule Page: 326.4 Line No.: 13 Column: c

Texas Rate No. 48

Schedule Page: 326.4 Line No.: 13 Column: I

Represents amount paid to various retail Texas customers for excess distributed renewable energy generated by customers and bought by the Company.

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

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

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

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

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

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

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

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

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

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

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

Line No.	Payment By (Company of Public Authority) (Footnote Affiliation) (a)	Energy Received From (Company of Public Authority) (Footnote Affiliation) (b)	Energy Delivered To (Company of Public Authority) (Footnote Affiliation) (c)	Statistical Classification (d)
1	Eagle Energy Partners	Arizona Public Service Company	Salt River Project	NF
2	Imperial Irrigation District	Salt River Project	Arizona Public Service Company	NF
3	JP Morgan Ventures	Salt River Project	Arizona Public Service Company	NF
4	JP Morgan Ventures	Arizona Public Service Company	Salt River Project	NF
5	Macquarie Cook Power	Salt River Project	Arizona Public Service Company	NF
6	Macquarie Cook Power	Public Service Company of New Mex	Southwestern Public Service Compa	NF
7	Macquarie Cook Power	Arizona Public Service Company	Salt River Project	NF
8	Morgan Stanley	Salt River Project	Arizona Public Service Company	NF
9	Morgan Stanley	Arizona Public Service Company	Salt River Project	NF
10	PacifiCorp	Salt River Project	Arizona Public Service Company	NF
11	PacifiCorp	Arizona Public Service Company	Salt River Project	NF
12	Panda Gila River	Southwestern Public Service Compa	Tucson Electric Power Company	NF
13	Panda Gila River	Salt River Project	Salt River Project	AD
14	Panda Gila River	Salt River Project	Salt River Project	LFP
15	Panda Gila River	Salt River Project	Salt River Project	NF
16	Panda Gila River	Salt River Project	Arizona Public Service Company	NF
17	Panda Gila River	Salt River Project	Salt River Project	NF
18	Panda Gila River	Salt River Project	Salt River Project	SFP
19	Panda Gila River	Salt River Project	Arizona Public Service Company	NF
20	Panda Gila River	Salt River Project	Arizona Public Service Company	NF
21	Panda Gila River	Arizona Public Service Company	Salt River Project	NF
22	Powerex	Salt River Project	Arizona Public Service Company	LFP
23	Powerex	Salt River Project	Arizona Public Service Company	NF
24	Powerex	Salt River Project	Arizona Public Service Company	SFP
25	Powerex	Arizona Public Service Company	Salt River Project	NF
26	Powerex	Arizona Public Service Company	Salt River Project	SFP
27	PPM Energy, Inc	Salt River Project	Arizona Public Service Company	NF
28	Public Service Company of New Mexico	Public Service Company of New Mex	Public Service Company of New Mex	SFP
29	Public Service Company of New Mexico	Public Service Company of New Mex	Tucson Electric Power Company	LFP
30	Public Service Company of New Mexico	Public Service Company of New Mex	Public Service Company of New Mex	LFP
31	Public Service Company of New Mexico	Public Service Company of New Mex	Public Service Company of New Mex	LFP
32	Public Service Company of New Mexico	Public Service Company of New Mex	Public Service Company of New Mex	NF
33	Public Service Company of New Mexico	Public Service Company of New Mex	Public Service Company of New Mex	SFP
34	Public Service Company of New Mexico	Public Service Company of New Mex	Public Service Company of New Mex	NF
	TOTAL			

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

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

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

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

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

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

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

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

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

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

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

FERC Rate Schedule of Tariff Number (e)	Point of Receipt (Substation or Other Designation) (f)	Point of Delivery (Substation or Other Designation) (g)	Billing Demand (MW) (h)	TRANSFER OF ENERGY		Line No.
				MegaWatt Hours Received (i)	MegaWatt Hours Delivered (j)	
01	Eddy	Juarez, Mexico		96,250	96,250	1
01	Eddy	Juarez, Mexico		61,981	61,981	2
01	EPE System	Juarez, Mexico		13,754	13,754	3
01	EPE System	Juarez, Mexico		3,447	3,447	4
01	EPE System	Juarez, Mexico		12,087	12,087	5
01	EPE System	Juarez, Mexico		61,062	61,062	6
01	EPE System	Eddy		4,265	4,265	7
01	Greenlee	Juarez, Mexico		1,318	1,318	8
01	Hidalgo	Juarez, Mexico		5,058	5,058	9
01	Jojoba	Kyrene		1,665	1,665	10
01	Jojoba	Kyrene		165	165	11
01	Palo Verde	Jojoba		200	200	12
01	Palo Verde	Kyrene		3,969	3,969	13
01	Palo Verde	Westwing		6,250	6,250	14
01	Springerville	Juarez, Mexico		15,782	15,782	15
01	Springerville	Juarez, Mexico		7,819	7,819	16
01	Springerville	Juarez, Mexico		205	205	17
01	Westmesa	Juarez, Mexico		771	771	18
01	EPE System	Coyote/Farmer	9	66,986	66,986	19
01	Palo Verde	Westwing	50	215,220	215,220	20
01	Palo Verde	Westwing	35	92,690	92,690	21
01	Palo Verde	Westwing	17	20,481	20,481	22
01	Palo Verde	Westwing		5,906	5,906	23
01	Westwing	Palo Verde		135	135	24
01	Eddy	Springerville		130	130	25
01	Palo Verde	Kyrene	133	127,061	127,061	26
01	Palo Verde	Kyrene				27
01	Palo Verde	Westwing	25	7,148	7,148	28
01	Palo Verde	Westwing	100	290,505	290,505	29
01	Palo Verde	Westwing		694	694	30
01	Jojoba	Palo Verde	200	471,372	471,372	31
01	Jojoba	Palo Verde		14,978	14,978	32
01	Jojoba	Westwing		243	243	33
01	Palo Verde	Westwing		3	3	34
			1,603	5,750,164	5,750,164	

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

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

FERC Rate Schedule of Tariff Number (e)	Point of Receipt (Substation or Other Designation) (f)	Point of Delivery (Substation or Other Designation) (g)	Billing Demand (MW) (h)	TRANSFER OF ENERGY		Line No.
				MegaWatt Hours Received (i)	MegaWatt Hours Delivered (j)	
01	Westwing	Palo Verde		265	265	1
01	Palo Verde	Westwing		294	294	2
01	Palo Verde	Westwing		1,504	1,504	3
01	Westwing	Palo Verde		172	172	4
01	Palo Verde	Westwing		1,593	1,593	5
01	Westmesa	Eddy		467	467	6
01	Westwing	Palo Verde		84,608	84,608	7
01	Palo Verde	Westwing		169,478	169,478	8
01	Westwing	Palo Verde		61	61	9
01	Palo Verde	Westwing		251	251	10
01	Westwing	Palo Verde		80	80	11
01	Eddy	Springerville		52	52	12
01	Jojoba	Palo Verde				13
01	Jojoba	Palo Verde	430	1,233,956	1,233,956	14
01	Jojoba	Palo Verde		73,853	73,853	15
01	Jojoba	Westwing		608	608	16
01	Palo Verde	Jojoba				17
01	Palo Verde	Jojoba				18
01	Palo Verde	Westwing		57,193	57,193	19
01	Palo Verde	Westwing	100	4,852	4,852	20
01	Westwing	Palo Verde		575	575	21
01	Palo Verde	Westwing	32	59,533	59,533	22
01	Palo Verde	Westwing		22,345	22,345	23
01	Palo Verde	Westwing		16	16	24
01	Westwing	Palo Verde		4,043	4,043	25
01	Westwing	Palo Verde		6	6	26
01	Palo Verde	Westwing		596	596	27
01	Afton	Luna		20,154	20,154	28
01	Afton	Springerville	94	186,685	186,685	29
01	Afton	Westmesa	111	150,937	150,937	30
01	Afton	Westmesa	30	77,078	77,078	31
01	Afton	Westmesa		976	976	32
01	Afton	Westmesa		59,516	59,516	33
01	Las Cruces	Amrad		3	3	34
			1,603	5,750,164	5,750,164	

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

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

FERC Rate Schedule of Tariff Number (e)	Point of Receipt (Substation or Other Designation) (f)	Point of Delivery (Substation or Other Designation) (g)	Billing Demand (MW) (h)	TRANSFER OF ENERGY		Line No.
				MegaWatt Hours Received (i)	MegaWatt Hours Delivered (j)	
01	Las Cruces	Amrad		26,515	26,515	1
01	Luna	Afton		363	363	2
01	Luna	Greenlee		38	38	3
01	Luna	Greenlee		218	218	4
01	Luna	Springerville	60	182,628	182,628	5
01	Luna	Springerville	60	40,674	40,674	6
01	Luna	Springerville		83	83	7
01	Luna	Springerville		2,788	2,788	8
01	Springerville	Greenlee		1,675	1,675	9
01	Westmesa	Amrad	25	218,441	218,441	10
01	Westmesa	Amrad		37,626	37,626	11
01	Westmesa	Amrad		409	409	12
01	Westmesa	Las Cruces		7	7	13
01	Palo Verde	Westwing		169	169	14
01	Springerville	Eddy		96	96	15
01	Westmesa	Eddy		678	678	16
01	Palo Verde	Westwing		351	351	17
01	Westmesa	Eddy		188	188	18
01	Palo Verde	Westwing		521	521	19
01	Westwing	Palo Verde		125	125	20
80	Springerville	Las Cruces/Orogrande	50	408,036	408,036	21
01	Westmesa	Amrad		31	31	22
01	Jojoba	Westwing		5	5	23
01	Luna	Greenlee	30	154,189	154,189	24
01	Luna	Greenlee		962	962	25
01	Luna	Greenlee		4,953	4,953	26
01	Luna	Greenlee				27
01	Luna	Springerville	10	250	250	28
01	Luna	Springerville		1,047	1,047	29
01	Luna	Springerville		361	361	30
01	Luna	Springerville		27	27	31
01	Luna	Springerville		1,474	1,474	32
01	Macho Springs	Greenlee		783	783	33
01	Macho Springs	Springerville		87,316	87,316	34
			1,603	5,750,164	5,750,164	

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

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

FERC Rate Schedule of Tariff Number (e)	Point of Receipt (Substation or Other Designation) (f)	Point of Delivery (Substation or Other Designation) (g)	Billing Demand (MW) (h)	TRANSFER OF ENERGY		Line No.
				MegaWatt Hours Received (i)	MegaWatt Hours Delivered (j)	
01	Macho Springs	Springerville		592	592	1
01	Palo Verde	Westwing		47	47	2
01	Palo Verde	Westwing		694,484	694,484	3
01	Palo Verde	Westwing				4
01	Springerville	Greenlee		18,766	18,766	5
01	Springerville	Greenlee		26,822	26,822	6
01	Westwing	Palo Verde		257	257	7
01	Jojoba	Westwing		80	80	8
01	Westmesa	Holloman	2	8,167	8,167	9
01	Palo Verde	Westwing		6,572	6,572	10
						11
						12
						13
						14
						15
						16
						17
						18
						19
						20
						21
						22
						23
						24
						25
						26
						27
						28
						29
						30
						31
						32
						33
						34
			1,603	5,750,164	5,750,164	

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

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

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

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

REVENUE FROM TRANSMISSION OF ELECTRICITY FOR OTHERS

Demand Charges (\$) (k)	Energy Charges (\$) (l)	(Other Charges) (\$) (m)	Total Revenues (\$) (k+l+m) (n)	Line No.
				1
				2
				3
				4
				5
				6
				7
				8
				9
				10
				11
				12
				13
				14
				15
				16
				17
				18
219,409	86,314		305,723	19
245,110			245,110	20
171,582			171,582	21
83,317			83,317	22
	3,753		3,753	23
	145		145	24
	2,468		2,468	25
1,495,320			1,495,320	26
	34		34	27
122,542			122,542	28
490,300			490,300	29
	825		825	30
1,719,522	12,355		1,731,877	31
	39,405		39,405	32
	508		508	33
	4		4	34
17,769,444	4,572,875	0	22,342,319	

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

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

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

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

REVENUE FROM TRANSMISSION OF ELECTRICITY FOR OTHERS

Demand Charges (\$) (k)	Energy Charges (\$) (l)	(Other Charges) (\$) (m)	Total Revenues (\$) (k+l+m) (n)	Line No.
	163		163	1
	302		302	2
	1,371		1,371	3
	122		122	4
	1,404		1,404	5
	3,417		3,417	6
	69,298		69,298	7
	152,433		152,433	8
	40		40	9
	236		236	10
	73		73	11
	347		347	12
	-12,352		-12,352	13
3,503,860	31,560		3,535,420	14
	122,066		122,066	15
	1,778		1,778	16
	393		393	17
	31		31	18
	159,112		159,112	19
	41,599		41,599	20
	587		587	21
153,676	6,016		159,692	22
	22,660		22,660	23
	18		18	24
	3,984		3,984	25
	4		4	26
	463		463	27
	187,345		187,345	28
2,479,780			2,479,780	29
1,571,688			1,571,688	30
844,326			844,326	31
	5,791		5,791	32
	357,741		357,741	33
	10		10	34
17,769,444	4,572,875	0	22,342,319	

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

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

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

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

REVENUE FROM TRANSMISSION OF ELECTRICITY FOR OTHERS

Demand Charges (\$) (k)	Energy Charges (\$) (l)	(Other Charges) (\$) (m)	Total Revenues (\$) (k+l+m) (n)	Line No.
	196,559		196,559	1
	1,197		1,197	2
	366		366	3
	8,217		8,217	4
1,620,024			1,620,024	5
	1,246,362		1,246,362	6
	392		392	7
	364,830		364,830	8
	29,639		29,639	9
727,276			727,276	10
	193,249		193,249	11
	2,494		2,494	12
	31		31	13
	169		169	14
	662		662	15
	7,524		7,524	16
	408		408	17
	1,281		1,281	18
	518		518	19
	81		81	20
1,386,000			1,386,000	21
	100		100	22
	123		123	23
872,732			872,732	24
	9,248		9,248	25
	30,473		30,473	26
	-91		-91	27
4,796			4,796	28
	13,637		13,637	29
	1,712		1,712	30
	1,170		1,170	31
				32
	3,975		3,975	33
	326,803		326,803	34
17,769,444	4,572,875	0	22,342,319	

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

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

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

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

REVENUE FROM TRANSMISSION OF ELECTRICITY FOR OTHERS

Demand Charges (\$) (k)	Energy Charges (\$) (l)	(Other Charges) (\$) (m)	Total Revenues (\$) (k+l+m) (n)	Line No.
	2,497		2,497	1
	43		43	2
	549,352		549,352	3
	-1,410		-1,410	4
	106,324		106,324	5
	164,536		164,536	6
	208		208	7
	135		135	8
58,184			58,184	9
	6,238		6,238	10
				11
				12
				13
				14
				15
				16
				17
				18
				19
				20
				21
				22
				23
				24
				25
				26
				27
				28
				29
				30
				31
				32
				33
				34
17,769,444	4,572,875	0	22,342,319	

Name of Respondent El Paso Electric Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2012/Q4
FOOTNOTE DATA			

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

El Paso Electric Marketing passed on transmission purchases to Comision Federal de Electricidad.

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

El Paso Electric Marketing passed on transmission purchases to Comision Federal de Electricidad.

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

El Paso Electric Marketing passed on transmission purchases to Comision Federal de Electricidad.

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

El Paso Electric Marketing passed on transmission purchases to Comision Federal de Electricidad.

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

El Paso Electric Marketing passed on transmission purchases to Comision Federal de Electricidad.

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

El Paso Electric Marketing passed on transmission purchases to Comision Federal de Electricidad.

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

El Paso Electric Marketing is the marketing affiliate of El Paso Electric Company.

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

El Paso Electric Marketing passed on transmission purchases to Comision Federal de Electricidad.

Schedule Page: 328 Line No.: 9 Column: a

El Paso Electric Marketing passed on transmission purchases to Comision Federal de Electricidad.

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

El Paso Electric Marketing is the marketing affiliate of El Paso Electric Company.

Schedule Page: 328 Line No.: 11 Column: a

El Paso Electric Marketing is the marketing affiliate of El Paso Electric Company.

Schedule Page: 328 Line No.: 12 Column: a

El Paso Electric Marketing is the marketing affiliate of El Paso Electric Company.

Schedule Page: 328 Line No.: 13 Column: a

El Paso Electric Marketing is the marketing affiliate of El Paso Electric Company.

Schedule Page: 328 Line No.: 14 Column: a

El Paso Electric Marketing is the marketing affiliate of El Paso Electric Company.

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

El Paso Electric Marketing passed on transmission purchases to Comision Federal de Electricidad.

Schedule Page: 328 Line No.: 16 Column: a

El Paso Electric Marketing passed on transmission purchases to Comision Federal de Electricidad.

Schedule Page: 328 Line No.: 17 Column: a

El Paso Electric Marketing passed on transmission purchases to Comision Federal de Electricidad.

Schedule Page: 328 Line No.: 18 Column: a

El Paso Electric Marketing passed on transmission purchases to Comision Federal de Electricidad.

Schedule Page: 328 Line No.: 19 Column: d

Network Integration Transmission Service expiration March 31, 2013.

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

Firm transmission contract, expiration January 1, 2021. Service was partially redirected to hourly services.

Schedule Page: 328 Line No.: 21 Column: d

Firm transmission contract, expiration January 1, 2021. Service was partially redirected

Name of Respondent El Paso Electric Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2012/Q4
FOOTNOTE DATA			

to hourly services.

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

Firm transmission contract, expiration January 1, 2021. Service was partially redirected to hourly services.

Schedule Page: 328 Line No.: 26 Column: d

Firm transmission contract, expiration January 1, 2014.

Schedule Page: 328 Line No.: 28 Column: d

Firm transmission contract, expiration January 1, 2021. Service was partially redirected to hourly services.

Schedule Page: 328 Line No.: 29 Column: d

Firm transmission contract, expiration January 1, 2021.

Schedule Page: 328 Line No.: 31 Column: d

Firm transmission contract, expiration October 1, 2013. Service was partially redirected to hourly services.

Schedule Page: 328.1 Line No.: 13 Column: d

Prior period adjustment to reverse December 2011 transaction and book correction of revenue only.

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

Firm transmission contract, expiration October 1, 2013. Formerly a 630 MW yearly contract. PGR partially transferred 200 MW of their rights to Eagle Partners (Eagle). PGR remains liable for the 200 MW and will be credited both the capacity and dollars in the following month upon EPE's receipt of payment from Eagle. Service was partially redirected to monthly, weekly, daily or hourly services.

Schedule Page: 328.1 Line No.: 22 Column: d

Firm transmission contract, expiration January 1, 2014. Service was partially redirected to hourly services.

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

Firm transmission contract, expiration August 1, 2014. Service was partially redirected to daily and hourly services.

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

Firm transmission contract, expiration January 1, 2014. Service was partially redirected to monthly, daily and hourly services.

Schedule Page: 328.1 Line No.: 31 Column: d

Firm transmission contract, expiration January 1, 2014. Service was partially redirected to hourly services.

Schedule Page: 328.2 Line No.: 5 Column: d

Firm transmission contract, expiration January 1, 2015. Service was partially redirected to hourly services.

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

Firm transmission contract, expiration July 1, 2018.

Schedule Page: 328.2 Line No.: 21 Column: d

Firm transmission contract, expiration January 1, 2026.

Schedule Page: 328.2 Line No.: 24 Column: d

Firm transmission contract, expiration November 1, 2029.

Schedule Page: 328.2 Line No.: 27 Column: d

Prior period adjustment to correct March 2012 transactions.

Schedule Page: 328.2 Line No.: 28 Column: d

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

Schedule Page: 328.2 Line No.: 29 Column: I

Refers to charges for transmission service in which TEP exceeded the 170 MW contractual limit.

Schedule Page: 328.2 Line No.: 32 Column: d

Prior period adjustment to record MWH wheeled when TEP exceeded the 170 MW contractual limit for the periods from May 2012 through September 2012.

Schedule Page: 328.3 Line No.: 4 Column: d

Name of Respondent El Paso Electric Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2012/Q4
FOOTNOTE DATA			

Prior period adjustment to correct March 2012 transactions.

Schedule Page: 328.3 Line No.: 8 Column: a

Transaction for WestConnect Experimental Point-to-Point Regional Transmission Service.

Schedule Page: 328.3 Line No.: 9 Column: d

Firm transmission contract, expiration October 1, 2024.

TRANSMISSION OF ELECTRICITY BY ISO/RTOs

1. Report in Column (a) the Transmission Owner receiving revenue for the transmission of electricity by the ISO/RTO.
2. Use a separate line of data for each distinct type of transmission service involving the entities listed in Column (a).
3. In Column (b) enter a Statistical Classification code based on the original contractual terms and conditions of the service as follows: FNO – Firm Network Service for Others, FNS – Firm Network Transmission Service for Self, LFP – Long-Term Firm Point-to-Point Transmission Service, OLF – Other Long-Term Firm Transmission Service, SFP – Short-Term Firm Point-to-Point Transmission Reservation, NF – Non-Firm Transmission Service, OS – Other Transmission Service and AD- Out-of-Period Adjustments. Use this code for any accounting adjustments or “true-ups” for service provided in prior reporting periods. Provide an explanation in a footnote for each adjustment. See General Instruction for definitions of codes.
4. In column (c) identify the FERC Rate Schedule or tariff Number, on separate lines, list all FERC rate schedules or contract designations under which service, as identified in column (b) was provided.
5. In column (d) report the revenue amounts as shown on bills or vouchers.
6. Report in column (e) the total revenues distributed to the entity listed in column (a).

Line No.	Payment Received by (Transmission Owner Name) (a)	Statistical Classification (b)	FERC Rate Schedule or Tariff Number (c)	Total Revenue by Rate Schedule or Tariff (d)	Total Revenue (e)
1					
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
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39					
40	TOTAL				

TRANSMISSION OF ELECTRICITY BY OTHERS (Account 565)
(Including transactions referred to as "wheeling")

1. Report all transmission, i.e. wheeling or electricity provided by other electric utilities, cooperatives, municipalities, other public authorities, qualifying facilities, and others for the quarter.
2. In column (a) report each company or public authority that provided transmission service. Provide the full name of the company, abbreviate if necessary, but do not truncate name or use acronyms. Explain in a footnote any ownership interest in or affiliation with the transmission service provider. Use additional columns as necessary to report all companies or public authorities that provided transmission service for the quarter reported.
3. In column (b) enter a Statistical Classification code based on the original contractual terms and conditions of the service as follows: FNS - Firm Network Transmission Service for Self, LFP - Long-Term Firm Point-to-Point Transmission Reservations. OLF - Other Long-Term Firm Transmission Service, SFP - Short-Term Firm Point-to-Point Transmission Reservations, NF - Non-Firm Transmission Service, and OS - Other Transmission Service. See General Instructions for definitions of statistical classifications.
4. Report in column (c) and (d) the total megawatt hours received and delivered by the provider of the transmission service.
5. Report in column (e), (f) and (g) expenses as shown on bills or vouchers rendered to the respondent. In column (e) report the demand charges and in column (f) energy charges related to the amount of energy transferred. On column (g) report the total of all other charges on bills or vouchers rendered to the respondent, including any out of period adjustments. Explain in a footnote all components of the amount shown in column (g). Report in column (h) the total charge shown on bills rendered to the respondent. If no monetary settlement was made, enter zero in column (h). Provide a footnote explaining the nature of the non-monetary settlement, including the amount and type of energy or service rendered.
6. Enter "TOTAL" in column (a) as the last line.
7. Footnote entries and provide explanations following all required data.

Line No.	Name of Company or Public Authority (Footnote Affiliations) (a)	Statistical Classification (b)	TRANSFER OF ENERGY		EXPENSES FOR TRANSMISSION OF ELECTRICITY BY OTHERS			
			Magawatt-hours Received (c)	Magawatt-hours Delivered (d)	Demand Charges (\$) (e)	Energy Charges (\$) (f)	Other Charges (\$) (g)	Total Cost of Transmission (\$) (h)
1	Arizona Public Service	SFP	2,172	2,172		19,165		19,165
2	Arizona Public Service	NF	3,615	3,615		16,707		16,707
3	Public Serv. Co. of NM	OLF	48,616	48,616	451,407			451,407
4	Public Serv. Co. of NM	LFP	628,131	628,131	2,755,038			2,755,038
5	Public Serv. Co. of NM	SFP	87,521	87,521	311,523	236,434		547,957
6	Public Serv. Co. of NM	NF	5,899	5,899		44,233		44,233
7	Public Serv. Co. of NM	AD					-763,414	-763,414
8	Salt River Project	OLF	219,582	219,582	1,569,500			1,569,500
9	Salt River Project	SFP	1,340	1,340		5,220		5,220
10	Salt River Project	NF	773	773		2,800		2,800
11	Tucson Electric Power	OLF	301,473	301,473				
12	Tucson Electric Power	NF	5,432	5,432		39,904		39,904
13	Tucson Electric Power	SFP	3,200	3,200		24,002		24,002
14								
15								
16								
	TOTAL		1,307,754	1,307,754	5,087,468	388,465	-763,414	4,712,519

Name of Respondent El Paso Electric Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2012/Q4
FOOTNOTE DATA			

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

Amounts shown based on transmission reservations.

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

Amounts shown based on transmission reservations.

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

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

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

Amounts shown based on transmission reservations.

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

Amounts shown based on transmission reservations.

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

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

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

Contract is an evergreen contract.

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

Amounts shown based on actual energy flows.

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

Amounts shown based on actual energy flows.

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

Contract expires June 30, 2017.

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

Amounts shown based on actual energy flows.

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

Amounts shown based on actual energy flows.

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

Amounts shown based on actual energy flows and transmission reservations.

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

Amounts shown based on actual energy flows and transmission reservations.

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

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

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

Amounts shown based on transmission reservations.

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

Amounts shown based on transmission reservations.

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

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

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

Adjustment represents 2011 portion of the FERC mandated refund for transmission service provided under the PNM Interconnection Agreement Service Schedule I and for service provided under PNM's Open Access Transmission Tariff.

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

Adjustment represents 2011 portion of the FERC mandated refund for transmission service provided under the PNM Interconnection Agreement Service Schedule I and for service provided under PNM's Open Access Transmission Tariff.

Schedule Page: 332 Line No.: 8 Column: b

Contract expires concurrent with the ANPP Participation Agreement.

Schedule Page: 332 Line No.: 8 Column: c

Amounts shown based on actual energy flows.

Schedule Page: 332 Line No.: 8 Column: d

Amounts shown based on actual energy flows.

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

Amounts shown based on transmission reservations.

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

Amounts shown based on transmission reservations.

Name of Respondent El Paso Electric Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2012/Q4
FOOTNOTE DATA			

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

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

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

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

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

Amounts shown based on actual energy flows.

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

Amounts shown based on actual energy flows.

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

Under a pre-order 888/889 agreement, the Company was assigned rights as part of the Power Exchange and Transmission Agreement.

Schedule Page: 332 Line No.: 12 Column: c

Amounts shown based on transmission reservations.

Schedule Page: 332 Line No.: 12 Column: d

Amounts shown based on transmission reservations.

Schedule Page: 332 Line No.: 12 Column: f

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

Schedule Page: 332 Line No.: 13 Column: c

Amounts shown based on transmission reservations.

Schedule Page: 332 Line No.: 13 Column: d

Amounts shown based on transmission reservations.

Schedule Page: 332 Line No.: 13 Column: f

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

Name of Respondent
El Paso Electric Company

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

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

Year/Period of Report
End of 2012/Q4

MISCELLANEOUS GENERAL EXPENSES (Account 930.2) (ELECTRIC)

Line No.	Description (a)	Amount (b)
1	Industry Association Dues	397,510
2	Nuclear Power Research Expenses	
3	Other Experimental and General Research Expenses	
4	Pub & Dist Info to Stkhldrs...expn servicing outstanding Securities	681,776
5	Oth Expn >=5,000 show purpose, recipient, amount. Group if < \$5,000	47,718
6	Palo Verde General Expenses	11,178,270
7	Four Corners General Expenses	747,032
8	Palo Verde Transmission Line Cost	71,566
9	Director's Fees and Expenses	2,211,989
10	Economic Development	151,868
11	Travel	13,843
12		
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46	TOTAL	15,501,572

Name of Respondent El Paso Electric Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2012/Q4
FOOTNOTE DATA			

Schedule Page: 335 Line No.: 5 Column: b
 Consists primarily of \$26,537 for expenses related to employee events.

Schedule Page: 335 Line No.: 10 Column: b
 Primarily consists of contributions to promote economic development to (a)El Paso Regional Economic Development Fund of \$81,868; (b)Paso del Norte Group of \$30,000; (c)Hub of Human Innovation of \$25,000; d)Mesilla Valley Economic Development Alliance of \$5,000; and (e)Other of \$10,000.

DEPRECIATION AND AMORTIZATION OF ELECTRIC PLANT (Account 403, 404, 405)
(Except amortization of acquisition adjustments)

1. Report in section A for the year the amounts for : (b) Depreciation Expense (Account 403; (c) Depreciation Expense for Asset Retirement Costs (Account 403.1; (d) Amortization of Limited-Term Electric Plant (Account 404); and (e) Amortization of Other Electric Plant (Account 405).

2. Report in Section 8 the rates used to compute amortization charges for electric plant (Accounts 404 and 405). State the basis used to compute charges and whether any changes have been made in the basis or rates used from the preceding report year.

3. Report all available information called for in Section C every fifth year beginning with report year 1971, reporting annually only changes to columns (c) through (g) from the complete report of the preceding year.

Unless composite depreciation accounting for total depreciable plant is followed, list numerically in column (a) each plant subaccount, account or functional classification, as appropriate, to which a rate is applied. Identify at the bottom of Section C the type of plant included in any sub-account used.

In column (b) report all depreciable plant balances to which rates are applied showing subtotals by functional Classifications and showing composite total. Indicate at the bottom of section C the manner in which column balances are obtained. If average balances, state the method of averaging used.

For columns (c), (d), and (e) report available information for each plant subaccount, account or functional classification Listed in column (a). If plant mortality studies are prepared to assist in estimating average service Lives, show in column (f) the type mortality curve selected as most appropriate for the account and in column (g), if available, the weighted average remaining life of surviving plant. If composite depreciation accounting is used, report available information called for in columns (b) through (g) on this basis.

4. If provisions for depreciation were made during the year in addition to depreciation provided by application of reported rates, state at the bottom of section C the amounts and nature of the provisions and the plant items to which related.

A. Summary of Depreciation and Amortization Charges

Line No.	Functional Classification (a)	Depreciation Expense (Account 403) (b)	Depreciation Expense for Asset Retirement Costs (Account 403.1) (c)	Amortization of Limited Term Electric Plant (Account 404) (d)	Amortization of Other Electric Plant (Acc 405) (e)	Total (f)
1	Intangible Plant			7,183,006		7,183,006
2	Steam Production Plant	18,294,253	-22,451			18,271,802
3	Nuclear Production Plant	17,636,876	-1,287,091			16,349,785
4	Hydraulic Production Plant-Conventional					
5	Hydraulic Production Plant-Pumped Storage					
6	Other Production Plant	731,950	415			732,365
7	Transmission Plant	6,425,962				6,425,962
8	Distribution Plant	18,438,197				18,438,197
9	Regional Transmission and Market Operation					
10	General Plant	8,533,079				8,533,079
11	Common Plant-Electric					
12	TOTAL	70,060,317	-1,309,127	7,183,006		75,934,196

B. Basis for Amortization Charges

Asset	Term	Basis	Amort Exp	Method
Computer Software	5 - 10 years	\$56,017,961	\$7,183,005	Straight Line

DEPRECIATION AND AMORTIZATION OF ELECTRIC PLANT (Continued)

C. Factors Used in Estimating Depreciation Charges

Line No.	Account No. (a)	Depreciable Plant Base (In Thousands) (b)	Estimated Avg. Service Life (c)	Net Salvage (Percent) (d)	Applied Depr. rates (Percent) (e)	Mortality Curve Type (f)	Average Remaining Life (g)
12	Production						
13	Steam Production						
14							
15	Rio Grande						
16	Unit 6						
17	311	1,698	55.00		3.64	100-S1.5	3.20
18	312	2,973	55.00		0.53	80-S3	3.30
19	314	3,523	55.00		0.15	75-R4	3.20
20	315	730	55.00		0.96	65-S2.5	3.20
21	316	2,205	55.00		4.04	65-R3	3.20
22							
23	Unit 7						
24	311	1,227	55.00		2.31	100-S2.5	6.20
25	312	4,373	55.00		1.08	80-S3	6.20
26	314	3,995	55.00		0.73	75-R4	6.20
27	315	561	55.00		1.41	65-S2.5	6.00
28	316	1,853	55.00		2.49	60-R3	6.20
29							
30	Unit 8						
31	311	1,812	49.00		3.05	100-S2.5	11.20
32	312	12,306	49.00		3.30	80-S3	11.20
33	314	10,153	49.00		2.44	75-R4	11.10
34	315	3,460	49.00		4.80	65-S2.5	11.10
35	316	5,773	49.00		4.72	60-R3	11.10
36							
37	Newman Production						
38	Unit 1						
39	311	1,270	56.00		1.75	100-S2.5	8.20
40	312	7,842	56.00		3.74	80-S3	8.20
41	313	328	56.00		0.67	50-R2.5	7.90
42	314	10,012	56.00		2.74	75-R4	8.20
43	315	1,148	56.00		0.86	65-S2.5	8.00
44	316	2,082	56.00		4.74	60-R3	8.20
45							
46	Unit 2						
47	311	747	51.00		5.04	100-S2.5	4.20
48	312	6,026	51.00		3.52	80-S3	4.20
49	314	8,324	51.00		5.13	75-R4	4.20
50	315	1,053	51.00		2.11	65-S2.5	4.10

DEPRECIATION AND AMORTIZATION OF ELECTRIC PLANT (Continued)

C. Factors Used in Estimating Depreciation Charges

Line No.	Account No. (a)	Depreciable Plant Base (In Thousands) (b)	Estimated Avg. Service Life (c)	Net Salvage (Percent) (d)	Applied Depr. rates (Percent) (e)	Mortality Curve Type (f)	Average Remaining Life (g)
12	Steam Production						
13	Newman Production						
14	316	2,829	51.00		7.54	60-R3	4.20
15							
16	Unit 3						
17	311	611	50.00		3.95	100-S2.5	8.20
18	312	5,182	50.00		3.08	80-S3	8.20
19	314	7,078	50.00		3.13	75-R4	8.20
20	315	800	50.00		1.07	65-S2.5	7.80
21	316	5,645	50.00		5.36	60-R3	8.20
22							
23	Unit 4						
24	311	7,169	40.00		3.64	100-S2.5	6.20
25	312	11,451	40.00		3.48	80-S3	6.20
26	313	16,604	40.00		6.52	50-R2.5	6.10
27	314	31,399	40.00		7.64	75-R4	6.20
28	315	6,333	40.00		3.43	65-S2.5	6.10
29	316	27,327	40.00		9.27	60-R3	6.20
30							
31	Unit 5						
32	311	24,011	48.00		2.13	100-S2.5	47.90
33	312	105,868	48.00		2.17	80-S3	47.90
34	313	37,502	48.00		2.16	50-R2.5	
35	314	45,784	48.00		2.15	75-R4	47.60
36	315	19,836	48.00		2.20	65-S2.5	46.20
37	316	1,999	48.00		2.26	60-R3	46.00
38							
39	Sub-Total Steam Prod	452,902					
40							
41	Sub-Total						
42							
43	Transmission						
44	350	9,754	70.00		0.97	70-R4	51.40
45	353	124,294	45.00		1.36	45-R3	29.80
46	354	24,087	65.00		1.62	65-R4	45.20
47	355	81,127	40.00		2.84	40-S4	20.90
48							
49	Sub-Total	239,262					
50							

DEPRECIATION AND AMORTIZATION OF ELECTRIC PLANT (Continued)

C. Factors Used in Estimating Depreciation Charges

Line No.	Account No. (a)	Depreciable Plant Base (In Thousands) (b)	Estimated Avg. Service Life (c)	Net Salvage (Percent) (d)	Applied Depr. rates (Percent) (e)	Mortality Curve Type (f)	Average Remaining Life (g)
12	Distribution						
13	362	158,270	50.00		1.76	50-R3	36.20
14	364	132,053	42.00		1.87	42-R3	30.10
15	365	76,424	45.00		2.02	45-R2.5	33.60
16	366	103,785	50.00		2.03	50-R3	40.50
17	367	103,785	36.00		2.76	36-R2.5	28.50
18	368	193,443	50.00		1.81	50-R3	37.10
19	369	41,277	55.00		1.66	55-S3	37.90
20	370	21,245	27.00		3.87	27-R2	18.30
21	371	11,471	32.00		2.94	32-R1.5	25.00
22	373	9,960	50.00		2.03	50-R2.5	33.50
23							
24	Sub-Total	851,713					
25	General Plant						
26	Other						
27							
28	394	2,435	25.00		3.09	25-SQ	15.40
29	395	2,073	15.00		0.51	15-SQ	13.20
30							
31	Sub-Total	4,508					
32							
33							
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35							
36							
37							
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REGULATORY COMMISSION EXPENSES

1. Report particulars (details) of regulatory commission expenses incurred during the current year (or incurred in previous years, if being amortized) relating to format cases before a regulatory body, or cases in which such a body was a party.
2. Report in columns (b) and (c), only the current year's expenses that are not deferred and the current year's amortization of amounts deferred in previous years.

Line No.	Description (Furnish name of regulatory commission or body the docket or case number and a description of the case) (a)	Assessed by Regulatory Commission (b)	Expenses of Utility (c)	Total Expense for Current Year (b) + (c) (d)	Deferred in Account 182.3 at Beginning of Year (e)
1	Federal Energy Regulatory Commission				
2	FERC General and Other		435,712	435,712	
3	FERC Annual Fee		447,448	447,448	
4					
5	Public Utility Commission of Texas				
6	Texas 2009 Rate Case Costs		1,126,692	1,126,692	1,145,586
7	Texas 2012 Rate Case Costs		1,177,720	1,177,720	648,431
8	Texas General and Other		63,525	63,525	
9					
10	New Mexico Public Regulation Commission				
11	New Mexico 2009 Rate Case Costs		252,648	252,648	252,863
12	2010 FPPCAC Audit		49	49	427,270
13	New Mexico Procurement Plan		62,022	62,022	
14	New Mexico Energy Efficiency Filings		93,303	93,303	
15	New Mexico General and Other		55,056	55,056	
16					
17	Nuclear Regulatory Commission				
18	PVNGS Unit 1 Fees		829,494	829,494	
19	PVNGS Unit 2 Fees		822,580	822,580	
20	PVNGS Unit 3 Fees		795,752	795,752	
21					
22	Other		69,650	69,650	
23					
24					
25					
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45					
46	TOTAL		6,231,651	6,231,651	2,474,150

REGULATORY COMMISSION EXPENSES (Continued)

3. Show in column (k) any expenses incurred in prior years which are being amortized. List in column (a) the period of amortization.
4. List in column (f), (g), and (h) expenses incurred during year which were charged currently to income, plant, or other accounts.
5. Minor items (less than \$25,000) may be grouped.

EXPENSES INCURRED DURING YEAR			AMORTIZED DURING YEAR				
CURRENTLY CHARGED TO			Deferred to Account 182.3 (i)	Contra Account (j)	Amount (k)	Deferred in Account 182.3 End of Year (l)	Line No.
Department (f)	Account No. (g)	Amount (h)					
							1
		435,712					2
		447,448					3
							4
							5
		1,126,692		182.3	-1,145,586		6
		1,177,720	2,836,987	182.3	-1,150,188	2,335,230	7
		63,525					8
							9
							10
		525,648		182.3	-252,863		11
		49	5,305	182.3		432,575	12
		62,022					13
		93,303					14
		55,056					15
							16
							17
		829,494					18
		822,580					19
		795,752					20
							21
		69,650					22
							23
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		6,504,651	2,842,292		-2,548,637	2,767,805	46

Name of Respondent El Paso Electric Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2012/Q4
FOOTNOTE DATA			

Schedule Page: 350 Line No.: 6 Column: a

Represents Texas rate case costs related to Docket No. 37690 which the Company filed with the PUCT in December 2009. These costs are being amortized over two years beginning in July 2010.

Schedule Page: 350 Line No.: 7 Column: a

Represents Texas rate case costs related to Docket No. 40094 which the Company filed with the PUCT in February 2012. These costs are being amortized over two years beginning in May 2012.

Schedule Page: 350 Line No.: 11 Column: a

Represents New Mexico rate case costs approved in Case No. 09-00171 UT which the Company filed with the NMPRC in May 2009. These costs are being amortized over a three year period beginning in January 2010.

Schedule Page: 350 Line No.: 12 Column: a

Represents New Mexico Fuel and Purchased Power Cost Adjustment Clause ("FPPCAC") audit costs in Case No. 10-00065 UT.

RESEARCH, DEVELOPMENT, AND DEMONSTRATION ACTIVITIES

1. Describe and show below costs incurred and accounts charged during the year for technological research, development, and demonstration (R, D & D) project initiated, continued or concluded during the year. Report also support given to others during the year for jointly-sponsored projects. (Identify recipient regardless of affiliation.) For any R, D & D work carried with others, show separately the respondent's cost for the year and cost chargeable to others (See definition of research, development, and demonstration in Uniform System of Accounts).

2. Indicate in column (a) the applicable classification, as shown below:

Classifications:

A. Electric R, D & D Performed Internally:

(1) Generation

- a. hydroelectric
 - i. Recreation fish and wildlife
 - ii Other hydroelectric
- b. Fossil-fuel steam
- c. Internal combustion or gas turbine
- d. Nuclear
- e. Unconventional generation
- f. Siting and heat rejection

a. Overhead

b. Underground

- (3) Distribution
- (4) Regional Transmission and Market Operation
- (5) Environment (other than equipment)
- (6) Other (Classify and include items in excess of \$50,000.)
- (7) Total Cost Incurred

B. Electric, R, D & D Performed Externally:

- (1) Research Support to the electrical Research Council or the Electric Power Research Institute

(2) Transmission

Line No.	Classification (a)	Description (b)
1		
2		
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RESEARCH, DEVELOPMENT, AND DEMONSTRATION ACTIVITIES (Continued)

- (2) Research Support to Edison Electric Institute
- (3) Research Support to Nuclear Power Groups
- (4) Research Support to Others (Classify)
- (5) Total Cost Incurred

3. Include in column (c) all R, D & D items performed internally and in column (d) those items performed outside the company costing \$50,000 or more, briefly describing the specific area of R, D & D (such as safety, corrosion control, pollution, automation, measurement, insulation, type of appliance, etc.). Group items under \$50,000 by classifications and indicate the number of items grouped. Under Other, (A (6) and B (4)) classify items by type of R, D & D activity.

4. Show in column (e) the account number charged with expenses during the year or the account to which amounts were capitalized during the year, listing Account 107, Construction Work in Progress, first. Show in column (f) the amounts related to the account charged in column (e)

5. Show in column (g) the total unamortized accumulating of costs of projects. This total must equal the balance in Account 188, Research, Development, and Demonstration Expenditures, Outstanding at the end of the year.

6. If costs have not been segregated for R, D & D activities or projects, submit estimates for columns (c), (d), and (f) with such amounts identified by "Est."

7. Report separately research and related testing facilities operated by the respondent.

Costs Incurred Internally Current Year (c)	Costs Incurred Externally Current Year (d)	AMOUNTS CHARGED IN CURRENT YEAR		Unamortized Accumulation (g)	Line No.
		Account (e)	Amount (f)		
					1
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DISTRIBUTION OF SALARIES AND WAGES

Report below the distribution of total salaries and wages for the year. Segregate amounts originally charged to clearing accounts to Utility Departments, Construction, Plant Removals, and Other Accounts, and enter such amounts in the appropriate lines and columns provided. In determining this segregation of salaries and wages originally charged to clearing accounts, a method of approximation giving substantially correct results may be used.

Line No.	Classification (a)	Direct Payroll Distribution (b)	Allocation of Payroll charged for Clearing Accounts (c)	Total (d)
1	Electric			
2	Operation			
3	Production	7,285,116		
4	Transmission	5,411,552		
5	Regional Market			
6	Distribution	9,106,775		
7	Customer Accounts	8,803,410		
8	Customer Service and Informational			
9	Sales			
10	Administrative and General	26,925,167		
11	TOTAL Operation (Enter Total of lines 3 thru 10)	57,532,020		
12	Maintenance			
13	Production	4,714,630		
14	Transmission	818,996		
15	Regional Market			
16	Distribution	2,730,396		
17	Administrative and General	258,126		
18	TOTAL Maintenance (Total of lines 13 thru 17)	8,522,148		
19	Total Operation and Maintenance			
20	Production (Enter Total of lines 3 and 13)	11,999,746		
21	Transmission (Enter Total of lines 4 and 14)	6,230,548		
22	Regional Market (Enter Total of Lines 5 and 15)			
23	Distribution (Enter Total of lines 6 and 16)	11,837,171		
24	Customer Accounts (Transcribe from line 7)	8,803,410		
25	Customer Service and Informational (Transcribe from line 8)			
26	Sales (Transcribe from line 9)			
27	Administrative and General (Enter Total of lines 10 and 17)	27,183,293		
28	TOTAL Oper. and Maint. (Total of lines 20 thru 27)	66,054,168	574,440	66,628,608
29	Gas			
30	Operation			
31	Production-Manufactured Gas			
32	Production-Nat. Gas (Including Expl. and Dev.)			
33	Other Gas Supply			
34	Storage, LNG Terminating and Processing			
35	Transmission			
36	Distribution			
37	Customer Accounts			
38	Customer Service and Informational			
39	Sales			
40	Administrative and General			
41	TOTAL Operation (Enter Total of lines 31 thru 40)			
42	Maintenance			
43	Production-Manufactured Gas			
44	Production-Natural Gas (Including Exploration and Development)			
45	Other Gas Supply			
46	Storage, LNG Terminating and Processing			
47	Transmission			

DISTRIBUTION OF SALARIES AND WAGES (Continued)

Line No.	Classification (a)	Direct Payroll Distribution (b)	Allocation of Payroll charged for Clearing Accounts (c)	Total (d)
48	Distribution			
49	Administrative and General			
50	TOTAL Maint. (Enter Total of lines 43 thru 49)			
51	Total Operation and Maintenance			
52	Production-Manufactured Gas (Enter Total of lines 31 and 43)			
53	Production-Natural Gas (Including Expl. and Dev.) (Total lines 32,			
54	Other Gas Supply (Enter Total of lines 33 and 45)			
55	Storage, LNG Terminaling and Processing (Total of lines 31 thru			
56	Transmission (Lines 35 and 47)			
57	Distribution (Lines 36 and 48)			
58	Customer Accounts (Line 37)			
59	Customer Service and Informational (Line 38)			
60	Sales (Line 39)			
61	Administrative and General (Lines 40 and 49)			
62	TOTAL Operation and Maint. (Total of lines 52 thru 61)			
63	Other Utility Departments			
64	Operation and Maintenance			
65	TOTAL All Utility Dept. (Total of lines 28, 62, and 64)	66,054,168	574,440	66,628,608
66	Utility Plant			
67	Construction (By Utility Departments)			
68	Electric Plant	15,546,699	1,151,960	16,698,659
69	Gas Plant			
70	Other (provide details in footnote):			
71	TOTAL Construction (Total of lines 68 thru 70)	15,546,699	1,151,960	16,698,659
72	Plant Removal (By Utility Departments)			
73	Electric Plant		14	14
74	Gas Plant			
75	Other (provide details in footnote):			
76	TOTAL Plant Removal (Total of lines 73 thru 75)		14	14
77	Other Accounts (Specify, provide details in footnote):			
78	In-Kind Donations and Exp for Certain Civic, Political & Rel	195,223	245	195,468
79	Prepayment and other	153,264	4,367	157,631
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94				
95	TOTAL Other Accounts	348,487	4,612	353,099
96	TOTAL SALARIES AND WAGES	81,949,354	1,731,026	83,680,380

Name of Respondent El Paso Electric Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of <u>2012/Q4</u>
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COMMON UTILITY PLANT AND EXPENSES

1. Describe the property carried in the utility's accounts as common utility plant and show the book cost of such plant at end of year classified by accounts as provided by Plant Instruction 13, Common Utility Plant, of the Uniform System of Accounts. Also show the allocation of such plant costs to the respective departments using the common utility plant and explain the basis of allocation used, giving the allocation factors.
2. Furnish the accumulated provisions for depreciation and amortization at end of year, showing the amounts and classifications of such accumulated provisions, and amounts allocated to utility departments using the Common utility plant to which such accumulated provisions relate, including explanation of basis of allocation and factors used.
3. Give for the year the expenses of operation, maintenance, rents, depreciation, and amortization for common utility plant classified by accounts as provided by the Uniform System of Accounts. Show the allocation of such expenses to the departments using the common utility plant to which such expenses are related. Explain the basis of allocation used and give the factors of allocation.
4. Give date of approval by the Commission for use of the common utility plant classification and reference to order of the Commission or other authorization.

None

AMOUNTS INCLUDED IN ISO/RTO SETTLEMENT STATEMENTS

1. The respondent shall report below the details called for concerning amounts it recorded in Account 555, Purchase Power, and Account 447, Sales for Resale, for items shown on ISO/RTO Settlement Statements. Transactions should be separately netted for each ISO/RTO administered energy market for purposes of determining whether an entity is a net seller or purchaser in a given hour. Net megawatt hours are to be used as the basis for determining whether a net purchase or sale has occurred. In each monthly reporting period, the hourly sale and purchase net amounts are to be aggregated and separately reported in Account 447, Sales for Resale, or Account 555, Purchased Power, respectively.

Line No.	Description of Item(s) (a)	Balance at End of Quarter 1 (b)	Balance at End of Quarter 2 (c)	Balance at End of Quarter 3 (d)	Balance at End of Year (e)
1	Energy				
2	Net Purchases (Account 555)				
3	Net Sales (Account 447)				
4	Transmission Rights				
5	Ancillary Services				
6	Other Items (list separately)				
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46	TOTAL				

PURCHASES AND SALES OF ANCILLARY SERVICES

Report the amounts for each type of ancillary service shown in column (a) for the year as specified in Order No. 888 and defined in the respondents Open Access Transmission Tariff.

In columns for usage, report usage-related billing determinant and the unit of measure.

(1) On line 1 columns (b), (c), (d), (e), (f) and (g) report the amount of ancillary services purchased and sold during the year.

(2) On line 2 columns (b) (c), (d), (e), (f), and (g) report the amount of reactive supply and voltage control services purchased and sold during the year.

(3) On line 3 columns (b) (c), (d), (e), (f), and (g) report the amount of regulation and frequency response services purchased and sold during the year.

(4) On line 4 columns (b), (c), (d), (e), (f), and (g) report the amount of energy imbalance services purchased and sold during the year.

(5) On lines 5 and 6, columns (b), (c), (d), (e), (f), and (g) report the amount of operating reserve spinning and supplement services purchased and sold during the period.

(6) On line 7 columns (b), (c), (d), (e), (f), and (g) report the total amount of all other types ancillary services purchased or sold during the year. Include in a footnote and specify the amount for each type of other ancillary service provided.

Line No.	Type of Ancillary Service (a)	Amount Purchased for the Year			Amount Sold for the Year		
		Number of Units (b)	Unit of Measure (c)	Dollars (d)	Number of Units (e)	Unit of Measure (f)	Dollars (g)
1	Scheduling, System Control and Dispatch	8,399,958	MWh	806,396	5,187,088	MWh	1,290,893
2	Reactive Supply and Voltage	8,399,958	MWh	503,997	1,517,216	MWh	270,744
3	Regulation and Frequency Response				64,267	MWh	2,886
4	Energy Imbalance						
5	Operating Reserve - Spinning				64,267	MWh	11,609
6	Operating Reserve - Supplement				64,267	MWh	11,609
7	Other						
8	Total (Lines 1 thru 7)	16,799,916		1,310,393	6,897,105		1,587,741

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2012/Q4
El Paso Electric Company			
FOOTNOTE DATA			

Schedule Page: 398 Line No.: 1 Column: b

Ancillary Services Purchased represents service to Native Load that El Paso Electric Company self-provides from its own facilities. The dollar values are imputed as though El Paso Electric Company took these services under its own tariff.

Schedule Page: 398 Line No.: 1 Column: d

Ancillary Services Purchased represents service to Native Load that El Paso Electric Company self-provides from its own facilities. The dollar values are imputed as though El Paso Electric Company took these services under its own tariff.

Schedule Page: 398 Line No.: 1 Column: e

The Number of Units includes 965,040 MWh from hourly services, (of which 75,938 MWh were sold to El Paso Electric Marketing, an affiliate of El Paso Electric Company); 578,199 MWh from daily services, (of which 49,840 MWh were sold to El Paso Electric Marketing, an affiliate of El Paso Electric Company); 83,183 MWh from weekly services, (of which 79,945 MWh were sold to El Paso Electric Marketing, an affiliate of El Paso Electric Company); 43,857 MWh from monthly services; and 3,516,809 MWh from yearly contracts, (of which 64,267 MWh were sold to Rio Grande Electric Co-Op, a network customer of El Paso Electric Company).

Schedule Page: 398 Line No.: 1 Column: g

\$117,621 pertains to hourly services (of which \$22,193 pertains to El Paso Electric Marketing, an affiliate of El Paso Electric Company). \$80,765 pertains to daily services (of which \$4,819 pertains to El Paso Electric Marketing, an affiliate of El Paso Electric Company). \$16,378 pertains to weekly services (of which \$8,181 pertains to El Paso Electric Marketing, an affiliate of El Paso Electric Company). \$41,870 pertains to monthly services and \$1,034,259 pertains to yearly contracts, (of which \$7,517 pertains to Rio Grande Electric Co-Op, a network customer of El Paso Electric Company).

Schedule Page: 398 Line No.: 2 Column: b

Ancillary Services Purchased represents service to Native Load that El Paso Electric Company self-provides from its own facilities. The dollar values are imputed as though El Paso Electric Company took these services under its own tariff.

Schedule Page: 398 Line No.: 2 Column: d

Ancillary Services Purchased represents service to Native Load that El Paso Electric Company self-provides from its own facilities. The dollar values are imputed as though El Paso Electric Company took these services under its own tariff.

Schedule Page: 398 Line No.: 2 Column: e

The Number of Units includes 202,354 MWh from hourly services (of which 63,689 MWh were sold to El Paso Electric Marketing, an affiliate of El Paso Electric Company); 192,960 MWh from daily services (of which 49,840 MWh were sold to El Paso Electric Marketing, an affiliate of El Paso Electric Company); 79,945 MWh from weekly services, (all of which were sold to El Paso Electric Marketing, an affiliate of El Paso Electric Company); 39,022 MWh from monthly services; and 1,002,935 MWh from yearly contracts, (of which 64,267 MWh were sold to Rio Grande Electric Co-Op, a network customer of El Paso Electric Company).

Schedule Page: 398 Line No.: 2 Column: g

\$24,041 pertains to hourly services (of which \$13,110 pertains to El Paso Electric Marketing, an affiliate of El Paso Electric Company). \$21,948 pertains to daily services (of which \$3,038 pertains to El Paso Electric Marketing, an affiliate of El Paso Electric Company). \$5,151 pertains to weekly services (all of which pertains to El Paso Electric Marketing, an affiliate of El Paso Electric Company). \$23,760 pertains to monthly services and \$195,844 pertains to yearly contracts, (of which \$4,708 pertains to Rio Grande Electric Co-Op, a network customer of El Paso Electric Company).

Schedule Page: 398 Line No.: 3 Column: e

All units pertain to yearly contract with Rio Grande Electric Co-Op, a network customer of El Paso Electric Company.

Schedule Page: 398 Line No.: 3 Column: g

All from yearly contract with Rio Grande Electric Co-Op, a network customer of El Paso Electric Company.

Schedule Page: 398 Line No.: 5 Column: e

Name of Respondent El Paso Electric Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2012/Q4
FOOTNOTE DATA			

All units pertain to yearly contract with Rio Grande Electric Co-Op, a network customer of El Paso Electric Company.

Schedule Page: 398 Line No.: 5 Column: g

All from yearly contract with Rio Grande Electric Co-Op, a network customer of El Paso Electric Company.

Schedule Page: 398 Line No.: 6 Column: e

All units pertain to yearly contract with Rio Grande Electric Co-Op, a network customer of El Paso Electric Company.

Schedule Page: 398 Line No.: 6 Column: g

All from yearly contract with Rio Grande Electric Co-Op, a network customer of El Paso Electric Company.

Name of Respondent
El Paso Electric Company

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

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

Year/Period of Report
End of 2012/Q4

MONTHLY TRANSMISSION SYSTEM PEAK LOAD

- (1) Report the monthly peak load on the respondent's transmission system. If the respondent has two or more power systems which are not physically integrated, furnish the required information for each non-integrated system.
 (2) Report on Column (b) by month the transmission system's peak load.
 (3) Report on Columns (c) and (d) the specified information for each monthly transmission - system peak load reported on Column (b).
 (4) Report on Columns (e) through (j) by month the system' monthly maximum megawatt load by statistical classifications. See General Instruction for the definition of each statistical classification.

NAME OF SYSTEM:

Line No.	Month (a)	Monthly Peak MW - Total (b)	Day of Monthly Peak (c)	Hour of Monthly Peak (d)	Firm Network Service for Self (e)	Firm Network Service for Others (f)	Long-Term Firm Point-to-point Reservations (g)	Other Long-Term Firm Service (h)	Short-Term Firm Point-to-point Reservation (i)	Other Service (j)
1	January	1,082	12	2000		5	1,245	50	139	
2	February	980	7	2000		5	1,268	50	116	
3	March	1,036	28	1600		8	1,311	50	73	
4	Total for Quarter 1	3,098				18	3,824	150	328	
5	April	1,384	24	1600		11	1,310	50	74	
6	May	1,497	22	1600		11	1,313	50	71	
7	June	1,682	28	1600		13	1,305	50	79	
8	Total for Quarter 2	4,563				35	3,928	150	224	
9	July	1,606	31	1600		12	1,273	50	111	
10	August	1,683	7	1500		11	1,236	50	148	
11	September	1,624	5	1600		10	1,240	50	144	
12	Total for Quarter 3	4,913				33	3,749	150	403	
13	October	1,323	4	1500		9	1,308	50	76	
14	November	1,052	6	1900		5	1,263	50	121	
15	December	1,121	11	2000		6	1,304	50	80	
16	Total for Quarter 4	3,496				20	3,875	150	277	
17	Total Year to Date/Year	16,070				106	15,376	600	1,232	

Name of Respondent
El Paso Electric Company

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

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

Year/Period of Report
End of 2012/Q4

MONTHLY ISO/RTO TRANSMISSION SYSTEM PEAK LOAD

- (1) Report the monthly peak load on the respondent's transmission system. If the Respondent has two or more power systems which are not physically integrated, furnish the required information for each non-integrated system.
- (2) Report on Column (b) by month the transmission system's peak load.
- (3) Report on Column (c) and (d) the specified information for each monthly transmission - system peak load reported on Column (b).
- (4) Report on Columns (e) through (i) by month the system's transmission usage by classification. Amounts reported as Through and Out Service in Column (g) are to be excluded from those amounts reported in Columns (e) and (f).
- (5) Amounts reported in Column (j) for Total Usage is the sum of Columns (h) and (i).

NAME OF SYSTEM:

Line No.	Month (a)	Monthly Peak MW - Total (b)	Day of Monthly Peak (c)	Hour of Monthly Peak (d)	Imports into ISO/RTO (e)	Exports from ISO/RTO (f)	Through and Out Service (g)	Network Service Usage (h)	Point-to-Point Service Usage (i)	Total Usage (j)
1	January									
2	February									
3	March									
4	Total for Quarter 1									
5	April									
6	May									
7	June									
8	Total for Quarter 2									
9	July									
10	August									
11	September									
12	Total for Quarter 3									
13	October									
14	November									
15	December									
16	Total for Quarter 4									
17	Total Year to Date/Year									

Name of Respondent
El Paso Electric Company

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

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(Mo, Da, Yr)
/ /

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ELECTRIC ENERGY ACCOUNT

Report below the information called for concerning the disposition of electric energy generated, purchased, exchanged and wheeled during the year.

Line No.	Item (a)	MegaWatt Hours (b)	Line No.	Item (a)	MegaWatt Hours (b)
1	SOURCES OF ENERGY		21	DISPOSITION OF ENERGY	
2	Generation (Excluding Station Use):		22	Sales to Ultimate Consumers (Including Interdepartmental Sales)	7,715,468
3	Steam	4,177,569	23	Requirements Sales for Resale (See instruction 4, page 311.)	64,266
4	Nuclear	5,045,772	24	Non-Requirements Sales for Resale (See instruction 4, page 311.)	3,064,710
5	Hydro-Conventional		25	Energy Furnished Without Charge	
6	Hydro-Pumped Storage		26	Energy Used by the Company (Electric Dept Only, Excluding Station Use)	17,113
7	Other	38,302	27	Total Energy Losses	619,474
8	Less Energy for Pumping		28	TOTAL (Enter Total of Lines 22 Through 27) (MUST EQUAL LINE 20)	11,481,031
9	Net Generation (Enter Total of lines 3 through 8)	9,261,643			
10	Purchases	2,169,491			
11	Power Exchanges:				
12	Received	70,948			
13	Delivered	21,051			
14	Net Exchanges (Line 12 minus line 13)	49,897			
15	Transmission For Other (Wheeling)				
16	Received	5,750,164			
17	Delivered	5,750,164			
18	Net Transmission for Other (Line 16 minus line 17)				
19	Transmission By Others Losses				
20	TOTAL (Enter Total of lines 9, 10, 14, 18 and 19)	11,481,031			

Name of Respondent

El Paso Electric Company

This Report Is:

(1) An Original(2) A Resubmission

Date of Report

(Mo, Da, Yr)

/ /

Year/Period of Report

End of 2012/Q4

MONTHLY PEAKS AND OUTPUT

1. Report the monthly peak load and energy output. If the respondent has two or more power which are not physically integrated, furnish the required information for each non- integrated system.
2. Report in column (b) by month the system's output in Megawatt hours for each month.
3. Report in column (c) by month the non-requirements sales for resale. Include in the monthly amounts any energy losses associated with the sales.
4. Report in column (d) by month the system's monthly maximum megawatt load (60 minute integration) associated with the system.
5. Report in column (e) and (f) the specified information for each monthly peak load reported in column (d).

NAME OF SYSTEM:

Line No.	Month (a)	Total Monthly Energy (b)	Monthly Non-Requirements Sales for Resale & Associated Losses (c)	MONTHLY PEAK		
				Megawatts (See Instr. 4) (d)	Day of Month (e)	Hour (f)
29	January	940,010	316,051	1,082	12	2000
30	February	848,818	282,322	980	7	2000
31	March	831,126	220,403	1,036	28	1600
32	April	853,531	212,555	1,384	24	1600
33	May	1,032,493	297,403	1,497	22	1600
34	June	1,156,225	300,372	1,682	28	1600
35	July	1,084,271	225,287	1,606	31	1600
36	August	1,081,260	178,276	1,683	7	1500
37	September	1,007,255	263,404	1,624	5	1600
38	October	940,798	274,129	1,323	4	1500
39	November	811,804	224,793	1,052	6	1900
40	December	893,440	269,715	1,121	11	2000
41	TOTAL	11,481,031	3,064,710			

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2012/Q4
El Paso Electric Company			
FOOTNOTE DATA			

Schedule Page: 401 Line No.: 29 Column: b

Includes 43,455 MWhs related to sales to Freeport-McMoRan related to the Company's Power Purchase and Sales Agreement with Freeport dated December 16, 2005.

Schedule Page: 401 Line No.: 29 Column: c

Includes 43,455 MWhs related to sales to Freeport-McMoRan related to the Company's Power Purchase and Sales Agreement with Freeport dated December 16, 2005.

Schedule Page: 401 Line No.: 30 Column: b

Includes 32,367 MWhs related to sales to Freeport-McMoRan related to the Company's Power Purchase and Sales Agreement with Freeport dated December 16, 2005.

Schedule Page: 401 Line No.: 30 Column: c

Includes 32,367 MWhs related to sales to Freeport-McMoRan related to the Company's Power Purchase and Sales Agreement with Freeport dated December 16, 2005.

Schedule Page: 401 Line No.: 31 Column: b

Includes 34,278 MWhs related to sales to Freeport-McMoRan related to the Company's Power Purchase and Sales Agreement with Freeport dated December 16, 2005.

Schedule Page: 401 Line No.: 31 Column: c

Includes 34,275 MWhs related to sales to Freeport-McMoRan related to the Company's Power Purchase and Sales Agreement with Freeport dated December 16, 2005.

Schedule Page: 401 Line No.: 32 Column: b

Includes 29,510 MWhs related to sales to Freeport-McMoRan related to the Company's Power Purchase and Sales Agreement with Freeport dated December 16, 2005.

Schedule Page: 401 Line No.: 32 Column: c

Includes 29,513 MWhs related to sales to Freeport-McMoRan related to the Company's Power Purchase and Sales Agreement with Freeport dated December 16, 2005.

Schedule Page: 401 Line No.: 33 Column: b

Includes 15,678 MWhs related to sales to Freeport-McMoRan related to the Company's Power Purchase and Sales Agreement with Freeport dated December 16, 2005.

Schedule Page: 401 Line No.: 33 Column: c

Includes 15,678 MWhs related to sales to Freeport-McMoRan related to the Company's Power Purchase and Sales Agreement with Freeport dated December 16, 2005.

Schedule Page: 401 Line No.: 34 Column: b

Includes 44,329 MWhs related to sales to Freeport-McMoRan related to the Company's Power Purchase and Sales Agreement with Freeport dated December 16, 2005.

Schedule Page: 401 Line No.: 34 Column: c

Includes 44,329 MWhs related to sales to Freeport-McMoRan related to the Company's Power Purchase and Sales Agreement with Freeport dated December 16, 2005.

Schedule Page: 401 Line No.: 35 Column: b

Includes 44,142 MWhs related to sales to Freeport-McMoRan related to the Company's Power Purchase and Sales Agreement with Freeport dated December 16, 2005.

Schedule Page: 401 Line No.: 35 Column: c

Includes 44,142 MWhs related to sales to Freeport-McMoRan related to the Company's Power Purchase and Sales Agreement with Freeport dated December 16, 2005.

Schedule Page: 401 Line No.: 36 Column: b

Includes 42,574 MWhs related to sales to Freeport-McMoRan related to the Company's Power Purchase and Sales Agreement with Freeport dated December 16, 2005.

Schedule Page: 401 Line No.: 36 Column: c

Includes 42,574 MWhs related to sales to Freeport-McMoRan related to the Company's Power Purchase and Sales Agreement with Freeport dated December 16, 2005.

Schedule Page: 401 Line No.: 37 Column: b

Includes 43,180 MWhs related to sales to Freeport-McMoRan related to the Company's Power Purchase and Sales Agreement with Freeport dated December 16, 2005.

Schedule Page: 401 Line No.: 37 Column: c

Includes 43,180 MWhs related to sales to Freeport-McMoRan related to the Company's Power Purchase and Sales Agreement with Freeport dated December 16, 2005.

Schedule Page: 401 Line No.: 38 Column: b

Name of Respondent El Paso Electric Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2012/Q4
FOOTNOTE DATA			

Includes 45,385 MWhs related to sales to Freeport-McMoRan related to the Company's Power Purchase and Sales Agreement with Freeport dated December 16, 2005.

Schedule Page: 401 Line No.: 38 Column: c

Includes 45,385 MWhs related to sales to Freeport-McMoRan related to the Company's Power Purchase and Sales Agreement with Freeport dated December 16, 2005.

Schedule Page: 401 Line No.: 39 Column: b

Includes 33,417 MWhs related to sales to Freeport-McMoRan related to the Company's Power Purchase and Sales Agreement with Freeport dated December 16, 2005.

Schedule Page: 401 Line No.: 39 Column: c

Includes 33,417 MWhs related to sales to Freeport-McMoRan related to the Company's Power Purchase and Sales Agreement with Freeport dated December 16, 2005.

Schedule Page: 401 Line No.: 40 Column: b

Includes 42,263 MWhs related to sales to Freeport-McMoRan related to the Company's Power Purchase and Sales Agreement with Freeport dated December 16, 2005.

Schedule Page: 401 Line No.: 40 Column: c

Includes 42,263 MWhs related to sales to Freeport-McMoRan related to the Company's Power Purchase and Sales Agreement with Freeport dated December 16, 2005.

STEAM-ELECTRIC GENERATING PLANT STATISTICS (Large Plants)

1. Report data for plant in Service only. 2. Large plants are steam plants with installed capacity (name plate rating) of 25,000 Kw or more. Report in this page gas-turbine and internal combustion plants of 10,000 Kw or more, and nuclear plants. 3. Indicate by a footnote any plant leased or operated as a joint facility. 4. If net peak demand for 60 minutes is not available, give data which is available, specifying period. 5. If any employees attend more than one plant, report on line 11 the approximate average number of employees assignable to each plant. 6. If gas is used and purchased on a term basis report the Btu content or the gas and the quantity of fuel burned converted to Mct. 7. Quantities of fuel burned (Line 38) and average cost per unit of fuel burned (Line 41) must be consistent with charges to expense accounts 501 and 547 (Line 42) as show on Line 20. 8. If more than one fuel is burned in a plant furnish only the composite heat rate for all fuels burned.

Line No.	Item (a)	Plant Name: <i>Rio Grande</i> (b)	Plant Name: <i>Newman</i> (c)
1	Kind of Plant (Internal Comb, Gas Turb, Nuclear)	Steam	Steam
2	Type of Constr (Conventional, Outdoor, Boiler, etc)	Indoor and Outdoor	Indoor and Outdoor
3	Year Originally Constructed	1929	1959
4	Year Last Unit was Installed	1972	2011
5	Total Installed Cap (Max Gen Name Plate Ratings-MW)	266.00	889.00
6	Net Peak Demand on Plant - MW (60 minutes)	227	652
7	Plant Hours Connected to Load	8780	8784
8	Net Continuous Plant Capability (Megawatts)	229	732
9	When Not Limited by Condenser Water	238	751
10	When Limited by Condenser Water	229	732
11	Average Number of Employees	47	70
12	Net Generation, Exclusive of Plant Use - KWh	752620000	2769841000
13	Cost of Plant: Land and Land Rights	100946	181900
14	Structures and Improvements	4737328	33807469
15	Equipment Costs	51906323	362454038
16	Asset Retirement Costs	76983	-325470
17	Total Cost	56821580	396117937
18	Cost per KW of Installed Capacity (line 17/5) Including	213.6150	445.5770
19	Production Expenses: Oper, Supv, & Engr	668262	1267570
20	Fuel	28856812	96528454
21	Coolants and Water (Nuclear Plants Only)	0	0
22	Steam Expenses	1491934	957222
23	Steam From Other Sources	0	0
24	Steam Transferred (Cr)	0	0
25	Electric Expenses	165557	3087668
26	Misc Steam (or Nuclear) Power Expenses	1457636	2262999
27	Rents	4893	484594
28	Allowances	0	65064
29	Maintenance Supervision and Engineering	672904	625788
30	Maintenance of Structures	389222	905380
31	Maintenance of Boiler (or reactor) Plant	2902227	4228891
32	Maintenance of Electric Plant	2914807	7111690
33	Maintenance of Misc Steam (or Nuclear) Plant	829391	952430
34	Total Production Expenses	40353645	118477750
35	Expenses per Net KWh	0.0536	0.0428
36	Fuel: Kind (Coal, Gas, Oil, or Nuclear)	Gas	Oil
37	Unit (Coal-tons/Oil-barrel/Gas-mcf/Nuclear-indicate)	Mcf	BBL
38	Quantity (Units) of Fuel Burned	8521091	0
39	Avg Heat Cont - Fuel Burned (btu/indicate if nuclear)	1024000	0
40	Avg Cost of Fuel/unit, as Delvd f.o.b. during year	3.387	0.000
41	Average Cost of Fuel per Unit Burned	3.387	0.000
42	Average Cost of Fuel Burned per Million BTU	3.307	0.000
43	Average Cost of Fuel Burned per KWh Net Gen	0.038	0.000
44	Average BTU per KWh Net Generation	11594.000	0.000

STEAM-ELECTRIC GENERATING PLANT STATISTICS (Large Plants)(Continued)

9. Items under Cost of Plant are based on U. S. of A. Accounts. Production expenses do not include Purchased Power, System Control and Load Dispatching, and Other Expenses Classified as Other Power Supply Expenses. 10. For IC and GT plants, report Operating Expenses, Account Nos. 547 and 549 on Line 25 "Electric Expenses," and Maintenance Account Nos. 553 and 554 on Line 32, "Maintenance of Electric Plant." Indicate plants designed for peak load service. Designate automatically operated plants. 11. For a plant equipped with combinations of fossil fuel steam, nuclear steam, hydro, internal combustion or gas-turbine equipment, report each as a separate plant. However, if a gas-turbine unit functions in a combined cycle operation with a conventional steam unit, include the gas-turbine with the steam plant. 12. If a nuclear power generating plant, briefly explain by footnote (a) accounting method for cost of power generated including any excess costs attributed to research and development; (b) types of cost units used for the various components of fuel cost; and (c) any other informative data concerning plant type fuel used, fuel enrichment type and quantity for the report period and other physical and operating characteristics of plant.

Plant Name: <i>Four Corners</i> (d)			Plant Name: <i>Copper</i> (e)			Plant Name: <i>Palo Verde</i> (f)			Line No.
			Gas Turbine						1
			Outdoor						2
			1979						3
			1980						4
0.00			79.00			0.00			5
0			58			0			6
0			1173			0			7
0			62			0			8
0			62			0			9
0			62			0			10
0			12			0			11
655108000			37421000			5045772000			12
8623			10000			2347703			13
3139360			731436			472000467			14
86658069			14381509			1231793037			15
1960797			15479			-40328558			16
91766849			15138424			1665812649			17
0			191.6256			0			18
159325			0			13733764			19
12431896			2448213			49794664			20
0			0			5954270			21
1445217			0			5314694			22
0			0			0			23
0			0			0			24
113386			0			4835623			25
740296			325683			18221793			26
953801			123			71895			27
0			0			0			28
201422			281			4131491			29
89456			22376			1099175			30
1787939			832414			6381307			31
297724			95651			8151275			32
607489			0			2333212			33
18827951			3724741			120023163			34
0.0287			0.0995			0.0238			35
Coal	Gas		Gas	Oil		Nuclear			36
Ton	Mcf		Mcf	BBL		MMbtu			37
371805	19269	0	697174	0	0	52054202	0	0	38
17486362	1010100	0	1019000	0	0	0	0	0	39
33.159	5.362	0.000	3.512	0.000	0.000	0.957	0.000	0.000	40
33.159	5.362	0.000	3.512	0.000	0.000	0.957	0.000	0.000	41
1.896	5.308	0.000	3.446	0.000	0.000	0.957	0.000	0.000	42
0.019	0.000	0.000	0.065	0.000	0.000	0.010	0.000	0.000	43
9954.000	0.000	0.000	18985.000	0.000	0.000	10316.000	0.000	0.000	44

Name of Respondent El Paso Electric Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2012/Q4
FOOTNOTE DATA			

Schedule Page: 402 Line No.: 1 Column: d
Jointly owned plant.

Schedule Page: 402 Line No.: 1 Column: f
Jointly owned plant.

Schedule Page: 402 Line No.: 2 Column: d
Data on lines 2-11 for total plant to be reported by the Operating Agent, Arizona Public Service Company.

Schedule Page: 402 Line No.: 2 Column: f
Data on lines 2-11 for total plant to be reported by the Operating Agent, Arizona Public Service Company.

Schedule Page: 402 Line No.: 20 Column: d
Excludes \$1,171,896 related to the amortization of final coal reclamation costs.

HYDROELECTRIC GENERATING PLANT STATISTICS (Large Plants)

1. Large plants are hydro plants of 10,000 Kw or more of installed capacity (name plate ratings)
2. If any plant is leased, operated under a license from the Federal Energy Regulatory Commission, or operated as a joint facility, indicate such facts in a footnote. If licensed project, give project number.
3. If net peak demand for 60 minutes is not available, give that which is available specifying period.
4. If a group of employees attends more than one generating plant, report on line 11 the approximate average number of employees assignable to each plant.

Line No.	Item (a)	FERC Licensed Project No. 0 Plant Name: (b)	FERC Licensed Project No. 0 Plant Name: (c)
1	Kind of Plant (Run-of-River or Storage)		
2	Plant Construction type (Conventional or Outdoor)		
3	Year Originally Constructed		
4	Year Last Unit was Installed		
5	Total installed cap (Gen name plate Rating in MW)	0.00	0.00
6	Net Peak Demand on Plant-Megawatts (60 minutes)	0	0
7	Plant Hours Connect to Load	0	0
8	Net Plant Capability (in megawatts)		
9	(a) Under Most Favorable Oper Conditions	0	0
10	(b) Under the Most Adverse Oper Conditions	0	0
11	Average Number of Employees	0	0
12	Net Generation, Exclusive of Plant Use - Kwh	0	0
13	Cost of Plant		
14	Land and Land Rights	0	0
15	Structures and Improvements	0	0
16	Reservoirs, Dams, and Waterways	0	0
17	Equipment Costs	0	0
18	Roads, Railroads, and Bridges	0	0
19	Asset Retirement Costs	0	0
20	TOTAL cost (Total of 14 thru 19)	0	0
21	Cost per KW of Installed Capacity (line 20 / 5)	0.0000	0.0000
22	Production Expenses		
23	Operation Supervision and Engineering	0	0
24	Water for Power	0	0
25	Hydraulic Expenses	0	0
26	Electric Expenses	0	0
27	Misc Hydraulic Power Generation Expenses	0	0
28	Rents	0	0
29	Maintenance Supervision and Engineering	0	0
30	Maintenance of Structures	0	0
31	Maintenance of Reservoirs, Dams, and Waterways	0	0
32	Maintenance of Electric Plant	0	0
33	Maintenance of Misc Hydraulic Plant	0	0
34	Total Production Expenses (total 23 thru 33)	0	0
35	Expenses per net KWh	0.0000	0.0000

Name of Respondent
El Paso Electric Company

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

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

Year/Period of Report
End of 2012/Q4

HYDROELECTRIC GENERATING PLANT STATISTICS (Large Plants) (Continued)

5. The items under Cost of Plant represent accounts or combinations of accounts prescribed by the Uniform System of Accounts. Production Expenses do not include Purchased Power, System control and Load Dispatching, and Other Expenses classified as "Other Power Supply Expenses."
6. Report as a separate plant any plant equipped with combinations of steam, hydro, internal combustion engine, or gas turbine equipment.

FERC Licensed Project No. 0 Plant Name: (d)	FERC Licensed Project No. 0 Plant Name: (e)	FERC Licensed Project No. 0 Plant Name: (f)	Line No.
			1
			2
			3
			4
0.00	0.00	0.00	5
0	0	0	6
0	0	0	7
			8
0	0	0	9
0	0	0	10
0	0	0	11
0	0	0	12
			13
0	0	0	14
0	0	0	15
0	0	0	16
0	0	0	17
0	0	0	18
0	0	0	19
0	0	0	20
0.0000	0.0000	0.0000	21
			22
0	0	0	23
0	0	0	24
0	0	0	25
0	0	0	26
0	0	0	27
0	0	0	28
0	0	0	29
0	0	0	30
0	0	0	31
0	0	0	32
0	0	0	33
0	0	0	34
0.0000	0.0000	0.0000	35

PUMPED STORAGE GENERATING PLANT STATISTICS (Large Plants)

1. Large plants and pumped storage plants of 10,000 Kw or more of installed capacity (name plate ratings)
2. If any plant is leased, operating under a license from the Federal Energy Regulatory Commission, or operated as a joint facility, indicate such facts in a footnote. Give project number.
3. If net peak demand for 60 minutes is not available, give the which is available, specifying period.
4. If a group of employees attends more than one generating plant, report on line 8 the approximate average number of employees assignable to each plant.
5. The items under Cost of Plant represent accounts or combinations of accounts prescribed by the Uniform System of Accounts. Production Expenses do not include Purchased Power System Control and Load Dispatching, and Other Expenses classified as "Other Power Supply Expenses."

Line No.	Item (a)	FERC Licensed Project No. Plant Name: (b)
1	Type of Plant Construction (Conventional or Outdoor)	
2	Year Originally Constructed	
3	Year Last Unit was Installed	
4	Total installed cap (Gen name plate Rating in MW)	
5	Net Peak Demand on Plant-Megawatts (60 minutes)	
6	Plant Hours Connect to Load While Generating	
7	Net Plant Capability (in megawatts)	
8	Average Number of Employees	
9	Generation, Exclusive of Plant Use - Kwh	
10	Energy Used for Pumping	
11	Net Output for Load (line 9 - line 10) - Kwh	
12	Cost of Plant	
13	Land and Land Rights	
14	Structures and Improvements	
15	Reservoirs, Dams, and Waterways	
16	Water Wheels, Turbines, and Generators	
17	Accessory Electric Equipment	
18	Miscellaneous Powerplant Equipment	
19	Roads, Railroads, and Bridges	
20	Asset Retirement Costs	
21	Total cost (total 13 thru 20)	
22	Cost per KW of installed cap (line 21 / 4)	
23	Production Expenses	
24	Operation Supervision and Engineering	
25	Water for Power	
26	Pumped Storage Expenses	
27	Electric Expenses	
28	Misc Pumped Storage Power generation Expenses	
29	Rents	
30	Maintenance Supervision and Engineering	
31	Maintenance of Structures	
32	Maintenance of Reservoirs, Dams, and Waterways	
33	Maintenance of Electric Plant	
34	Maintenance of Misc Pumped Storage Plant	
35	Production Exp Before Pumping Exp (24 thru 34)	
36	Pumping Expenses	
37	Total Production Exp (total 35 and 36)	
38	Expenses per KWh (line 37 / 9)	

Name of Respondent
El Paso Electric Company

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

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

Year/Period of Report
End of 2012/Q4

PUMPED STORAGE GENERATING PLANT STATISTICS (Large Plants) (Continued)

6. Pumping energy (Line 10) is that energy measured as input to the plant for pumping purposes.
7. Include on Line 36 the cost of energy used in pumping into the storage reservoir. When this item cannot be accurately computed leave Lines 36, 37 and 38 blank and describe at the bottom of the schedule the company's principal sources of pumping power, the estimated amounts of energy from each station or other source that individually provides more than 10 percent of the total energy used for pumping, and production expenses per net MWH as reported herein for each source described. Group together stations and other resources which individually provide less than 10 percent of total pumping energy. If contracts are made with others to purchase power for pumping, give the supplier contract number, and date of contract.

FERC Licensed Project No. Plant Name: (c)	FERC Licensed Project No. Plant Name: (d)	FERC Licensed Project No. Plant Name: (e)	Line No.
			1
			2
			3
			4
			5
			6
			7
			8
			9
			10
			11
			12
			13
			14
			15
			16
			17
			18
			19
			20
			21
			22
			23
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			31
			32
			33
			34
			35
			36
			37
			38

GENERATING PLANT STATISTICS (Small Plants)

1. Small generating plants are steam plants of, less than 25,000 Kw; internal combustion and gas turbine-plants, conventional hydro plants and pumped storage plants of less than 10,000 Kw installed capacity (name plate rating). 2. Designate any plant leased from others, operated under a license from the Federal Energy Regulatory Commission, or operated as a joint facility, and give a concise statement of the facts in a footnote. If licensed project, give project number in footnote.

Line No.	Name of Plant (a)	Year Orig. Const. (b)	Installed Capacity Name Plate Rating (In MW) (c)	Net Peak Demand MW (60 min.) (d)	Net Generation Excluding Plant Use (e)	Cost of Plant (f)
1						
2						
3						
4						
5						
6						
7						
8						
9						
10						
11						
12						
13						
14						
15						
16						
17						
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45						
46						

GENERATING PLANT STATISTICS (Small Plants) (Continued)

3. List plants appropriately under subheadings for steam, hydro, nuclear, internal combustion and gas turbine plants. For nuclear, see instruction 11, Page 403. 4. If net peak demand for 60 minutes is not available, give the which is available, specifying period. 5. If any plant is equipped with combinations of steam, hydro internal combustion or gas turbine equipment, report each as a separate plant. However, if the exhaust heat from the gas turbine is utilized in a steam turbine regenerative feed water cycle, or for preheated combustion air in a boiler, report as one plant.

Plant Cost (Incl Asset Retire. Costs) Per MW (g)	Operation Exc'l. Fuel (h)	Production Expenses		Kind of Fuel (k)	Fuel Costs (in cents per Million Btu) (l)	Line No.
		Fuel (i)	Maintenance (j)			
						1
						2
						3
						4
						5
						6
						7
						8
						9
						10
						11
						12
						13
						14
						15
						16
						17
						18
						19
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						31
						32
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						39
						40
						41
						42
						43
						44
						45
						46

TRANSMISSION LINE STATISTICS

1. Report information concerning transmission lines, cost of lines, and expenses for year. List each transmission line having nominal voltage of 132 kilovolts or greater. Report transmission lines below these voltages in group totals only for each voltage.
2. Transmission lines include all lines covered by the definition of transmission system plant as given in the Uniform System of Accounts. Do not report substation costs and expenses on this page.
3. Report data by individual lines for all voltages if so required by a State commission.
4. Exclude from this page any transmission lines for which plant costs are included in Account 121, Nonutility Property.
5. Indicate whether the type of supporting structure reported in column (e) is: (1) single pole wood or steel; (2) H-frame wood, or steel poles; (3) tower; or (4) underground construction. If a transmission line has more than one type of supporting structure, indicate the mileage of each type of construction by the use of brackets and extra lines. Minor portions of a transmission line of a different type of construction need not be distinguished from the remainder of the line.
6. Report in columns (f) and (g) the total pole miles of each transmission line. Show in column (f) the pole miles of line on structures the cost of which is reported for the line designated; conversely, show in column (g) the pole miles of line on structures the cost of which is reported for another line. Report pole miles of line on leased or partly owned structures in column (g). In a footnote, explain the basis of such occupancy and state whether expenses with respect to such structures are included in the expenses reported for the line designated.

Line No.	DESIGNATION		VOLTAGE (KV) (Indicate where other than 60 cycle, 3 phase)		Type of Supporting Structure (e)	LENGTH (Pole miles) (In the case of underground lines report circuit miles)		Number Of Circuits (h)
	From (a)	To (b)	Operating (c)	Designed (d)		On Structure of Line Designated (f)	On Structures of Another Line (g)	
1	Palo Verde	Kyrene	500.00	500.00	(1),(3)		75.00	1
2	Palo Verde	Westwing	500.00	500.00	(3)		45.00	2
3								
4	Newman	West Mesa	345.00	345.00	(2)	232.20		1
5	Newman	Afton	345.00	345.00	(2)	29.88		1
6	Afton	Luna	345.00	345.00	(2)	57.26		1
7	Luna	Greenlee	345.00	345.00	(2)		109.80	1
8	Newman	Eddy County	345.00	345.00	(2)	79.93	125.45	1
9	Diablo	Luna	345.00	345.00	(2)	85.66		1
10	Luna	Macho Springs	345.00	345.00	(2),(3)	24.86		1
11	Macho Springs	Springerville	345.00	345.00	(2),(3)	201.38		1
12								
13								
14	Various 115kV Lines		115.00	115.00	(1),(2)	437.02	54.40	1
15	Various 69kV Lines		69.00	69.00	(1),(2)	204.65	21.55	1
16								
17								
18								
19								
20								
21								
22								
23								
24								
25								
26								
27								
28								
29								
30								
31								
32								
33								
34								
35								
36					TOTAL	1,352.84	431.20	13

TRANSMISSION LINE STATISTICS (Continued)

7. Do not report the same transmission line structure twice. Report Lower voltage Lines and higher voltage lines as one line. Designate in a footnote if you do not include Lower voltage lines with higher voltage lines. If two or more transmission line structures support lines of the same voltage, report the pole miles of the primary structure in column (f) and the pole miles of the other line(s) in column (g)
8. Designate any transmission line or portion thereof for which the respondent is not the sole owner. If such property is leased from another company, give name of lessor, date and terms of Lease, and amount of rent for year. For any transmission line other than a leased line, or portion thereof, for which the respondent is not the sole owner but which the respondent operates or shares in the operation of, furnish a succinct statement explaining the arrangement and giving particulars (details) of such matters as percent ownership by respondent in the line, name of co-owner, basis of sharing expenses of the Line, and how the expenses borne by the respondent are accounted for, and accounts affected. Specify whether lessor, co-owner, or other party is an associated company.
9. Designate any transmission line leased to another company and give name of Lessee, date and terms of lease, annual rent for year, and how determined. Specify whether lessee is an associated company.
10. Base the plant cost figures called for in columns (j) to (l) on the book cost at end of year.

Size of Conductor and Material (i)	COST OF LINE (Include in Column (j) Land, Land rights, and clearing right-of-way)			EXPENSES, EXCEPT DEPRECIATION AND TAXES				Line No.
	Land (j)	Construction and Other Costs (k)	Total Cost (l)	Operation Expenses (m)	Maintenance Expenses (n)	Rents (o)	Total Expenses (p)	
1780 ACSR	1,560,377	7,027,603	8,587,980					1
1780 ACSR	1,203,340	5,419,588	6,622,928					2
								3
795 ACSR	930,038	11,741,395	12,671,433					4
795 ACSR	423,552	4,248,975	4,672,527					5
795 ACSR	811,653	8,142,319	8,953,972					6
795 ACSR	86,513	1,415,150	1,501,663					7
954 ACSR/T2	2,845,159	17,242,074	20,087,233					8
954 ACSR	1,114,625	12,378,266	13,492,891					9
954 ACSR	19,320	6,752,795	6,772,115					10
954 ACSR	154,575	54,028,439	54,183,014					11
								12
								13
Various	1,986,338	50,691,168	52,677,506					14
Various	309,717	11,622,841	11,932,558					15
								16
								17
								18
								19
								20
								21
								22
								23
								24
								25
								26
								27
								28
								29
								30
								31
								32
								33
								34
								35
	11,445,207	190,710,613	202,155,820					36

Name of Respondent El Paso Electric Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2012/Q4
FOOTNOTE DATA			

Schedule Page: 422 Line No.: 1 Column: g

EPE Ownership - 18.7%

Schedule Page: 422 Line No.: 2 Column: g

EPE Ownership - 18.7%

Schedule Page: 422 Line No.: 4 Column: b

Includes intermediate station - Arroyo.

Schedule Page: 422 Line No.: 7 Column: b

Includes intermediate station - Hidalgo.

Schedule Page: 422 Line No.: 7 Column: g

EPE Ownership - 57.2% Luna-Hidalgo (50.0 mi), 40% Hidalgo-Greenlee (59.8 mi).

Schedule Page: 422 Line No.: 8 Column: b

Includes intermediate stations - Caliente Amrad.

Schedule Page: 422 Line No.: 8 Column: f

EPE Ownership - 100% Newman - Caliente (22.8 mi), 100% Caliente - Amrad (56.0 mi).

Schedule Page: 422 Line No.: 8 Column: g

EPE Ownership - 66.7% Amrad-Eddy County (125.4 mi).

Schedule Page: 422 Line No.: 10 Column: f

Composed of (2) H-frame wood or steel poles (146.90 mi) and (3) tower (77.80 mi).

Schedule Page: 422 Line No.: 14 Column: g

Includes double circuit and underbuilt segments of line.

Schedule Page: 422 Line No.: 15 Column: g

Includes double circuit and underbuilt segments of line.

TRANSMISSION LINES ADDED DURING YEAR

1. Report below the information called for concerning Transmission lines added or altered during the year. It is not necessary to report minor revisions of lines.
2. Provide separate subheadings for overhead and under-ground construction and show each transmission line separately. If actual costs of completed construction are not readily available for reporting columns (l) to (o), it is permissible to report in these columns the

Line No.	LINE DESIGNATION		Line Length in Miles (c)	SUPPORTING STRUCTURE		CIRCUITS PER STRUCTURE	
	From (a)	To (b)		Type (d)	Average Number per Miles (e)	Present (f)	Ultimate (g)
1	Diablo	Luna	0.76	2	11.00	1	1
2							
3							
4							
5							
6							
7							
8							
9							
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11							
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18							
19							
20							
21							
22							
23							
24							
25							
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27							
28							
29							
30							
31							
32							
33							
34							
35							
36							
37							
38							
39							
40							
41							
42							
43							
44	TOTAL		0.76		11.00	1	1

TRANSMISSION LINES ADDED DURING YEAR (Continued)

costs. Designate, however, if estimated amounts are reported. Include costs of Clearing Land and Rights-of-Way, and Roads and Trails, in column (l) with appropriate footnote, and costs of Underground Conduit in column (m).

3. If design voltage differs from operating voltage, indicate such fact by footnote; also where line is other than 60 cycle, 3 phase, indicate such other characteristic.

CONDUCTORS			Voltage KV (Operating) (k)	LINE COST					Line No.
Size (h)	Specification (i)	Configuration and Spacing (j)		Land and Land Rights (l)	Poles, Towers and Fixtures (m)	Conductors and Devices (n)	Asset Retire. Costs (o)	Total (p)	
954 MCM	ACSR	Horizontal	345						1
									2
									3
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SUBSTATIONS

1. Report below the information called for concerning substations of the respondent as of the end of the year.
2. Substations which serve only one industrial or street railway customer should not be listed below.
3. Substations with capacities of Less than 10 MVa except those serving customers with energy for resale, may be grouped according to functional character, but the number of such substations must be shown.
4. Indicate in column (b) the functional character of each substation, designating whether transmission or distribution and whether attended or unattended. At the end of the page, summarize according to function the capacities reported for the individual stations in column (f).

Line No.	Name and Location of Substation (a)	Character of Substation (b)	VOLTAGE (In MVa)		
			Primary (c)	Secondary (d)	Tertiary (e)
1	10,000 kVA and Over				
2					
3	Afton La Mesa, NM	Trans. UA			
4	Altura El Paso	Dist. UA	13.80	4.16	
5	Americas El Paso	Dist. UA	69.00	13.80	
6	Amrad Oro Grande, NM	Trans. UA	345.00	115.00	13.00
7	Amrad Oro Grande, NM	Dist. UA	115.00	24.90	
8	Anthony Anthony, NM	Dist. UA	115.00	24.90	
9	Apollo New Mexico	Dist. UA	69.00	2.40	
10	Arroyo Las Cruces, NM	Trans. UA	345.00	345.00	
11	Arroyo Las Cruces, NM	Trans. UA	345.00	115.00	13.80
12	Arroyo Las Cruces, NM	Dist. UA	115.00	23.90	
13	Arroyo Las Cruces, NM	Dist. UA	115.00	23.90	
14	Ascarate El Paso	Dist. UA	115.00	69.00	13.80
15	Ascarate El Paso	Dist. UA	115.00	69.00	
16	Ascarate El Paso	Dist. UA	69.00	13.80	
17	Ascarate El Paso	Dist. UA	69.00	4.16	
18	Austin El Paso	Dist. UA	115.00	13.80	
19	Austin El Paso	Dist. UA	69.00	4.16	
20	Biggs El Paso	Dist. UA	115.00		
21	Border Steel El Paso	Dist. UA	115.00	13.80	
22	Butterfield El Paso	Dist. UA	115.00	13.80	
23	Caliente El Paso	Trans. UA	345.00	115.00	13.80
24	Caliente El Paso	Trans. UA	115.00	13.80	
25	Chaparral Chaparral, NM	Dist. UA	115.00	13.80	
26	Clint Lower Valley	Dist. UA	69.00	13.80	
27	Clint Lower Valley	Dist. UA	69.00	4.16	
28	Copper El Paso	Dist. UA	13.80	115.00	
29	Copper El Paso	Dist. UA	115.00	13.80	
30	Copper El Paso	Dist. UA	13.80	45.80	
31	Copper El Paso	Dist. UA	13.80	0.48	
32	Cox New Mexico	Trans. UA	115.00	69.00	
33	Coyote Lower Valley	Dist. UA	115.00	13.80	
34	Cromo El Paso	Dist. UA	115.00	13.80	
35	Dallas El Paso	Dist. UA	69.00	13.80	
36	Dallas El Paso	Dist. UA	69.00	13.80	
37	Dallas El Paso	Dist. UA	13.80	4.16	
38	Diablo Sunland Park, NM	Trans. UA	345.00	115.00	13.80
39	Durazno El Paso	Dist. UA	115.00	13.80	
40	Dyer El Paso	Dist. UA	69.00	13.80	

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4. Indicate in column (b) the functional character of each substation, designating whether transmission or distribution and whether attended or unattended. At the end of the page, summarize according to function the capacities reported for the individual stations in column (f).

Line No.	Name and Location of Substation (a)	Character of Substation (b)	VOLTAGE (In MVa)		
			Primary (c)	Secondary (d)	Tertiary (e)
1	Dyer El Paso	Dist. UA	115.00	69.00	
2	EMRLD New Mexico	Dist. UA	115.00	13.80	
3	Farah El Paso	Dist. UA	69.00	13.80	
4	Felipe El Paso	Dist. UA	69.00	214.90	
5	Fort Bliss El Paso	Dist. UA	115.00	13.80	
6	Global Reach El Paso	Dist. UA	115.00	13.80	
7	Hatch New Mexico	Dist. UA	115.00	24.90	
8	Hatch New Mexico	Dist. UA	23.90	4.16	
9	Lane Lower Valley	Dist. UA	115.00	69.00	
10	Lane Lower Valley	Dist. UA	115.00	13.80	
11	Las Cruces Las Cruces, NM	Dist. UA	115.00	24.00	
12	Las Cruces Las Cruces, NM	Dist. UA	23.90	4.16	
13	Las Cruces Las Cruces, NM	Dist. UA	115.00	23.90	
14	Leo El Paso	Dist. UA	69.00	13.80	
15	Leo El Paso	Dist. UA	13.80	4.16	
16	Mann Lower Valley	Dist. UA	69.00	13.80	
17	Mann Lower Valley	Dist. UA	69.00	13.80	
18	Mesa El Paso	Dist. UA	115.00	13.80	
19	Milagro El Paso	Dist. UA	115.00	69.00	
20	Milagro El Paso	Dist. UA	115.00	13.80	
21	Montoya Upper Valley, NM	Dist. UA	115.00	23.90	
22	Montwood El Paso	Dist. UA	115.00	23.90	
23	Newman T-1	Trans. UA	345.00	115.00	13.80
24	Newman T-2	Trans. UA	13.80	115.00	
25	Newman T-3	Dist. UA	115.00	2.40	
26	Newman T-4	Dist. UA	13.80	2.40	
27	Newman T-5	Dist. UA	13.80	2.40	
28	Newman T-6	Trans. UA	13.80	115.00	
29	Newman T-7	Dist. UA	13.80	2.40	
30	Newman T-8	Trans. UA	13.80	115.00	
31	Newman T-9	Trans. UA	13.80	115.00	
32	Newman T-10	Dist. UA	13.80	4.16	
33	Newman T-11	Trans. UA	13.80	115.00	
34	Newman T-12	Dist. UA	115.00	4.16	
35	Newman T-13	Trans. UA	13.80	115.00	
36	Newman T-14	Trans. UA	13.80	115.00	
37	Newman T-15	Trans. UA	13.80	115.00	
38	Newman T-16	Trans. UA	13.80	115.00	
39	Newman T-17	Dist. UA	13.80	4.16	
40	Newman T-18	Dist. UA	13.80	4.16	

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 4. Indicate in column (b) the functional character of each substation, designating whether transmission or distribution and whether attended or unattended. At the end of the page, summarize according to function the capacities reported for the individual stations in column (f).

Line No.	Name and Location of Substation (a)	Character of Substation (b)	VOLTAGE (In MVa)		
			Primary (c)	Secondary (d)	Tertiary (e)
1	Picante T-1	Trans. UA	345.00	115.00	
2	Santa Teresa T-2	Trans. UA	115.00	24.90	
3	Patriot	Dist. UA	115.00	13.80	
4	Phelps Dodge El Paso	Dist. UA	69.00	13.80	
5	Phelps Dodge El Paso	Dist. UA	13.80	2.30	
6	Phelps Dodge El Paso	Dist. UA	13.80	4.16	
7	Pellicano El Paso	Dist. UA	115.00	23.90	
8	Picacho New Mexico	Dist. UA	115.00	23.90	
9	Redeye New Mexico	Dist. UA	115.00	13.80	
10	Rio Grande Sunland Park, New Mexico	Dist. UA	17.20	115.00	
11	Rio Grande Sunland Park, New Mexico	Dist. UA	115.00	69.00	
12	Rio Grande Sunland Park, New Mexico	Dist. UA	69.00	2.40	
13	Rio Grande Sunland Park, New Mexico	Dist. UA	13.80	4.16	
14	Rio Grande Sunland Park, New Mexico	Trans. UA	18.00	4.16	
15	Rio Grande Sunland Park, New Mexico	Trans. UA	13.80	69.00	
16	Rio Grande Sunland Park, New Mexico	Trans. UA	14.40	4.16	
17	Rio Grande Sunland Park, New Mexico	Dist. UA	69.00	14.40	
18	Rio Grande Sunland Park, New Mexico	Trans. UA	13.80	2.40	
19	Rio Grande Sunland Park, New Mexico	Dist. UA	13.80	2.30	
20	Rio Grande Sunland Park, New Mexico	Dist. UA	14.40	2.40	
21	Ripley El Paso	Dist. UA	115.00	13.80	
22	Pendale El Paso	Dist. UA	115.00	13.80	
23	Salopek Las Cruces, NM	Dist. UA	115.00	24.90	
24	Santa Fe El Paso	Dist. UA	69.00	13.80	
25	Santa Fe El Paso	Dist. UA	13.80	4.16	
26	Santa Teresa Santa Teresa	Dist. UA	115.00	24.90	
27	Scotsdale El Paso	Dist. UA	115.00	69.00	
28	Scotsdale El Paso	Dist. UA	115.00	13.80	
29	Shearman El Paso	Dist. UA	115.00	13.80	
30	Socorro Lower Valley	Dist. UA	69.00	13.80	
31	Sol El Paso	Dist. UA	115.00	13.80	
32	Sparks El Paso	Dist. UA	115.00	13.80	
33	Sunset El Paso	Dist. UA	69.00	13.80	
34	Sunset El Paso	Dist. UA	69.00	4.16	
35	Sunset North El Paso	Dist. UA	115.00	13.80	
36	Thorn El Paso	Dist. UA	115.00	13.80	
37	Viscount El Paso	Dist. UA	69.00	13.80	
38	Vista El Paso	Dist. UA	115.00	13.80	
39	White Sands New Mexico	Dist. UA	115.00	13.80	
40	Wrangler El Paso	Dist. UA	115.00	13.80	

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Line No.	Name and Location of Substation (a)	Character of Substation (b)	VOLTAGE (In MVa)		
			Primary (c)	Secondary (d)	Tertiary (e)
1	Sparks El Paso	Dist. UA	115.00	69.00	
2	Rio Bosque	Dist. UA	115.00	13.80	
3	Leo Temp	Dist. UA	69.00	13.80	
4	5,000 to 10,000 kVA				
5					
6	Alamo Lower Valley	Dist. UA	69.00	24.00	
7	Clint Lower Valley	Dist. UA	69.00	13.80	
8	Clint Lower Valley	Dist. UA	69.00	4.16	
9	Darbyshire El Paso	Dist. UA	69.00	13.80	
10	Diana El Paso	Dist. UA	13.80	4.16	
11	Farmer Van Horn	Dist. UA	69.00	23.90	
12	Five Points El Paso	Dist. UA	13.80	4.16	
13	Horizon Horizon	Dist. UA	69.00	13.80	
14	Locust New Mexico	Dist. UA	23.90	4.16	
15	Mar New Mexico	Dist. UA	115.00	4.16	
16	Mar New Mexico	Dist. UA	24.90	4.16	
17	McGregor New Mexico	Dist. UA	69.00	13.80	
18	Proler Proler	Dist. UA	69.00	2.40	
19	S.P. Pipeline El Paso	Dist. UA	13.80	2.40	
20	Sierra Blanca Sierra Blanca	Dist. UA	69.00	24.00	
21	Sierra Blanca Sierra Blanca	Dist. UA	23.90	4.16	
22	Tobin El Paso	Dist. UA	13.80	4.16	
23	Valley Lower Valley	Dist. UA	69.00	13.80	
24	Durazno El Paso	Dist. UA	69.00	13.80	
25	1,000 to 5,000 kVA				
26					
27	Alameda Las Cruces, NM	Dist. UA	23.90	4.16	
28	Beaumont El Paso	Dist. UA	13.80	4.16	
29	Cadwallader El Paso	Dist. UA	13.80	4.16	
30	Canutillo Upper Valley	Dist. UA	23.90	4.16	
31	Cielo El Paso	Dist. UA	13.80	4.16	
32	Cinecue El Paso	Dist. UA	13.80	4.16	
33	Clardy El Paso	Dist. UA	13.80	4.16	
34	Coronado El Paso	Dist. UA	13.80	4.16	
35	Cotton El Paso	Dist. UA	13.80	4.16	
36	East El Paso	Dist. UA	13.80	4.16	
37	Fabens Lower Valley	Dist. UA	69.00	4.16	
38	Franklin El Paso	Dist. UA	13.80	4.16	
39	Fresno El Paso	Dist. UA	13.80	4.16	
40	Frontera Upper Valley	Dist. UA	13.80	4.16	

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Line No.	Name and Location of Substation (a)	Character of Substation (b)	VOLTAGE (In MVa)		
			Primary (c)	Secondary (d)	Tertiary (e)
1	Grace El Paso	Dist. UA	13.80	4.16	
2	Griggs Upper Valley	Dist. UA	23.90	4.16	
3	Hacienda El Paso	Dist. UA	13.80	4.16	
4	Hanes New Mexico	Dist. UA	23.90	4.16	
5	Hueco El Paso	Dist. UA	69.00	23.90	
6	Hueco El Paso	Dist. UA	23.90	0.48	
7	Kemp El Paso	Dist. UA	13.80	4.16	
8	Latta El Paso	Dist. UA	13.80	4.16	
9	Lomaland El Paso	Dist. UA	13.80	4.16	
10	McClure Las Cruces, NM	Dist. UA	23.90	4.16	
11	Melendres Las Cruces, NM	Dist. UA	23.90	4.16	
12	Mesilla Park Mesilla Park, NM	Dist. UA	23.90	4.16	
13	Mission El Paso	Dist. UA	13.80	4.16	
14	Missouri Las Cruces, NM	Dist. UA	23.90	4.16	
15	Morningside El Paso	Dist. UA	13.80	4.16	
16	Mountain El Paso	Dist. UA	13.80	4.16	
17	Mulberry Upper Valley	Dist. UA	13.80	4.16	
18	Newell Newell	Dist. UA	13.80	2.40	
19	Newtex Upper Valley	Dist. UA	23.90	4.16	
20	Octavia El Paso	Dist. UA	13.80	4.16	
21	Parkdale El Paso	Dist. UA	13.80	4.16	
22	Prison El Paso	Dist. UA	23.90	2.40	
23	Railroad El Paso	Dist. UA	13.80	2.40	
24	Ranchland El Paso	Dist. UA	13.80	4.16	
25	Range New Mexico	Dist. UA	24.90	13.20	
26	River Upper Valley	Dist. UA	13.80	4.16	
27	Rosedale El Paso	Dist. UA	13.80	4.16	
28	Sierra Blanca Sierra Blanca	Dist. UA	69.00	23.90	
29	Sierra Blanca Sierra Blanca	Dist. UA	23.90	4.16	
30	Summit El Paso	Dist. UA	13.80	4.16	
31	UTEP El Paso	Dist. UA	13.80	4.16	
32	Van Horn Van Horn	Dist. UA	23.90	4.16	
33	Vinton New Mexico	Dist. UA	23.90	4.16	
34	Water Trtmnt El Paso	Dist. UA	13.80	2.40	
35	Westside Las Cruces, NM	Dist. UA	23.90	4.16	
36	White Upper Valley	Dist. UA	13.80	4.16	
37	Ysleta El Paso	Dist. UA	13.80	4.16	
38					
39	300 to 999 kVA				
40					

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Line No.	Name and Location of Substation (a)	Character of Substation (b)	VOLTAGE (In MVa)		
			Primary (c)	Secondary (d)	Tertiary (e)
1	Chevron Pipeline New Mexico	Dist. UA	23.90	2.40	
2	Dona Ana New Mexico	Dist. UA	23.90	4.16	
3	Fort Hancock Hudspeth County	Dist. UA	24.90	4.16	
4	La Mesa New Mexico	Dist. UA	23.90	4.16	
5	La Posta New Mexico	Dist. UA	23.90	4.16	
6	Tornillo Lower Valley	Dist. UA	24.40	4.16	
7	Wilson El Paso	Dist. UA	13.80	2.40	
8					
9	300 kVA (Distribution Racks)				
10					
11	Acala Hudspeth County	Dist. UA	23.90	2.40	
12	Allamore Hudspeth County	Dist. UA	23.90	2.40	
13	Camp 90 Hudspeth County	Dist. UA	23.90	2.40	
14	Country Club Anthony, NM	Dist. UA	13.80	2.40	
15	Eagler Flats Hudspeth County (Dees)	Dist. UA	23.90	2.40	
16	Faskin Hudspeth County	Dist. UA	23.90	2.40	
17	Gill-Neely Hudspeth County (Maverick)	Dist. UA	23.90	2.40	
18	Love Hudspeth County	Dist. UA	23.90	2.40	
19	Riverside Hudspeth County	Dist. UA	23.90	2.40	
20					
21					
22	PORTABLE SUBSTATIONS				
23	(All sizes)				
24	Mobile Substation	Dist. UA	13.80	0.48	
25	Mobile Substation	Dist. UA	115.00	13.80	
26	Mobile Substation	Dist. UA	115.00	13.80	
27	Mobile Substation	Dist. UA	69.00	2.40	
28	Mobile Substation No. 2	Dist. UA	24.90	2.40	
29	Mobile Substation No. 3	Dist. UA	13.80	2.40	
30					
31	SPARE TRANSFORMERS	N/A			
32					
33					
34					
35					
36					
37					
38					
39					
40					

SUBSTATIONS (Continued)

5. Show in columns (l), (j), and (k) special equipment such as rotary converters, rectifiers, condensers, etc. and auxiliary equipment for increasing capacity.

6. Designate substations or major items of equipment leased from others, jointly owned with others, or operated otherwise than by reason of sole ownership by the respondent. For any substation or equipment operated under lease, give name of lessor, date and period of lease, and annual rent. For any substation or equipment operated other than by reason of sole ownership or lease, give name of co-owner or other party, explain basis of sharing expenses or other accounting between the parties, and state amounts and accounts affected in respondent's books of account. Specify in each case whether lessor, co-owner, or other party is an associated company.

Capacity of Substation (In Service) (In MVA) (f)	Number of Transformers In Service (g)	Number of Spare Transformers (h)	CONVERSION APPARATUS AND SPECIAL EQUIPMENT			Line No.
			Type of Equipment (i)	Number of Units (j)	Total Capacity (In MVA) (k)	
						1
						2
						3
13	2					4
30	1					5
261	1					6
8	1					7
60	2					8
30	1					9
308	1					10
400	2					11
30	1					12
30	1	1				13
100	1					14
100	1					15
60	2					16
10	1					17
80	2					18
10	3					19
						20
70	2					21
60	2					22
400	2					23
30	3					24
43	2					25
8	1					26
3	3					27
75	1					28
30	1					29
2	1					30
1	1					31
12	1					32
13	1					33
60	2					34
20	1					35
20	1					36
5	2					37
600	3					38
30	1					39
50	2					40

SUBSTATIONS (Continued)

5. Show in columns (l), (j), and (k) special equipment such as rotary converters, rectifiers, condensers, etc. and auxiliary equipment for increasing capacity.

6. Designate substations or major items of equipment leased from others, jointly owned with others, or operated otherwise than by reason of sole ownership by the respondent. For any substation or equipment operated under lease, give name of lessor, date and period of lease, and annual rent. For any substation or equipment operated other than by reason of sole ownership or lease, give name of co-owner or other party, explain basis of sharing expenses or other accounting between the parties, and state amounts and accounts affected in respondent's books of account. Specify in each case whether lessor, co-owner, or other party is an associated company.

Capacity of Substation (In Service) (In MVA) (f)	Number of Transformers In Service (g)	Number of Spare Transformers (h)	CONVERSION APPARATUS AND SPECIAL EQUIPMENT			Line No.
			Type of Equipment (i)	Number of Units (j)	Total Capacity (In MVA) (k)	
100	1					1
13	1					2
30	1					3
15	1					4
50	2					5
30	1					6
30	1					7
2	1					8
100	1					9
30	1					10
40	2					11
6	1					12
120	2					13
20	1					14
5	2					15
30	1					16
24	1					17
60	2					18
100	1					19
90	3					20
130	3					21
30	1	1				22
230	1					23
112	1					24
6	1					25
5	1					26
10	1					27
112	1					28
10	1					29
112	1					30
112	1					31
10	1					32
112	1					33
20	1					34
125	1					35
175	1					36
117	1					37
117	1					38
17	1					39
17	1					40

SUBSTATIONS (Continued)

5. Show in columns (l), (j), and (k) special equipment such as rotary converters, rectifiers, condensers, etc. and auxiliary equipment for increasing capacity.

6. Designate substations or major items of equipment leased from others, jointly owned with others, or operated otherwise than by reason of sole ownership by the respondent. For any substation or equipment operated under lease, give name of lessor, date and period of lease, and annual rent. For any substation or equipment operated other than by reason of sole ownership or lease, give name of co-owner or other party, explain basis of sharing expenses or other accounting between the parties, and state amounts and accounts affected in respondent's books of account. Specify in each case whether lessor, co-owner, or other party is an associated company.

Capacity of Substation (In Service) (In MVA) (f)	Number of Transformers In Service (g)	Number of Spare Transformers (h)	CONVERSION APPARATUS AND SPECIAL EQUIPMENT			Line No.
			Type of Equipment (i)	Number of Units (j)	Total Capacity (In MVA) (k)	
220	1					1
30	1					2
12	1					3
10	3					4
10	2					5
5	1					6
30	1					7
50	1					8
13	1					9
348	1	1				10
200	2					11
11	1					12
10	1					13
14	1					14
50	1					15
4	1					16
20	1					17
3	1					18
						19
8	2					20
30	1					21
30	1					22
78	3					23
25	1					24
11	3					25
60	2					26
100	1					27
55	2					28
30	1					29
30	1					30
60	2					31
30	1					32
30	2					33
10	3					34
60	2					35
60	2					36
30	1					37
60	2					38
30	1					39
50	1					40

SUBSTATIONS (Continued)

5. Show in columns (l), (j), and (k) special equipment such as rotary converters, rectifiers, condensers, etc. and auxiliary equipment for increasing capacity.

6. Designate substations or major items of equipment leased from others, jointly owned with others, or operated otherwise than by reason of sole ownership by the respondent. For any substation or equipment operated under lease, give name of lessor, date and period of lease, and annual rent. For any substation or equipment operated other than by reason of sole ownership or lease, give name of co-owner or other party, explain basis of sharing expenses or other accounting between the parties, and state amounts and accounts affected in respondent's books of account. Specify in each case whether lessor, co-owner, or other party is an associated company.

Capacity of Substation (In Service) (In MVA) (f)	Number of Transformers In Service (g)	Number of Spare Transformers (h)	CONVERSION APPARATUS AND SPECIAL EQUIPMENT			Line No.
			Type of Equipment (i)	Number of Units (j)	Total Capacity (In MVA) (k)	
100	1					1
30	1					2
16	1					3
						4
						5
13	1					6
8	1					7
1	1					8
6	3					9
6	7					10
10	1					11
6	3					12
30	1					13
6	1					14
10	1					15
3	1					16
8	1					17
6	1					18
6	1					19
8	3					20
1	1					21
6	2					22
8	1					23
8	1					24
						25
						26
3	1					27
3	1					28
3	1					29
2	1					30
3	2					31
3	1					32
3	2					33
3	1					34
3	2					35
3	2					36
3	3					37
2	3					38
2	1					39
2	1					40

SUBSTATIONS (Continued)

5. Show in columns (l), (j), and (k) special equipment such as rotary converters, rectifiers, condensers, etc. and auxiliary equipment for increasing capacity.

6. Designate substations or major items of equipment leased from others, jointly owned with others, or operated otherwise than by reason of sole ownership by the respondent. For any substation or equipment operated under lease, give name of lessor, date and period of lease, and annual rent. For any substation or equipment operated other than by reason of sole ownership or lease, give name of co-owner or other party, explain basis of sharing expenses or other accounting between the parties, and state amounts and accounts affected in respondent's books of account. Specify in each case whether lessor, co-owner, or other party is an associated company.

Capacity of Substation (In Service) (In MVA) (f)	Number of Transformers In Service (g)	Number of Spare Transformers (h)	CONVERSION APPARATUS AND SPECIAL EQUIPMENT			Line No.
			Type of Equipment (i)	Number of Units (j)	Total Capacity (In MVA) (k)	
2	1					1
1	1					2
5	1					3
5	1					4
3	3					5
	1					6
2	1					7
2	1					8
4	2					9
2	1					10
3	3					11
2	1					12
5	1					13
3	1					14
3	2					15
2	1					16
3	2					17
3	1					18
3	2					19
2	1					20
3	2					21
3	1					22
2	3					23
4	2					24
8	3					25
1	1					26
2	1					27
18	1					28
1	1					29
4	2					30
4	1					31
3	4					32
3	1					33
4	1					34
3	1					35
2	1					36
3	4					37
						38
						39
						40

SUBSTATIONS (Continued)

5. Show in columns (l), (j), and (k) special equipment such as rotary converters, rectifiers, condensers, etc. and auxiliary equipment for increasing capacity.

6. Designate substations or major items of equipment leased from others, jointly owned with others, or operated otherwise than by reason of sole ownership by the respondent. For any substation or equipment operated under lease, give name of lessor, date and period of lease, and annual rent. For any substation or equipment operated other than by reason of sole ownership or lease, give name of co-owner or other party, explain basis of sharing expenses or other accounting between the parties, and state amounts and accounts affected in respondent's books of account. Specify in each case whether lessor, co-owner, or other party is an associated company.

Capacity of Substation (In Service) (In MVA) (f)	Number of Transformers In Service (g)	Number of Spare Transformers (h)	CONVERSION APPARATUS AND SPECIAL EQUIPMENT			Line No.
			Type of Equipment (i)	Number of Units (j)	Total Capacity (In MVA) (k)	
1	1					1
1	1					2
1	1					3
1	1					4
1	3					5
1	1					6
1	1					7
						8
						9
						10
	1					11
	1					12
	1					13
	2					14
	1					15
	1					16
	1					17
	1					18
	1					19
						20
						21
						22
						23
						24
						25
						26
						27
						28
						29
						30
		19				31
						32
						33
						34
						35
						36
						37
						38
						39
						40

Name of Respondent El Paso Electric Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2012/Q4
FOOTNOTE DATA			

Schedule Page: 426 Line No.: 3 Column: a
Afton substation is a switching transmission substation. The Company does not own the transformers on site.

Schedule Page: 426 Line No.: 20 Column: a
Biggs substation is a switching distribution substation. The Company does not own the transformers on site.

Name of Respondent

El Paso Electric Company

This Report Is:

(1) An Original

(2) A Resubmission

Date of Report

(Mo, Da, Yr)

/ /

Year/Period of Report

End of 2012/Q4

TRANSACTIONS WITH ASSOCIATED (AFFILIATED) COMPANIES

1. Report below the information called for concerning all non-power goods or services received from or provided to associated (affiliated) companies.
2. The reporting threshold for reporting purposes is \$250,000. The threshold applies to the annual amount billed to the respondent or billed to an associated/affiliated company for non-power goods and services. The good or service must be specific in nature. Respondents should not attempt to include or aggregate amounts in a nonspecific category such as "general".
3. Where amounts billed to or received from the associated (affiliated) company are based on an allocation process, explain in a footnote.

Line No.	Description of the Non-Power Good or Service (a)	Name of Associated/Affiliated Company (b)	Account Charged or Credited (c)	Amount Charged or Credited (d)
1	Non-power Goods or Services Provided by Affiliated			
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				
15				
16				
17				
18				
19				
20	Non-power Goods or Services Provided for Affiliate			
21				
22				
23				
24				
25				
26				
27				
28				
29				
30				
31				
32				
33				
34				
35				
36				
37				
38				
39				
40				
41				
42				

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