

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 2014/Q1

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>2014/Q1</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 Senior Vice President & CFO
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> / /

QUARTERLY CORPORATE OFFICER CERTIFICATION

The undersigned officer certifies that:

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

(This area is intentionally left blank for the officer's signature and date.)

01 Name /s/ Nathan T. Hirschi	03 Signature /s/ Nathan T. Hirschi	04 Date Signed <i>(Mo, Da, Yr)</i> 05/29/2014
02 Title Senior Vice President & CFO		

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

Name of Respondent El Paso Electric Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report / /	Year/Period of Report End of <u>2014/Q1</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 2014/Q1
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:

Revolving Credit Facility. On January 14, 2014, the Company and Rio Grande Resources Trust ("RGRT") entered into a second amended and restated credit agreement related to the revolving credit facility ("RCF") with JP Morgan Chase Bank, N.A., as administrative agent and issuing bank, and Union Bank, N.A., as syndication agent, and various lending banks party thereto. Under the terms of the agreement, the Company has available \$300 million and the ability to increase the RCF by up to \$100 million (up to a total of \$400 million) upon the satisfaction of certain conditions, more fully set forth in the agreement, including obtaining commitments from lenders or third party financial institutions. The RCF has a term ending January 2019. The Company may extend the maturity date up to two times, in each case for an additional one year period upon the satisfaction of certain conditions. Authorization for this transaction was received in FERC Docket No. ES 13-59-000 and New Mexico Public Regulation Commission ("NMPRC") Case No. 13-00317-UT.

7. Changes in Articles of Incorporation:

None

8. Important Wage Scale Changes:

Base salaries for non-union employees were increased by an average of approximately 3.5% effective in January 2014 compared to 2013 through the merit award process. The annual effect of this increase was approximately \$1.7 million.

9. Materially Important Legal Proceedings (see also Notes B, E and F 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, the Company 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.

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 2014/Q1
El Paso Electric Company			
IMPORTANT CHANGES DURING THE QUARTER/YEAR (Continued)			

10. Materially Important Transactions:

None

11. Reserved

12. Important changes during the year:

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

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

On April 7, 2014, the Company appointed Michael D. Blanchard as Vice President of Regulatory Affairs. Prior to joining the Company, Mr. Blanchard served as Assistant General Counsel at Nebraska Public Power District and brings more than 30 years of legal, regulatory and rate-making experience to the Company.

On April 21, 2014, the Company appointed John R. Boomer as Vice President-Treasurer to succeed Steve Busser after 12 years of service to the Company. Mr. Boomer rejoins the Company from Helen of Troy. He previously served the Company as Assistant General Counsel in 1998 and 1999.

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	3,952,414,937	3,937,846,897
3	Construction Work in Progress (107)	200-201	304,618,676	282,646,861
4	TOTAL Utility Plant (Enter Total of lines 2 and 3)		4,257,033,613	4,220,493,758
5	(Less) Accum. Prov. for Depr. Amort. Depl. (108, 110, 111, 115)	200-201	2,079,195,009	2,069,281,349
6	Net Utility Plant (Enter Total of line 4 less 5)		2,177,838,604	2,151,212,409
7	Nuclear Fuel in Process of Ref., Conv., Enrich., and Fab. (120.1)	202-203	0	0
8	Nuclear Fuel Materials and Assemblies-Stock Account (120.2)		0	0
9	Nuclear Fuel Assemblies in Reactor (120.3)		0	0
10	Spent Nuclear Fuel (120.4)		0	0
11	Nuclear Fuel Under Capital Leases (120.6)		201,688,605	189,389,905
12	(Less) Accum. Prov. for Amort. of Nucl. Fuel Assemblies (120.5)	202-203	85,264,192	74,610,066
13	Net Nuclear Fuel (Enter Total of lines 7-11 less 12)		116,424,413	114,779,839
14	Net Utility Plant (Enter Total of lines 6 and 13)		2,294,263,017	2,265,992,248
15	Utility Plant Adjustments (116)		687,280	762,842
16	Gas Stored Underground - Noncurrent (117)		0	0
17	OTHER PROPERTY AND INVESTMENTS			
18	Nonutility Property (121)		234,121	405,743
19	(Less) Accum. Prov. for Depr. and Amort. (122)		0	0
20	Investments in Associated Companies (123)		0	0
21	Investment in Subsidiary Companies (123.1)	224-225	0	0
22	(For Cost of Account 123.1, See Footnote Page 224, line 42)			
23	Noncurrent Portion of Allowances	228-229	0	0
24	Other Investments (124)		1,503,128	1,554,750
25	Sinking Funds (125)		0	0
26	Depreciation Fund (126)		0	0
27	Amortization Fund - Federal (127)		0	0
28	Other Special Funds (128)		224,830,186	221,440,666
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)		226,567,435	223,401,159
33	CURRENT AND ACCRUED ASSETS			
34	Cash and Working Funds (Non-major Only) (130)		0	0
35	Cash (131)		12,727,819	24,805,566
36	Special Deposits (132-134)		0	0
37	Working Fund (135)		284,025	413,172
38	Temporary Cash Investments (136)		379,613	373,325
39	Notes Receivable (141)		0	0
40	Customer Accounts Receivable (142)		41,476,925	47,116,799
41	Other Accounts Receivable (143)		1,381,898	715,577
42	(Less) Accum. Prov. for Uncollectible Acct.-Credit (144)		1,827,816	2,261,241
43	Notes Receivable from Associated Companies (145)		0	0
44	Accounts Receivable from Assoc. Companies (146)		0	0
45	Fuel Stock (151)	227	1,342,000	1,297,394
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	43,968,421	44,688,673
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	-12,535	-34,975

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	2,100	-8,972
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)		11,257,365	8,398,836
58	Advances for Gas (166-167)		0	0
59	Interest and Dividends Receivable (171)		5,994	5,320
60	Rents Receivable (172)		0	0
61	Accrued Utility Revenues (173)		17,713,000	19,774,000
62	Miscellaneous Current and Accrued Assets (174)		818,763	796,962
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)		129,517,572	146,080,436
68	DEFERRED DEBITS			
69	Unamortized Debt Expenses (181)		12,399,249	11,914,584
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	130,164,881	137,672,469
73	Prelim. Survey and Investigation Charges (Electric) (183)		5,601,739	4,904,452
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)		-1,055	-182,614
77	Temporary Facilities (185)		0	0
78	Miscellaneous Deferred Debits (186)	233	7,187,602	6,834,145
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)		19,009,453	19,230,934
82	Accumulated Deferred Income Taxes (190)	234	193,685,093	204,266,691
83	Unrecovered Purchased Gas Costs (191)		0	0
84	Total Deferred Debits (lines 69 through 83)		368,046,962	384,640,661
85	TOTAL ASSETS (lines 14-16, 32, 67, and 84)		3,019,082,266	3,020,877,346

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	65,716,248	65,695,588
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)		302,671,290	302,273,508
7	Other Paid-In Capital (208-211)	253	2,557,958	2,205,552
8	Installments Received on Capital Stock (212)	252	0	0
9	(Less) Discount on Capital Stock (213)	254	0	0
10	(Less) Capital Stock Expense (214)	254b	340,939	340,939
11	Retained Earnings (215, 215.1, 216)	118-119	1,001,482,090	1,006,809,842
12	Unappropriated Undistributed Subsidiary Earnings (216.1)	118-119	0	0
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)	13,059,113	2,611,733
16	Total Proprietary Capital (lines 2 through 15)		960,498,803	954,608,327
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	700,000,000
22	Unamortized Premium on Long-Term Debt (225)		0	0
23	(Less) Unamortized Discount on Long-Term Debt-Debit (226)		3,492,462	3,514,806
24	Total Long-Term Debt (lines 18 through 23)		889,642,538	889,620,194
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)		114,166,362	134,666,386
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)		66,664,629	65,213,986
35	Total Other Noncurrent Liabilities (lines 26 through 34)		291,412,743	310,462,124
36	CURRENT AND ACCRUED LIABILITIES			
37	Notes Payable (231)		26,000,000	0
38	Accounts Payable (232)		46,596,762	61,794,541
39	Notes Payable to Associated Companies (233)		0	0
40	Accounts Payable to Associated Companies (234)		0	0
41	Customer Deposits (235)		5,977,149	5,858,436
42	Taxes Accrued (236)	262-263	17,181,764	20,281,174
43	Interest Accrued (237)		12,382,294	10,280,428
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)		-639,763	-586,267
48	Miscellaneous Current and Accrued Liabilities (242)		18,428,578	17,659,332
49	Obligations Under Capital Leases-Current (243)		20,596,974	16,261,519
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)		146,523,758	131,549,163
55	DEFERRED CREDITS			
56	Customer Advances for Construction (252)		13,674,172	13,345,219
57	Accumulated Deferred Investment Tax Credits (255)	266-267	23,351,214	23,640,795
58	Deferred Gains from Disposition of Utility Plant (256)		0	0
59	Other Deferred Credits (253)	269	15,099,651	15,164,102
60	Other Regulatory Liabilities (254)	278	53,800,017	55,544,263
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)		549,773,464	548,208,981
64	Accum. Deferred Income Taxes-Other (283)		75,305,906	78,734,178
65	Total Deferred Credits (lines 56 through 64)		731,004,424	734,637,538
66	TOTAL LIABILITIES AND STOCKHOLDER EQUITY (lines 16, 24, 35, 54 and 65)		3,019,082,266	3,020,877,346

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	185,515,734	177,290,440	185,515,734	177,290,440
3	Operating Expenses					
4	Operation Expenses (401)	320-323	124,239,079	111,805,837	124,239,079	111,805,837
5	Maintenance Expenses (402)	320-323	14,281,475	12,551,610	14,281,475	12,551,610
6	Depreciation Expense (403)	336-337	18,341,958	16,945,590	18,341,958	16,945,590
7	Depreciation Expense for Asset Retirement Costs (403.1)	336-337	-334,636	-313,174	-334,636	-313,174
8	Amort. & Depl. of Utility Plant (404-405)	336-337	1,914,840	2,005,172	1,914,840	2,005,172
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)		38,046	38,046	38,046	38,046
13	(Less) Regulatory Credits (407.4)					
14	Taxes Other Than Income Taxes (408.1)	262-263	15,361,817	12,781,613	15,361,817	12,781,613
15	Income Taxes - Federal (409.1)	262-263	-662,452	-637,965	-662,452	-637,965
16	- Other (409.1)	262-263	215,877	180,437	215,877	180,437
17	Provision for Deferred Income Taxes (410.1)	234, 272-277	7,439,188	22,601,243	7,439,188	22,601,243
18	(Less) Provision for Deferred Income Taxes-Cr. (411.1)	234, 272-277	7,210,778	19,336,599	7,210,778	19,336,599
19	Investment Tax Credit Adj. - Net (411.4)	266	-298,080	-298,080	-298,080	-298,080
20	(Less) Gains from Disp. of Utility Plant (411.6)					
21	Losses from Disp. of Utility Plant (411.7)					
22	(Less) Gains from Disposition of Allowances (411.8)					
23	Losses from Disposition of Allowances (411.9)					
24	Accretion Expense (411.10)		1,450,644	1,464,112	1,450,644	1,464,112
25	TOTAL Utility Operating Expenses (Enter Total of lines 4 thru 24)		174,776,978	159,787,842	174,776,978	159,787,842
26	Net Util Oper Inc (Enter Tot line 2 less 25) Carry to Pg117, line 27		10,738,756	17,502,598	10,738,756	17,502,598

STATEMENT OF INCOME FOR THE YEAR (Continued)

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

ELECTRIC UTILITY		GAS UTILITY		OTHER UTILITY		Line No.
Current Year to Date (in dollars) (g)	Previous Year to Date (in dollars) (h)	Current Year to Date (in dollars) (i)	Previous Year to Date (in dollars) (j)	Current Year to Date (in dollars) (k)	Previous Year to Date (in dollars) (l)	
						1
185,515,734	177,290,440					2
						3
124,239,079	111,805,837					4
14,281,475	12,551,610					5
18,341,958	16,945,590					6
-334,636	-313,174					7
1,914,840	2,005,172					8
						9
						10
						11
38,046	38,046					12
						13
15,361,817	12,781,613					14
-662,452	-637,965					15
215,877	180,437					16
7,439,188	22,601,243					17
7,210,778	19,336,599					18
-298,080	-298,080					19
						20
						21
						22
						23
1,450,644	1,464,112					24
174,776,978	159,787,842					25
10,738,756	17,502,598					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)		10,738,756	17,502,598	10,738,756	17,502,598
28	Other Income and Deductions					
29	Other Income					
30	Nonutility Operating Income					
31	Revenues From Merchandising, Jobbing and Contract Work (415)		17,828	1,259	17,828	1,259
32	(Less) Costs and Exp. of Merchandising, Job. & Contract Work (416)		-164	550	-164	550
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		-8,184		-8,184
37	Interest and Dividend Income (419)		1,428,305	1,409,491	1,428,305	1,409,491
38	Allowance for Other Funds Used During Construction (419.1)		2,905,947	2,662,478	2,905,947	2,662,478
39	Miscellaneous Nonoperating Income (421)		4,332,383	1,393,779	4,332,383	1,393,779
40	Gain on Disposition of Property (421.1)		1,498,705		1,498,705	
41	TOTAL Other Income (Enter Total of lines 31 thru 40)		10,183,332	5,458,273	10,183,332	5,458,273
42	Other Income Deductions					
43	Loss on Disposition of Property (421.2)					
44	Miscellaneous Amortization (425)		75,562	75,562	75,562	75,562
45	Donations (426.1)		228,905	313,857	228,905	313,857
46	Life Insurance (426.2)					
47	Penalties (426.3)		3,459	209	3,459	209
48	Exp. for Certain Civic, Political & Related Activities (426.4)		179,266	137,647	179,266	137,647
49	Other Deductions (426.5)		204,735	252,968	204,735	252,968
50	TOTAL Other Income Deductions (Total of lines 43 thru 49)		691,927	780,243	691,927	780,243
51	Taxes Applic. to Other Income and Deductions					
52	Taxes Other Than Income Taxes (408.2)	262-263	2,365	3,481	2,365	3,481
53	Income Taxes-Federal (409.2)	262-263	1,098,020	594,277	1,098,020	594,277
54	Income Taxes-Other (409.2)	262-263				
55	Provision for Deferred Inc. Taxes (410.2)	234, 272-277	644,977	48,277	644,977	48,477
56	(Less) Provision for Deferred Income Taxes-Cr. (411.2)	234, 272-277	112	74,152	112	74,152
57	Investment Tax Credit Adj.-Net (411.5)					
58	(Less) Investment Tax Credits (420)		-8,499	-8,498	-8,499	-8,498
59	TOTAL Taxes on Other Income and Deductions (Total of lines 52-58)		1,753,749	580,381	1,753,749	580,581
60	Net Other Income and Deductions (Total of lines 41, 50, 59)		7,737,656	4,097,649	7,737,656	4,097,449
61	Interest Charges					
62	Interest on Long-Term Debt (427)		14,111,065	14,125,168	14,111,065	14,125,168
63	Amort. of Debt Disc. and Expense (428)		246,386	249,338	246,386	249,338
64	Amortization of Loss on Reaquired Debt (428.1)		221,481	221,481	221,481	221,481
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)		232,873	228,878	232,873	228,878
69	(Less) Allowance for Borrowed Funds Used During Construction-Cr. (432)		1,683,703	1,623,133	1,683,703	1,623,133
70	Net Interest Charges (Total of lines 62 thru 69)		13,128,102	13,201,732	13,128,102	13,201,732
71	Income Before Extraordinary Items (Total of lines 27, 60 and 70)		5,348,310	8,398,515	5,348,310	8,398,315
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)		5,348,310	8,398,515	5,348,310	8,398,315

STATEMENT OF RETAINED EARNINGS

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

Line No.	Item (a)	Contra Primary Account Affected (b)	Current Quarter/Year Year to Date Balance (c)	Previous Quarter/Year Year to Date Balance (d)
	UNAPPROPRIATED RETAINED EARNINGS (Account 216)			
1	Balance-Beginning of Period		1,006,809,842	959,965,047
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)		5,348,310	92,788,215
17	Appropriations of Retained Earnings (Acct. 436)			
18				
19				
20				
21				
22	TOTAL Appropriations of Retained Earnings (Acct. 436)			
23	Dividends Declared-Preferred Stock (Account 437)			
24				
25				
26				
27				
28				
29	TOTAL Dividends Declared-Preferred Stock (Acct. 437)			
30	Dividends Declared-Common Stock (Account 438)			
31	Class Common Stock \$1 par value		-10,676,062	(42,049,111)
32				
33				
34				
35				
36	TOTAL Dividends Declared-Common Stock (Acct. 438)		-10,676,062	(42,049,111)
37	Transfers from Acct 216.1, Unapprop. Undistrib. Subsidiary Earnings			(3,894,309)
38	Balance - End of Period (Total 1,9,15,16,22,29,36,37)		1,001,482,090	1,006,809,842
	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)		1,001,482,090	1,006,809,842
	UNAPPROPRIATED UNDISTRIBUTED SUBSIDIARY EARNINGS (Account			
	Report only on an Annual Basis, no Quarterly			
49	Balance-Beginning of Year (Debit or Credit)			
50	Equity in Earnings for Year (Credit) (Account 418.1)			
51	(Less) Dividends Received (Debit)			
52	Transfers to Acct 216, Unapprop. Undistrib. Subsidiary Earnings			
53	Balance-End of Year (Total lines 49 thru 52)			

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)	5,348,310	8,398,315
3	Noncash Charges (Credits) to Income:		
4	Depreciation and Depletion	18,341,958	16,945,590
5	Amortization of Other	4,735,992	5,107,633
6	Amortization of Nuclear Fuel	11,526,119	11,569,574
7			
8	Deferred Income Taxes (Net)	873,278	3,238,969
9	Investment Tax Credit Adjustment (Net)	-289,581	-289,582
10	Net (Increase) Decrease in Receivables	6,600,454	-3,644,553
11	Net (Increase) Decrease in Inventory	547,344	-1,205,939
12	Net (Increase) Decrease in Allowances Inventory	-22,440	-14,432
13	Net Increase (Decrease) in Payables and Accrued Expenses	-7,664,091	-17,444,266
14	Net (Increase) Decrease in Other Regulatory Assets	3,968,027	1,257,820
15	Net Increase (Decrease) in Other Regulatory Liabilities	-1,047,825	3,844,332
16	(Less) Allowance for Other Funds Used During Construction	2,905,947	2,662,478
17	(Less) Undistributed Earnings from Subsidiary Companies		-8,184
18	Other (provide details in footnote):	-3,248,027	918,925
19			
20	Deferred Charges and Credits	-2,410,108	-14,711,852
21	Net (Increase) Decrease in Prepayments and Other	-2,967,857	-3,518,948
22	Net Cash Provided by (Used in) Operating Activities (Total 2 thru 21)	31,385,606	7,797,292
23			
24	Cash Flows from Investment Activities:		
25	Construction and Acquisition of Plant (including land):		
26	Gross Additions to Utility Plant (less nuclear fuel)	-52,844,939	-59,691,186
27	Gross Additions to Nuclear Fuel	-13,141,614	-11,242,670
28	Gross Additions to Common Utility Plant		
29	Gross Additions to Nonutility Plant		
30	(Less) Allowance for Other Funds Used During Construction	-2,905,947	-2,662,478
31	Other (provide details in footnote):		
32			
33			
34	Cash Outflows for Plant (Total of lines 26 thru 33)	-63,080,606	-68,271,378
35			
36	Acquisition of Other Noncurrent Assets (d)		
37	Proceeds from Disposal of Noncurrent Assets (d)	1,679,120	
38			
39	Investments in and Advances to Assoc. and Subsidiary Companies		-11,919
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)	-31,241,756	-13,377,826
54	Investment in Decommissioning Trust Fund (Sales and Maturities)	28,826,554	10,907,230
55	Other (provide details in footnote):	374,713	3,285,230
56	Net Cash Provided by (Used in) Investing Activities		
57	Total of lines 34 thru 55)	-63,441,975	-67,468,663
58			
59	Cash Flows from Financing Activities:		
60	Proceeds from Issuance of:		
61	Long-Term Debt (b)		
62	Preferred Stock		
63	Common Stock		
64	Other: Financing and Other Capital Lease Obligations - Proceeds	51,562,516	12,586,153
65	Exercise of Stock Options		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)	51,562,516	12,777,853
71			
72	Payments for Retirement of:		
73	Long-term Debt (b)		
74	Preferred Stock		
75	Common Stock		
76	Other Financing Activities	-740,787	-737,051
77	Financing and Capital Lease Obligations	-19,963,686	-9,701,604
78	Net Decrease in Short-Term Debt (c)		
79	Tax (Obligations) Benefits from Long-Term Incentive Plans	-326,218	
80	Dividends on Preferred Stock		
81	Dividends on Common Stock	-10,676,062	-10,049,607
82	Net Cash Provided by (Used in) Financing Activities		
83	(Total of lines 70 thru 81)	19,855,763	-7,710,409
84			
85	Net Increase (Decrease) in Cash and Cash Equivalents		
86	(Total of lines 22,57 and 83)	-12,200,606	-67,381,780
87			
88	Cash and Cash Equivalents at Beginning of Period	25,592,063	111,057,078
89			
90	Cash and Cash Equivalents at End of period	13,391,457	43,675,298

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 2014/Q1
FOOTNOTE DATA			

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

	<u>2014</u>	<u>2013</u>
Other:		
Net Gain on Sale of Property	\$ (1,498,705)	\$ 0
Net Losses/(Gains) on Equity Investments	(2,864,599)	157,923
Amortization of Unearned Compensation	1,099,240	778,874
Other Operating Activities	<u>16,037</u>	<u>(17,872)</u>
Total	\$ (3,248,027)	\$ 918,925

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

	<u>2014</u>	<u>2013</u>
Other:		
Customer Advances for Construction	\$ 328,953	\$ 3,122,449
Property Salvage Value	<u>45,760</u>	<u>162,781</u>
Total	\$ 374,713	\$ 3,285,230

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>2014/Q1</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 2014/Q1
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 March 31, 2014 Form 10-Q filed by El Paso Electric Company with the Securities and Exchange Commission. Notes A through H of the regulatory-basis financial statements are from the March 31, 2014 Form 10-Q 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 H 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.

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 2014/Q1
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 three months ended March 31, 2014 and 2013 consist of the following (in thousands):

	<u>2014</u>	<u>2013</u>
Cash and Cash Equivalents:		
Cash (131)	\$ 12,728	\$ 43,240
Working funds (135)	284	82
Temporary cash investments (136)	<u>380</u>	<u>353</u>
Cash and cash equivalents at end of period	<u>\$ 13,392</u>	<u>\$ 43,675</u>
Amortization of Other:		
ARO depreciation (403.1)	\$ (335)	\$ (313)
Other utility plant (404)	1,915	2,005
Regulatory assets (407.3)	38	38
ARO liability accretion (411.10)	1,451	1,464
Miscellaneous amortization (425)	76	76
Debt expense (428)	246	249
Loss on reacquired debt (428.1)	221	221
Interest rate lock losses	107	101
RCF issuance costs	42	51
Dry cask storage amortization	244	473
Coal reclamation amortization	295	296
Texas rate case expense amortization	<u>436</u>	<u>447</u>
	<u>\$ 4,736</u>	<u>\$ 5,108</u>

A. Principles of Preparation

General. These condensed regulatory-basis financial statements should be read in conjunction with the regulatory-basis financial statements and notes thereto in the Annual Report of El Paso Electric Company on Form FERC Form No. 1 for the year ended December 31, 2013 (the "2013 FERC Form No. 1"). Capitalized terms used in this report and not defined herein have the meaning ascribed to such terms in the 2013 FERC Form No. 1. In the opinion of the Company's management, the accompanying regulatory-basis financial statements contain all adjustments necessary to present fairly the financial position of the Company at March 31, 2014 and December 31, 2013; the results of its operations for the three months ended March 31, 2014 and 2013; its comprehensive operations for the three months ended March 31, 2014 and the year ended December 31, 2013; and its cash flows for the three months ended March 31, 2014 and 2013. The results of operations and comprehensive operations and cash flows for the three months ended March 31, 2014 are not necessarily indicative of the results to be expected for the full calendar year.

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

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.

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 2014/Q1
NOTES TO FINANCIAL STATEMENTS (Continued)			

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.

Supplemental Cash Flow Disclosures (in thousands)

	Three Months Ended March 31,	
	2014	2013
Cash paid (received) for:		
Interest on long-term debt and borrowing under the revolving credit facility	\$ 10,174	\$ 9,893
Income tax refund, net	(767)	(3,088)
Non-cash financing activities:		
Grants of restricted shares of common stock	1,197	929
Issuance of performance shares	—	849

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.

Texas Regulatory Matters

2012 Texas Retail Rate Settlement. On April 17, 2012, the El Paso City 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 and the rates were effective as of May 1, 2012. As part of the settlement, the Company agreed to submit a future 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. The Company filed a fuel reconciliation request covering the period July 1, 2009 through March 31, 2013, as later discussed. The settlement also provided for the continuation of the energy efficiency cost recovery factor and the military base discount recovery factor. Both of these surcharges require annual filings to reconcile and revise the recovery factors.

Fuel and Purchased Power Costs. The Company's actual fuel costs, including purchased power energy costs, are recovered from customers through a fixed fuel factor. The PUCT has adopted a fuel cost recovery rule (the "Texas Fuel Rule") that allows the Company to seek periodic adjustments to its fixed fuel factor. The Company can seek to revise its fixed fuel factor based upon the approved formula at least four months after its last revision except in the month of December. On September 9, 2013, the Company filed a request, which was assigned Docket No. 41803, to increase its fixed fuel factor by \$16.9 million or 12.2% annually, pursuant to its approved formula. The revised fixed fuel factor reflected increases in prices for natural gas. The increase in the fixed fuel factor was approved on September 23, 2013 and was effective with October 2013 billings. On April 15, 2014, the Company filed a request, which was assigned Docket No. 42384, to increase its fixed fuel factor by \$10.7 million or 6.9% annually, pursuant to its approved formula. The revised fixed fuel factor reflects further increases in prices for natural gas. The increase in the fixed fuel factor received final approval on May 28, 2014 and was effective with May 2014 billings.

Fuel Reconciliation Proceeding. On September 27, 2013, the Company filed an application with the PUCT, designated as Docket No. 41852, to reconcile \$545.3 million of fuel and purchased power expenses incurred during the 45-month period from July 1, 2009 through March 31, 2013. The fuel reconciliation requests to recover \$3.4 million of rewards for Palo Verde operations. Hearings in the fuel reconciliation have been suspended as the parties in the case seek to negotiate a settlement. The Company is unable to predict the outcome of these settlement negotiations. A final order must be issued by September 26, 2014.

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El Paso Electric Company			
NOTES TO FINANCIAL STATEMENTS (Continued)			

Montana Power Station Approvals. The Company has received a Certificate of Convenience and Necessity ("CCN") authorization from the PUCT to construct the first two (of four) units of the Montana Power Station ("the MPS"). The Company also had to obtain air permits from state and federal regulatory agencies before it could begin construction. On January 22, 2014, the Texas Commission on Environmental Quality ("TCEQ") issued the required permit. The U.S. Environmental Protection Agency ("EPA") issued a permit for greenhouse gas ("GHG") on March 25, 2014. This permit became final on April 25, 2014 when no appeals were filed prior to the expiration of the period for appeal.

On September 6, 2013, the Company filed an application with the PUCT for issuance of a CCN to construct, own and operate two additional 88 MW natural gas-fired generating units designated as the MPS Units 3 and 4 in El Paso County, Texas. The case has been designated PUCT Docket No. 41763. Hearings in this case were held in February 2014. In accordance with PUCT rules, the final order must be issued by September 5, 2014.

The Company filed three transmission line CCN applications with the PUCT as part of the MPS Project:

- MPS to Caliente: a 115-kV transmission line from the MPS to the existing Caliente Substation in east El Paso. (PUCT Docket No. 41360)
- MPS In & Out: a 115-kV transmission line from the MPS to intersect with the existing Caliente - Coyote 115-kV transmission line. (PUCT Docket No. 41359)
- MPS to Montwood: a 115-kV transmission line from the MPS to the existing Montwood Substation in east El Paso. (PUCT Docket No. 41809)

The transmission CCN filings for both the MPS to Caliente and the MPS In & Out were filed on April 15, 2013, and the transmission CCN filing for the MPS to Montwood was filed on September 24, 2013. The Company is requesting to build these transmission lines to connect the new MPS to the electrical grid in order to meet expected customer growth and electric demand and to improve system reliability. A final order approving a unanimous settlement in the MPS to Caliente transmission CCN filing was received on March 10, 2014. Hearings on the MPS to Montwood and MPS In & Out transmission line CCN cases have been suspended as the parties in the cases seek to negotiate settlements. The Company is unable to predict the outcome of these settlement negotiations. A final order is expected in the fall of 2014.

Other Required Approvals. The Company has obtained other required approvals for recovery of fuel costs through fixed fuel factors, other tariffs and approvals as required by the Public Utility Regulatory Act (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. The stipulated rates provide for an Efficient Use of Energy Factor Rate Rider to recover energy efficiency expenditures which requires an annual filing and approval of the related incentives and adjustments to the recovery factors.

Fuel and purchased power costs in New Mexico are recovered through a Fuel and Purchased Power Cost Adjustment Clause (the "FPPCAC"). On January 8, 2014, the NMPRC approved the continuation of the FPPCAC without modification in NMPRC Case No. 13-00380-UT. The Company recovers its investment in Palo Verde Unit 3 in New Mexico through the FPPCAC as purchased power using a proxy market price approved in the 2009 New Mexico rate stipulation.

Montana Power Station Approvals. The Company has received a CCN authorization from the NMPRC to construct the first two (of four) units of the MPS. As discussed above, the Company also had to obtain air permits from the TCEQ and EPA before it could begin construction. On September 6, 2013, the Company filed an application with the NMPRC for issuance of a CCN to construct, own and operate two additional 88 MW natural gas-fired generating units designated as the MPS Units 3 and 4 in El Paso County, Texas. The case has been designated NMPRC Case No. 13-00297-UT. No protests to the Company's application were filed and the hearing examiner issued a recommended decision to approve the Company's application on February 20, 2014. A final order is expected in the second quarter of 2014.

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El Paso Electric Company			
NOTES TO FINANCIAL STATEMENTS (Continued)			

Revolving Credit Facility, Issuance of Long-Term Debt and Guarantee of Debt. On October 30, 2013, the Company received approval in NMPRC Case No. 13-00317-UT to amend its current \$300 million Revolving Credit Facility ("RCF") to include an option, subject to lender's approval, to expand the amount of the potential borrowings available under the facility to \$400 million and extend the maturity date by up to four years; issue up to \$300 million in new long-term debt; and to guarantee the issuance of up to \$50 million of new debt by Rio Grande Resources Trust ("RGRT") to finance future purchases of nuclear fuel and to refinance existing debt obligations related to the financing of purchases of nuclear fuel.

On January 14, 2014, the Company and RGRT entered into a second amended and restated credit agreement related to the RCF with JP Morgan Chase Bank, N.A., as administrative agent and issuing bank, and Union Bank, N.A., as syndication agent, and various lending banks party thereto. Under the terms of the agreement, the Company has available \$300 million and the ability to increase the RCF by up to \$100 million (up to a total of \$400 million) upon the satisfaction of certain conditions, more fully set forth in the agreement, including obtaining commitments from lenders or third party financial institutions. The RCF has a term ending January 2019. The Company may extend the maturity date up to two times, in each case for an additional one year period upon the satisfaction of certain conditions.

Other Required Approvals. The Company has obtained 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

Revolving Credit Facility, Issuance of Long-Term Debt and Guarantee of Debt. On November 15, 2013, the FERC issued an order in Docket No. ES13-59-000 approving the Company's filing to amend its current \$300 million RCF to include an option, subject to lender's approval, to expand the amount of the potential borrowings available under the facility to \$400 million and extend the maturity date by up to four years; issue up to \$300 million in new long-term debt; and to guarantee the issuance of up to \$50 million of new debt by RGRT to finance future purchases of nuclear fuel and to refinance existing debt obligations related to the purchase of nuclear fuel. As noted above, on January 14, 2014, the Company and RGRT entered into a second amended and restated credit agreement related to the RCF.

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

C. Common Stock

Dividend Policy. The Company paid \$10.7 million and \$10.1 million in quarterly cash dividends during the three months ended March 31, 2014 and 2013, respectively. On May 29, 2014, the Board of Directors declared a quarterly cash dividend of \$0.28 per share payable on June 30, 2014 to shareholders of record on June 13, 2014.

D. Income Taxes

The Company files income tax returns in the United States ("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 and New Mexico jurisdictions for years prior to 2009 and in Arizona for years prior to 2008. The Company is currently under audit in Texas for tax years 2007 through 2011. The Company reached a settlement with the Arizona Department of Revenue in March 2014 in their audit of income tax returns for the years 1998 through 2007 which did not have a material effect on income tax expense.

For the three months ended March 31, 2014 and 2013, the Company's regulatory-basis effective tax rate was 18.8% and 26.9%, respectively. The Company's regulatory-basis effective tax rate for the three months ended March 31, 2014 differs from the federal statutory tax rate of 35.0% primarily due to capital gains in the decommissioning trusts realized in the first quarter of 2014, which are taxed at a federal rate of 20%, the allowance for equity funds used during construction and state income taxes.

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NOTES TO FINANCIAL STATEMENTS (Continued)			

E. Commitments, Contingencies and Uncertainties

For a full discussion of commitments and contingencies, see Note I of Notes to Regulatory-Basis Financial Statements in the 2013 FERC Form No. 1. In addition, see Note B above and Notes B and D of Notes to Regulatory-Basis Financial Statements in the 2013 FERC Form No. 1 regarding matters related to wholesale power sales contracts and transmission contracts subject to regulation and Palo Verde, including decommissioning, spent nuclear fuel and waste disposal, and liability and insurance matters.

Power Purchase and Sale Contracts

To supplement its own generation and operating 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. For a full discussion of power purchase and sale contracts that the Company has entered into with various counterparties, see Note I of Notes to Regulatory-Basis Financial Statements in the 2013 FERC Form No. 1. In addition, the 50 MW Macho Springs solar photovoltaic project located in Luna County, New Mexico began commercial operation in May 2014.

Environmental Matters

General. The Company is subject to extensive laws, regulations and permit requirements with respect to air and greenhouse gas emissions, water discharges, soil and water quality, waste management and disposal, natural resources and other environmental matters by federal, state, regional, tribal and local authorities. Failure to comply with such laws, regulations and requirements can result in actions by authorities or other third parties that might seek to impose on the Company administrative, civil and/or criminal penalties or other sanctions. In addition, releases of pollutants or contaminants into the environment can result in costly cleanup liabilities. These laws, regulations and requirements are subject to change through modification or reinterpretation, or the introduction of new laws and regulations and, as a result, the Company may face additional capital and operating costs to comply. For a full discussion of certain key environmental issues, laws and regulations facing the Company see Note I of Notes to Regulatory-Basis Financial Statements in the 2013 FERC Form No. 1.

Clean Air Interstate Rule/Cross State Air Pollution Rule. The EPA promulgated the Cross-State Air Pollution Rule ("CSAPR") in August 2011, which rule involves requirements to limit emissions of nitrogen oxides ("NOx") and sulfur dioxide ("SO2") from certain of the Company's power plants in Texas and/or purchase allowances representing other parties' emissions reductions. CSAPR was intended to replace the EPA's 2005 Clean Air Interstate Rule ("CAIR"). While the U.S. Court of Appeals for the District of Columbia Circuit ("D.C. Court of Appeals") vacated CSAPR in August 2012 and allowed CAIR to stand until the EPA issued a proper replacement, on April 29, 2014, the U.S. Supreme Court upheld CSAPR, remanding certain portions of CSAPR to the D.C. Court of Appeals for consideration. The Company will evaluate what impact, if any, the D.C. Court of Appeals subsequent holdings on remand will have on its operations.

Other Laws and Regulations and Risks. The Company intends to cease its participation in Four Corners Generating Station ("Four Corners") at the expiration of the 50-year participation agreement in 2016. The Company believes that it has better economic and cleaner alternatives for serving the energy needs of its customers than coal-fired generation, which is subject to extensive regulation and litigation. For example, as a result of Arizona Public Service Company's ("APS") recent Best Available Retrofit Technology Federal Implementation Plan compliance strategy notification to the EPA, Four Corners is required to install expensive pollution control equipment in order to continue operation in the future. The Company's share of the cost of these controls is currently estimated by APS to be approximately \$39 million if the Company were to extend its participation in the plant. In addition, the EPA has entered into a consent decree which would require it to issue its final rulemaking regarding the regulation of coal combustion residuals ("CCR") under the federal Resource, Conservation and Recovery Act by December 19, 2014. Once issued, the Company may be required to incur significant costs to address CCRs either generated in the past and disposed of at or from Four Corners, as well as CCRs generated in connection with the ongoing operations of Four Corners. Further, assured supplies of water are important for the Company's operations and assets, including Four Corners. Four Corners is located in a region that has been experiencing drought conditions which could affect the plant's water supply. Four Corners has accordingly been involved in negotiations and proceedings with third parties relating to water supply issues. The drought conditions and related negotiations and proceedings could adversely affect the amount of power available, or the price thereof, from Four Corners. The Company is negotiating with APS on the disposition of its ownership interest of Four Corners to allow the other participants to pursue a life extension of the Four Corners plant.

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NOTES TO FINANCIAL STATEMENTS (Continued)			

Climate Change. On June 25, 2013, President Obama set forth his plan to address climate change. He reiterated a goal of reducing greenhouse gas emissions ("GHG") "in the range of 17 percent" below 2005 levels by 2020. The plan included a variety of executive actions, including future regulatory measures to reduce carbon emissions from power plants. In a White House memorandum of the same date, the President directed the EPA to issue a new proposal for GHG rulemaking addressing new power plants by September 20, 2013, and a rule for existing power plants by June 1, 2014. The formal proposal for new power plants was published in the Federal Register on January 8, 2014. The Company submitted its comments on the proposal to EPA on May 9, 2014. Given the very significant remaining uncertainties regarding these rules, the Company believes it is impossible to meaningfully quantify the costs of these potential requirements 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 related to Four Corners. In particular, since July 2011, the U.S. Department of Justice (the "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 U.S. Clean Air Act ("CAA") to reduce SO₂, NO_x, and particular matter ("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 and the Company is unable to predict the outcome of these settlement negotiations. The Company has accrued a total of \$0.5 million as a loss contingency related to this matter.

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 NSPS program. 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. The case is being held in abeyance while the parties seek to negotiate a settlement. On March 30, 2013, upon joint motion of the parties, the court issued an order deeming the motions to dismiss withdrawn without prejudice during pendency of the stay. At such time as the stay is lifted, APS, the Company and the other Four Corners participants may reinstate the motions to dismiss. On May 19, 2014, the stay was extended until June 16, 2014. The Company is unable to predict the outcome of this litigation.

New Mexico Tax Matter Related to Coal Supplied to Four Corners

On May 23, 2013, the New Mexico Taxation and Revenue Department issued a notice of assessment for coal severance surtax, penalty, and interest totaling approximately \$30 million related to coal supplied under the coal supply agreement for Four Corners (the "Assessment"). The Company's share of the Assessment is approximately \$1.5 million. On behalf of the Four Corners participants, the coal supplier made a partial payment of the Assessment and immediately filed a refund claim with respect to that partial payment in August 2013. The New Mexico Taxation and Revenue Department denied the refund claim. On December 19, 2013, the coal supplier and APS, on its own behalf and as operating agent for Four Corners, filed complaints with the New Mexico District Court contesting both the validity of the Assessment and the refund claim denial. APS believes the Assessment and the refund claim denial are without merit. The Company cannot predict the timing, results, or potential impacts of the outcome of this litigation.

F. 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 on a review of these claims and applicable insurance coverage, the Company 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 above and Note B of the Notes to Regulatory-Basis Financial Statements in the 2013 FERC Form No. 1 for discussion of the effects of government legislation and regulation on the Company.

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NOTES TO FINANCIAL STATEMENTS (Continued)			

G. Employee Benefits

Retirement Plans

The net periodic benefit cost recognized for the three months ended March 31, 2014 and 2013 is made up of the components listed below as determined using the projected unit credit actuarial cost method (in thousands):

	Three Months Ended March 31,	
	2014	2013
Components of net periodic benefit cost:		
Service cost	\$ 2,173	\$ 2,400
Interest cost	3,870	3,400
Expected return on plan assets	(4,680)	(4,275)
Amortization of:		
Net loss	1,773	2,675
Prior service (benefit) cost	(259)	25
Net periodic benefit cost	<u>\$ 2,877</u>	<u>\$ 4,225</u>

During the three months ended March 31, 2014, the Company contributed \$3.5 million of its projected \$8.7 million 2014 annual contribution to its retirement plans.

During the quarter ended March 31, 2014, the Company implemented certain amendments to the Retirement Income Plan and Excess Benefit Plan. In the first quarter of 2014, the Company offered a cash balance pension plan as an alternative to its current final average pay pension plan for employees hired prior to January 1, 2014. The cash balance pension plan also included an enhanced employer matching contribution to the employee's respective 401(k) Defined Contribution Plan. The revisions in the benefit plans were effective April 1, 2014. As a result of these actions, the Company remeasured the assets and liabilities of the retirement plans based on actuarially determined estimates, using the end of alternative choice date of February 28, 2014 as the remeasurement date. The discount rate used to remeasure the benefit obligation at February 28, 2014 was 4.6% for the Retirement Income Plan and 4.5% for the Excess Benefit Plan, compared to 4.9% for both plans at December 31, 2013. As a result of the changes described above, the benefit obligation of the affected plans decreased \$19.7 million, accumulated other comprehensive income before income taxes increased \$19.7 million, and estimated future benefit payments from 2014 through 2018 increased \$17.2 million compared to the previous estimates. The 2014 net periodic benefit cost is estimated to decrease by \$8.4 million compared to the net periodic benefit cost incurred in 2013 due to the changes described above and revisions to actuarial assumptions.

Other Postretirement Benefits

The net periodic benefit cost recognized for the three months ended March 31, 2014 and 2013 is made up of the components listed below (in thousands):

	Three Months Ended March 31,	
	2014	2013
Components of net periodic benefit cost:		
Service cost	\$ 700	\$ 1,100
Interest cost	1,125	1,375
Expected return on plan assets	(525)	(475)
Amortization of:		
Prior service benefit	(1,200)	(1,425)
Net gain	(650)	—
Net periodic benefit cost (benefit)	<u>\$ (550)</u>	<u>\$ 575</u>

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NOTES TO FINANCIAL STATEMENTS (Continued)			

The Company has not contributed to its other postretirement benefits plan during the three months ended March 31, 2014 and does not expect to contribute to its other postretirement benefit plan in 2014.

H. 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 obligation, 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):

	March 31, 2014		December 31, 2013	
	Carrying Amount	Estimated Fair Value	Carrying Amount	Estimated Fair Value
Pollution Control Bonds	\$ 193,135	\$ 202,897	\$ 193,135	\$ 193,990
Senior Notes	696,508	744,856	696,485	734,515
RGRT Senior Notes (1)	110,000	116,560	110,000	115,850
RCF (1)	46,597	46,597	16,262	16,262
Total	\$ 1,046,240	\$ 1,110,910	\$ 1,015,882	\$ 1,060,617

- (1) Nuclear fuel capital lease obligations as of March 31, 2014 and December 31, 2013 is funded through the \$110 million RGRT Senior Notes and \$20.6 million and \$16.3 million, respectively under the RCF. As of March 31, 2014, \$26.0 million was outstanding under the RCF for working capital or general corporate purposes. As of December 31, 2013, no amount was outstanding under the RCF for working capital or general corporate purposes. The interest rate on the Company's borrowings under the RCF is reset throughout the quarter reflecting current market rates. Consequently, the carrying value approximates fair value.

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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 \$217.5 million and \$214.1 million at March 31, 2014 and December 31, 2013, 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):

	March 31, 2014					
	Less than 12 Months		12 Months or Longer		Total	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
Description of Securities (1):						
Federal Agency Mortgage Backed Securities	\$ 4,667	\$ (28)	\$ 2,457	\$ (170)	\$ 7,124	\$ (198)
U.S. Government Bonds	1,548	(1)	16,128	(893)	17,676	(894)
Municipal Obligations	6,860	(101)	13,038	(651)	19,898	(752)
Corporate Obligations	2,734	(66)	1,299	(44)	4,033	(110)
Total Debt Securities	15,809	(196)	32,922	(1,758)	48,731	(1,954)
Common Stock	1,614	(122)	—	—	1,614	(122)
Total Temporarily Impaired Securities	\$ 17,423	\$ (318)	\$ 32,922	\$ (1,758)	\$ 50,345	\$ (2,076)

(1) Includes approximately 119 securities.

	December 31, 2013					
	Less than 12 Months		12 Months or Longer		Total	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
Description of Securities (2):						
Federal Agency Mortgage Backed Securities	\$ 6,444	\$ (169)	\$ 1,421	\$ (119)	\$ 7,865	\$ (288)
U.S. Government Bonds	8,114	(245)	10,866	(840)	18,980	(1,085)
Municipal Obligations	12,286	(335)	7,782	(479)	20,068	(814)
Corporate Obligations	3,284	(96)	901	(54)	4,185	(150)
Total Debt Securities	30,128	(845)	20,970	(1,492)	51,098	(2,337)
Common Stock	2,305	(126)	—	—	2,305	(126)
Total Temporarily Impaired Securities	\$ 32,433	\$ (971)	\$ 20,970	\$ (1,492)	\$ 53,403	\$ (2,463)

(2) Includes approximately 122 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 does not anticipate expending monies held in trust before 2044 or a later period when the Company begins to decommission Palo Verde.

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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	March 31, 2014		December 31, 2013	
	Fair Value	Unrealized Gains	Fair Value	Unrealized Gains
Federal Agency Mortgage Backed Securities	\$ 10,276	\$ 489	\$ 9,929	\$ 433
U.S. Government Bonds	9,719	180	6,258	126
Municipal Obligations	10,237	528	8,783	450
Corporate Obligations	9,758	649	9,188	506
Total Debt Securities	39,990	1,846	34,158	1,515
Common Stock	105,835	43,402	103,808	43,145
Common Collective Trust-Equity Funds	16,891	235	—	—
Equity Mutual Funds	—	—	16,802	3,081
Cash and Cash Equivalents	4,448	—	5,924	—
Total	\$ 167,164	\$ 45,483	\$ 160,692	\$ 47,741

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 eight years and reflects anticipated future prepayments. The contractual year for maturity of these available-for-sale securities as of March 31, 2014 is as follows (in thousands):

	Total	2014	2015 through 2018	2019 through 2023	2024 and Beyond
Municipal Debt Obligations	\$ 30,135	\$ 976	\$ 13,279	\$ 12,562	\$ 3,318
Corporate Debt Obligations	13,791	317	3,324	5,963	4,187
U.S. Government Bonds	27,395	1,210	14,347	6,434	5,404

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 three months ended March 31, 2014 and 2013, the Company recognized no other than temporary impairment losses on its available-for-sale securities.

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

	Three Months Ended March 31,	
	2014	2013
Proceeds from sales or maturities of available-for-sale securities	\$ 28,827	\$ 10,907
Gross realized gains included in pre-tax income	\$ 3,014	\$ 39
Gross realized losses included in pre-tax income	(149)	(197)
Gross unrealized losses included in pre-tax income	—	—
Net gains (losses) in pre-tax income	\$ 2,865	\$ (158)
Net unrealized holding gains included in accumulated other comprehensive income	\$ 998	\$ 6,793
Net (gains) losses reclassified out of accumulated other comprehensive income	(2,865)	158
Net gains (losses) in other comprehensive income	\$ (1,867)	\$ 6,951

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 investment in debt securities, which are included in Other Special Funds and Other Investments, respectively, in the regulatory-basis balance sheet. The Company has no liabilities that are measured at fair value on a recurring basis. The FASB guidance establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value into three levels as follows:

- Level 1 – Observable inputs that reflect quoted market prices for identical assets and liabilities in active markets. Financial assets utilizing Level 1 inputs include the 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. The Common Collective Trusts are valued using the net asset value ("NAV") provided by the administrator of the fund. The NAV price is quoted on a restrictive market although the underlying investments are traded on active markets.
- 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 investment 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.

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During the first quarter of 2014, the Company sold its nuclear decommissioning trust investments in equity mutual funds, classified as Level 1, and invested those assets in common collective trusts which are classified as Level 2. The fair value of the Company's decommissioning trust funds and investment in debt securities, at March 31, 2014 and December 31, 2013, 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 March 31, 2014	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	\$ 1,503	\$ —	\$ —	\$ 1,503
Available for sale:				
U.S. Government Bonds	\$ 27,395	\$ 27,395	\$ —	\$ —
Federal Agency Mortgage Backed Securities	17,400	—	17,400	—
Municipal Obligations	30,135	—	30,135	—
Corporate Obligations	13,791	—	13,791	—
Subtotal, Debt Securities	88,721	27,395	61,326	—
Common Stock	107,449	107,449	—	—
Common Collective Trust-Equity Funds	16,891	—	16,891	—
Cash and Cash Equivalents	4,448	4,448	—	—
Total available for sale	\$ 217,509	\$ 139,292	\$ 78,217	\$ —

Description of Securities	Fair Value as of December 31, 2013	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	\$ 1,555	\$ —	\$ —	\$ 1,555
Available for sale:				
U.S. Government Bonds	\$ 25,238	\$ 25,238	\$ —	\$ —
Federal Agency Mortgage Backed Securities	17,794	—	17,794	—
Municipal Obligations	28,851	—	28,851	—
Corporate Obligations	13,373	—	13,373	—
Subtotal, Debt Securities	85,256	25,238	60,018	—
Common Stock	106,113	106,113	—	—
Equity Mutual Funds	16,802	16,802	—	—
Cash and Cash Equivalents	5,924	5,924	—	—
Total available for sale	\$ 214,095	\$ 154,077	\$ 60,018	\$ —

There were no transfers in or out of Level 1 and Level 2 fair value measurements categories due to changes in observable inputs during the three month periods ending March 31, 2014 and 2013. There were no purchases, sales, issuances, and settlements related to the assets in the Level 3 fair value measurement category during the three months ended March 31, 2014 and 2013.

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		(12,540,834)	(66,084,002)		
2		242,697	2,844,654		
3			65,851,081		
4		242,697	68,695,735	92,779,951	161,475,686
5		(12,298,137)	2,611,733		
6		(12,298,137)	2,611,733		
7		15,667	(2,498,679)		
8			12,946,059		
9		15,667	10,447,380	5,348,310	15,795,690
10		(12,282,470)	13,059,113		

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FOOTNOTE DATA			

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

The Company's decommissioning trust funds include marketable securities which are reported at fair value. 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.

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

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

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 pre-tax of this accumulated other comprehensive income item will be reclassified to interest expense.

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

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

Line No.	Classification (a)	Total Company for the Current Year/Quarter Ended (b)	Electric (c)
1	Utility Plant		
2	In Service		
3	Plant in Service (Classified)	3,671,099,798	3,671,099,798
4	Property Under Capital Leases		
5	Plant Purchased or Sold		
6	Completed Construction not Classified	281,315,139	281,315,139
7	Experimental Plant Unclassified		
8	Total (3 thru 7)	3,952,414,937	3,952,414,937
9	Leased to Others		
10	Held for Future Use		
11	Construction Work in Progress	304,618,676	304,618,676
12	Acquisition Adjustments		
13	Total Utility Plant (8 thru 12)	4,257,033,613	4,257,033,613
14	Accum Prov for Depr, Amort, & Depl	2,079,195,009	2,079,195,009
15	Net Utility Plant (13 less 14)	2,177,838,604	2,177,838,604
16	Detail of Accum Prov for Depr, Amort & Depl		
17	In Service:		
18	Depreciation	2,040,292,545	2,040,292,545
19	Amort & Depl of Producing Nat Gas Land/Land Right		
20	Amort of Underground Storage Land/Land Rights		
21	Amort of Other Utility Plant	38,902,464	38,902,464
22	Total In Service (18 thru 21)	2,079,195,009	2,079,195,009
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)	2,079,195,009	2,079,195,009

Name of Respondent
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/ /

Year/Period of Report
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SUMMARY OF UTILITY PLANT AND ACCUMULATED PROVISIONS
FOR DEPRECIATION, AMORTIZATION AND DEPLETION

Gas (d)	Other (Specify) (e)	Other (Specify) (f)	Other (Specify) (g)	Common (h)	Line No.
					1
					2
					3
					4
					5
					6
					7
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					10
					11
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					30
					31
					32
					33

ELECTRIC PLANT IN SERVICE AND ACCUMULATED PROVISION FOR DEPRECIATION BY FUNCTION

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

Line No.	Item (a)	Plant in Service Balance at End of Quarter (b)	Accumulated Depreciation and Amortization Balance at End of Quarter (c)
1	Intangible Plant	118,442,734	38,902,464
2	Steam Production Plant	557,847,630	264,401,198
3	Nuclear Production Plant	1,679,049,468	1,190,780,038
4	Hydraulic Production - Conventional		
5	Hydraulic Production - Pumped Storage		
6	Other Production	113,017,850	13,475,420
7	Transmission	393,318,933	199,783,010
8	Distribution	950,863,677	312,050,848
9	Regional Transmission and Market Operation		
10	General	139,874,645	59,802,031
11	TOTAL (Total of lines 1 through 10)	3,952,414,937	2,079,195,009

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	None				
23					
24					
25					
26					
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28					
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38					
39					
40					

Name of Respondent El Paso Electric Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2014/Q1
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OTHER REGULATORY ASSETS (Account 182.3)

1. Report below the particulars (details) called for concerning other regulatory assets, including rate order docket number, if applicable.
 2. Minor items (5% of the Balance in Account 182.3 at end of period, or amounts less than \$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	110,030,301	5,422,956	various	8,685,433	106,767,824
2						
3	Rio Grande Resources Trust:					
4	Nuclear Fuel Postload Daily Finance Charge	4,488,311	872,821	518	885,577	4,475,555
5						
6	Coal Reclamation	4,289,693		501/431	295,197	3,994,496
7						
8	Net Undercollection of Fuel Revenues:					
9	Texas	7,204,850		440s	3,283,299	3,921,551
10	New Mexico		228,360			228,360
11	FERC	42,764		440s	3,345	39,419
12						
13	Texas:					
14	Texas 2012 Rate Case Cost	580,904		928	435,678	145,226
15						
16	Texas Military Base Discount and Recovery	758,668	510,075	142	915,225	353,518
17						
18	New Mexico Renewable Energy Cost:					
19	Renewable Procurement Plan	139,510				139,510
20	Renewable Energy Credits	4,832,993				4,832,993
21						
22	New Mexico:					
23	2010 FPPCAC Audit	432,522				432,522
24						
25	Palo Verde Deferred Depreciation	4,871,953		407.3	38,046	4,833,907
26						
27						
28						
29						
30						
31						
32						
33						
34						
35						
36						
37						
38						
39						
40						
41						
42						
43						
44	TOTAL :	137,672,469	7,034,212		14,541,800	130,164,881

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 2014/Q1
FOOTNOTE DATA			

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

Amortization period ranges from 5 to 40 years.

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

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

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

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 termination date of the 50-year participation agreement among the owners 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. See Note E of the Notes to the Regulatory-Basis Financial Statements and Note D of the Notes to the Regulatory-Basis Financial Statements in the 2013 FERC Form 1 for a discussion of Four Corners.

Schedule Page: 232 Line No.: 14 Column: f

Balance of rate case costs related to PUCT Docket No. 40094 which are amortized over a two year period beginning May 2012.

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

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.: 19 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.: 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.: 23 Column: a

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.: 25 Column: a

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

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	50,488,861	various	2,159,235	996,267	49,325,893
2						
3	Net Overcollection of Fuel Revenues:					
4	New Mexico	1,047,825	440s	1,047,825		
5						
6	New Mexico Energy Efficiency Program	3,645,474	182.3	526,472	1,153,314	4,272,316
7						
8	Texas Energy Efficiency Program	362,103	182.3	1,017,208	856,913	201,808
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	55,544,263		4,750,740	3,006,494	53,800,017

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 2014/Q1
FOOTNOTE DATA			

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

Amortization period ranges from 5 to 40 years.

Schedule Page: 278 Line No.: 3 Column: a

At March 31, 2014, the Company had a net undercollection of fuel revenues.

Schedule Page: 278 Line No.: 6 Column: a

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

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

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

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	61,564,764	63,966,810
3	(442) Commercial and Industrial Sales		
4	Small (or Comm.) (See Instr. 4)	45,918,800	44,444,766
5	Large (or Ind.) (See Instr. 4)	13,929,243	13,571,678
6	(444) Public Street and Highway Lighting	1,155,526	1,410,424
7	(445) Other Sales to Public Authorities	26,073,137	24,643,815
8	(446) Sales to Railroads and Railways		
9	(448) Interdepartmental Sales		
10	TOTAL Sales to Ultimate Consumers	148,641,470	148,037,493
11	(447) Sales for Resale	29,772,064	21,276,738
12	TOTAL Sales of Electricity	178,413,534	169,314,231
13	(Less) (449.1) Provision for Rate Refunds		
14	TOTAL Revenues Net of Prov. for Refunds	178,413,534	169,314,231
15	Other Operating Revenues		
16	(450) Forfeited Discounts	307,971	248,281
17	(451) Miscellaneous Service Revenues	945,238	1,128,962
18	(453) Sales of Water and Water Power		
19	(454) Rent from Electric Property	1,420,012	1,065,400
20	(455) Interdepartmental Rents		
21	(456) Other Electric Revenues	91,217	72,789
22	(456.1) Revenues from Transmission of Electricity of Others	4,337,762	5,460,777
23	(457.1) Regional Control Service Revenues		
24	(457.2) Miscellaneous Revenues		
25			
26	TOTAL Other Operating Revenues	7,102,200	7,976,209
27	TOTAL Electric Operating Revenues	185,515,734	177,290,440

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
543,030	598,506			2
				3
493,919	501,704			4
226,552	244,585			5
10,343	11,408			6
332,685	347,676			7
				8
				9
1,606,529	1,703,879			10
900,245	800,596			11
2,506,774	2,504,475			12
				13
2,506,774	2,504,475			14

Line 12, column (b) includes \$ -2,061,000 of unbilled revenues.
 Line 12, column (d) includes -37,964 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 2014/Q1
FOOTNOTE DATA			

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

Includes 190,839 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 112,670 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 190,839 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 112,670 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 190,839 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 112,670 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>March 2014</u>
Non Pay Reconnect Charges	490,099
Name Change/Cut in Charge	263,638
New Service Charges	74,845
Overhead/Underground Connection Charges	53,172
Misc Other	63,484
Total	<u>945,238</u>

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

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

	<u>March 2013</u>
Non Pay Reconnect Charges	485,532
Name Change/Cut in Charge	250,747
New Service Charges	65,215
Overhead/Underground Connection Charges	46,588
Energy Efficiency	208,224
Misc Other	72,656
Total	<u>1,128,962</u>

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

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

Line No.	Account (a)	Year to Date Quarter (b)
1	1. POWER PRODUCTION AND OTHER SUPPLY EXPENSES	
2	Steam Power Generation - Operation (500-509)	38,712,399
3	Steam Power Generation - Maintenance (510-515)	6,767,390
4	Total Power Production Expenses - Steam Power	45,479,789
5	Nuclear Power Generation - Operation (517-525)	24,041,591
6	Nuclear Power Generation - Maintenance (528-532)	3,820,111
7	Total Power Production Expenses - Nuclear Power	27,861,702
8	Hydraulic Power Generation - Operation (535-540.1)	
9	Hydraulic Power Generation - Maintenance (541-545.1)	
10	Total Power Production Expenses - Hydraulic Power	
11	Other Power Generation - Operation (546-550.1)	3,115,612
12	Other Power Generation - Maintenance (551-554.1)	261,654
13	Total Power Production Expenses - Other Power	3,377,266
14	Other Power Supply Expenses	
15	Purchased Power (555)	17,915,000
16	System Control and Load Dispatching (556)	257,907
17	Other Expenses (557)	58,997
18	Total Other Power Supply Expenses (line 15-17)	18,231,904
19	Total Power Production Expenses (Total of lines 4, 7, 10, 13 and 18)	94,950,661
20	2. TRANSMISSION EXPENSES	
21	Transmission Operation Expenses	
22	(560) Operation Supervision and Engineering	292,284
23		
24	(561.1) Load Dispatch-Reliability	21,639
25	(561.2) Load Dispatch-Monitor and Operate Transmission System	159,876
26	(561.3) Load Dispatch-Transmission Service and Scheduling	126,480
27	(561.4) Scheduling, System Control and Dispatch Services	241,739
28	(561.5) Reliability, Planning and Standards Development	208,915
29	(561.6) Transmission Service Studies	
30	(561.7) Generation Interconnection Studies	
31	(561.8) Reliability, Planning and Standards Development Services	
32	(562) Station Expenses	88,759
33	(563) Overhead Line Expenses	-22,037
34	(564) Underground Line Expenses	
35	(565) Transmission of Electricity by Others	1,293,910
36	(566) Miscellaneous Transmission Expenses	1,252,843
37	(567) Rents	75,081
38	(567.1) Operation Supplies and Expenses (Non-Major)	

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

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

Line No.	Account (a)	Year to Date Quarter (b)
39	TOTAL Transmission Operation Expenses (Lines 22 - 38)	3,739,489
40	Transmission Maintenance Expenses	
41	(568) Maintenance Supervision and Engineering	1,215
42	(569) Maintenance of Structures	5,941
43	(569.1) Maintenance of Computer Hardware	
44	(569.2) Maintenance of Computer Software	
45	(569.3) Maintenance of Communication Equipment	
46	(569.4) Maintenance of Miscellaneous Regional Transmission Plant	
47	(570) Maintenance of Station Equipment	140,886
48	(571) Maintenance Overhead Lines	239,069
49	(572) Maintenance of Underground Lines	
50	(573) Maintenance of Miscellaneous Transmission Plant	16,071
51	(574) Maintenance of Transmission Plant	
52	TOTAL Transmission Maintenance Expenses (Lines 41 - 51)	403,182
53	Total Transmission Expenses (Lines 39 and 52)	4,142,671
54	3. REGIONAL MARKET EXPENSES	
55	Regional Market Operation Expenses	
56	(575.1) Operation Supervision	
57	(575.2) Day-Ahead and Real-Time Market Facilitation	
58	(575.3) Transmission Rights Market Facilitation	
59	(575.4) Capacity Market Facilitation	
60	(575.5) Ancillary Services Market Facilitation	
61	(575.6) Market Monitoring and Compliance	
62	(575.7) Market Facilitation, Monitoring and Compliance Services	
63	Regional Market Operation Expenses (Lines 55 - 62)	
64	Regional Market Maintenance Expenses	
65	(576.1) Maintenance of Structures and Improvements	
66	(576.2) Maintenance of Computer Hardware	
67	(576.3) Maintenance of Computer Software	
68	(576.4) Maintenance of Communication Equipment	
69	(576.5) Maintenance of Miscellaneous Market Operation Plant	
70	Regional Market Maintenance Expenses (Lines 65-69)	
71	TOTAL Regional Control and Market Operation Expenses (Lines 63,70)	
72	4. DISTRIBUTION EXPENSES	
73	Distribution Operation Expenses (580-589)	3,358,790
74	Distribution Maintenance Expenses (590-598)	1,634,386
75	Total Distribution Expenses (Lines 73 and 74)	4,993,176

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

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

Line No.	Account (a)	Year to Date Quarter (b)
1	(901-905) Customer Accounts Expenses	4,316,248
2	(907-910) Customer Service and Information Expenses	70,069
3	(911-917) Sales Expenses	
4	8. ADMINISTRATIVE AND GENERAL EXPENSES	
5	Operations	
6	920 Administrative and General Salaries	6,706,628
7	921 Office Supplies and Expenses	1,041,852
8	(Less) 922 Administrative Expenses Transferred-Credit	
9	923 Outside Services Employed	5,130,569
10	924 Property Insurance	796,944
11	925 Injuries and Damages	1,115,687
12	926 Employee Pensions and Benefits	7,836,258
13	927 Franchise Requirements	
14	928 Regulatory Commission Expenses	1,865,126
15	(Less) 929 Duplicate Charges-Credit	
16	930.1 General Advertising Expenses	133,081
17	930.2 Miscellaneous General Expenses	3,855,453
18	931 Rents	171,379
19	TOTAL Operation (Total of lines 6 thru 18)	28,652,977
20	Maintenance	
21	935 Maintenance of General Plant	1,394,752
22	TOTAL Administrative and General Expenses (Total of lines 19 and 21)	30,047,729

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

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

Line No.	Payment By (Company of Public Authority) (Footnote Affiliation) (a)	Energy Received From (Company of Public Authority) (Footnote Affiliation) (b)	Energy Delivered To (Company of Public Authority) (Footnote Affiliation) (c)	Statistical Classification (d)
1	El Paso Electric Marketing	Salt River Project	Arizona Public Service Company	NF
2	El Paso Electric Marketing	Arizona Public Service Company	Salt River Project	NF
3	El Paso Electric Marketing	Arizona Public Service Company	Salt River Project	SFP
4	Rio Grande Electric Co-Op	El Paso Electric Marketing	El Paso Electric Marketing	FNO
5	Arizona Electric Power Cooperative	Salt River Project	Arizona Public Service Company	LFP
6	Arizona Electric Power Cooperative	Salt River Project	Arizona Public Service Company	NF
7	Arizona Electric Power Cooperative	Arizona Public Service Company	Salt River Project	NF
8	Arizona Electric Power Cooperative	Salt River Project	Arizona Public Service Company	SFP
9	Arizona Electric Power Cooperative	Arizona Public Service Company	Salt River Project	SFP
10	Coral Power	Salt River Project	Arizona Public Service Company	LFP
11	Coral Power	Salt River Project	Arizona Public Service Company	SFP
12	Eagle Energy Partners	Salt River Project	Salt River Project	NF
13	Eagle Energy Partners	Salt River Project	Arizona Public Service Company	NF
14	Eagle Energy Partners	Salt River Project	Salt River Project	SFP
15	Exelon Generation LLC	Salt River Project	Arizona Public Service Company	NF
16	Exelon Generation LLC	Salt River Project	Arizona Public Service Company	NF
17	Imperial Irrigation District	Salt River Project	Arizona Public Service Company	NF
18	Imperial Irrigation District	Salt River Project	Arizona Public Service Company	NF
19	Imperial Irrigation District	Salt River Project	Arizona Public Service Company	SFP
20	JP Morgan Ventures	Salt River Project	Arizona Public Service Company	NF
21	Macquarie Cook Power	Arizona Public Service Company	Salt River Project	NF
22	Macquarie Cook Power	Arizona Public Service Company	Salt River Project	SFP
23	Macquarie Cook Power	Arizona Public Service Company	Salt River Project	SFP
24	Morgan Stanley	Salt River Project	Arizona Public Service Company	NF
25	Morgan Stanley	Salt River Project	Arizona Public Service Company	NF
26	Morgan Stanley	Salt River Project	Arizona Public Service Company	SFP
27	Morgan Stanley	Salt River Project	Arizona Public Service Company	SFP
28	Morgan Stanley	Arizona Public Service Company	Salt River Project	SFP
29	Morgan Stanley	Arizona Public Service Company	Salt River Project	SFP
30	PacificCorp Power Marketing	Arizona Public Service Company	Salt River Project	NF
31	PacificCorp Power Marketing	Arizona Public Service Company	Salt River Project	NF
32	PacificCorp Power Marketing	Arizona Public Service Company	Salt River Project	SFP
33	PacificCorp Power Marketing	Arizona Public Service Company	Salt River Project	SFP
34	Panda Gila River	Salt River Project	Salt River Project	NF
	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	Palo Verde	Westwing		70	70	1
01	Westwing	Palo Verde		720	720	2
01	Westwing	Palo Verde		4,680	4,680	3
01	EPE System	Coyote/Farmer	7	12,914	12,914	4
01	Palo Verde	Westwing	125	48,396	48,396	5
01	Palo Verde	Westwing		96	96	6
01	Westwing	Palo Verde		385	385	7
01	Palo Verde	Westwing		112	112	8
01	Westwing	Palo Verde		3,023	3,023	9
01	Palo Verde	Westwing	125	45,952	45,952	10
01	Palo Verde	Westwing		111	111	11
01	Jojoba	Palo Verde		826	826	12
01	Palo Verde	Westwing		3,242	3,242	13
01	Jojoba	Palo Verde		10,026	10,026	14
01	Palo Verde	Westwing		2,400	2,400	15
01	Palo Verde	Westwing		10,627	10,627	16
01	Palo Verde	Westwing		1,440	1,440	17
01	Palo Verde	Westwing		2,596	2,596	18
01	Palo Verde	Westwing		321	321	19
01	Palo Verde	Westwing		50	50	20
01	Westwing	Palo Verde		1,497	1,497	21
01	Westwing	Palo Verde		6,000	6,000	22
01	Westwing	Palo Verde		26,908	26,908	23
01	Palo Verde	Westwing		227,902	227,902	24
01	Palo Verde	Westwing		14,105	14,105	25
01	Palo Verde	Westwing		24,304	24,304	26
01	Palo Verde	Westwing		66	66	27
01	Westwing	Palo Verde		241	241	28
01	Westwing	Palo Verde		807	807	29
01	Westwing	Palo Verde		1,900	1,900	30
01	Westwing	Palo Verde		2,883	2,883	31
01	Westwing	Palo Verde		67,698	67,698	32
01	Westwing	Palo Verde		3,450	3,450	33
01	Jojoba	Palo Verde		6,966	6,966	34
			739	1,135,492	1,135,492	

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

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

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

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

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

FERC Rate Schedule of Tariff Number (e)	Point of Receipt (Substation or Other Designation) (f)	Point of Delivery (Substation or Other Designation) (g)	Billing Demand (MW) (h)	TRANSFER OF ENERGY		Line No.
				MegaWatt Hours Received (i)	MegaWatt Hours Delivered (j)	
01	Jojoba	Westwing		4,013	4,013	1
01	Palo Verde	Jojoba				2
01	Palo Verde	Westwing		1,225	1,225	3
01	Palo Verde	Westwing		3,186	3,186	4
01	Jojoba	Palo Verde		43,449	43,449	5
01	Jojoba	Palo Verde		91,831	91,831	6
01	Jojoba	Westwing		518	518	7
01	Palo Verde	Westwing		915	915	8
01	Palo Verde	Westwing		378	378	9
01	Palo Verde	Westwing		6,165	6,165	10
01	Westwing	Palo Verde		35	35	11
01	Palo Verde	Westwing		913	913	12
01	Westwing	Palo Verde		1,310	1,310	13
01	Afton	Springerville	94	14,315	14,315	14
01	Afton	Westmesa	141	16,456	16,456	15
01	Luna	Springerville	60	5,766	5,766	16
01	Westmesa	Amrad	25	39,204	39,204	17
01	Luna	Springerville		16	16	18
01	Palo Verde	Westwing		286	286	19
01	Afton	Luna		1,396	1,396	20
01	Afton	Springerville		606	606	21
01	Afton	Westmesa		4,105	4,105	22
01	Las Cruces	Amrad		352	352	23
01	Luna	Springerville		2,040	2,040	24
01	Luna	Springerville		244	244	25
01	Luna	Springerville	60	48,249	48,249	26
01	Westmesa	Amrad		1,658	1,658	27
01	Palo Verde	Westwing		1,603	1,603	28
01	Palo Verde	Westwing		1,059	1,059	29
01	Palo Verde	Westwing		6,475	6,475	30
01	Palo Verde	Westwing		3,173	3,173	31
01	Westwing	Palo Verde		82	82	32
80	Springerville	Las Cruces/Orogrande	50	96,165	96,165	33
01	Springerville	Las Cruces/Orogrande		4,074	4,074	34
			739	1,135,492	1,135,492	

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.
	12,941		12,941	1
	230		230	2
	1,148		1,148	3
	3,568		3,568	4
	170,784		170,784	5
	210,133		210,133	6
	954		954	7
	766		766	8
	449		449	9
	5,342		5,342	10
	260		260	11
	770		770	12
	762		762	13
683,639			683,639	14
589,093			589,093	15
436,365			436,365	16
179,929			179,929	17
	86		86	18
	258		258	19
	8,694		8,694	20
				21
	17,262		17,262	22
	2,929		2,929	23
	1,796		1,796	24
				25
	427,924		427,924	26
				27
	1,607		1,607	28
	1,016		1,016	29
	4,210		4,210	30
	3,417		3,417	31
	83		83	32
346,500			346,500	33
				34
2,822,567	1,515,195	0	4,337,762	

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	Public Service Company of New Mex	Tucson Electric Power Company	LFP
2	Tucson Electric Power	Public Service Company of New Mex	Tucson Electric Power Company	LFP
3	Tucson Electric Power	Public Service Company of New Mex	Tucson Electric Power Company	NF
4	Tucson Electric Power	Public Service Company of New Mex	Tucson Electric Power Company	NF
5	Tucson Electric Power	Tucson Electric Power Company	Tucson Electric Power Company	NF
6	Tucson Electric Power	Tucson Electric Power Company	Tucson Electric Power Company	NF
7	Tucson Electric Power	Salt River Project	Arizona Public Service Company	NF
8	Tucson Electric Power	Salt River Project	Arizona Public Service Company	NF
9	Tucson Electric Power	Tucson Electric Power Company	Tucson Electric Power Company	NF
10	Tucson Electric Power	Public Service Company of New Mex	Tucson Electric Power Company	SFP
11	Tucson Electric Power	Tucson Electric Power Company	Tucson Electric Power Company	SFP
12	Tucson Electric Power	Tucson Electric Power Company	Tucson Electric Power Company	SFP
13	UniSource Energy Services	Salt River Project	Arizona Public Service Company	NF
14	UniSource Energy Services	Salt River Project	Arizona Public Service Company	NF
15	UniSource Energy Services	Salt River Project	Arizona Public Service Company	SFP
16	Open Access Technology International, Inc.	Salt River Project	Salt River Project	NF
17	Open Access Technology International, Inc.	Salt River Project	Arizona Public Service Company	NF
18	Western Area Power Admin	Public Service Company of New Mex	Public Service Company of New Mex	LFP
19	Western Area Power Admin	Public Service Company of New Mex	Public Service Company of New Mex	SFP
20	Western Area Power Admin - DSW	Salt River Project	Arizona Public Service Company	NF
21	Western Area Power Admin - DSW	Salt River Project	Arizona Public Service Company	NF
22	Western Area Power Admin - DSW	Salt River Project	Arizona Public Service Company	SFP
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	Luna	Greenlee	30	21,973	21,973	1
01	Luna	Springerville	10			2
01	Luna	Greenlee		716	716	3
01	Luna	Springerville		4	4	4
01	Macho Springs	Greenlee		667	667	5
01	Macho Springs	Springerville		321	321	6
01	Palo Verde	Westwing		47	47	7
01	Palo Verde	Westwing		19,145	19,145	8
01	Springerville	Greenlee		1,470	1,470	9
01	Luna	Greenlee		930	930	10
01	Macho Springs	Springerville	10	21,251	21,251	11
01	Macho Springs	Springerville		918	918	12
01	Palo Verde	Westwing		12,735	12,735	13
01	Palo Verde	Westwing		118,753	118,753	14
01	Palo Verde	Westwing		70	70	15
01	Jojoba	Palo Verde		155	155	16
01	Palo Verde	Westwing				17
01	Westmesa	Holloman	2	2,017	2,017	18
01	Westmesa	Holloman		86	86	19
01	Jojoba	Westwing		6	6	20
01	Palo Verde	Westwing		202	202	21
01	Palo Verde	Westwing		50	50	22
						23
						24
						25
						26
						27
						28
						29
						30
						31
						32
						33
						34
			739	1,135,492	1,135,492	

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.
218,183			218,183	1
				2
	3,966		3,966	3
	23		23	4
	3,894		3,894	5
	1,752		1,752	6
	29		29	7
	15,906		15,906	8
	5,435		5,435	9
				10
	72,728		72,728	11
	103		103	12
	8,281		8,281	13
	110,346		110,346	14
	47		47	15
	229		229	16
	46		46	17
14,546			14,546	18
				19
	18		18	20
	201		201	21
	54		54	22
				23
				24
				25
				26
				27
				28
				29
				30
				31
				32
				33
				34
2,822,567	1,515,195	0	4,337,762	

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 2014/Q1
FOOTNOTE DATA			

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

El Paso Electric Marketing is the marketing affiliate of El Paso Electric Company.

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

El Paso Electric Marketing is the marketing affiliate of El Paso Electric Company.

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

El Paso Electric Marketing is the marketing affiliate of El Paso Electric Company.

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

Network Integration Transmission Service expiration March 31, 2015.

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

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

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

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

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

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

Schedule Page: 328 Line No.: 11 Column: i

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

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

Firm transmission contract, expiration August 1, 2019.

Schedule Page: 328.1 Line No.: 15 Column: d

Firm transmission contracts of 111 and 30 MW, expiration January 1, 2019. Service was partially redirected to monthly services.

Schedule Page: 328.1 Line No.: 16 Column: d

Firm transmission contract, expiration January 1, 2020.

Schedule Page: 328.1 Line No.: 17 Column: d

Firm transmission contract, expiration July 1, 2018. Service was partially redirected to hourly services.

Schedule Page: 328.1 Line No.: 21 Column: i

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

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

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

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

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

Schedule Page: 328.1 Line No.: 33 Column: d

Firm transmission contract, expiration January 1, 2026.

Schedule Page: 328.1 Line No.: 34 Column: i

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

Schedule Page: 328.2 Line No.: 1 Column: d

Firm transmission contract, expiration November 1, 2029.

Schedule Page: 328.2 Line No.: 2 Column: d

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

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

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

Schedule Page: 328.2 Line No.: 12 Column: i

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

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 2014/Q1
FOOTNOTE DATA			

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

Firm transmission contract, expiration October 1, 2024.

Schedule Page: 328.2 Line No.: 19 Column: i

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

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	NF	282	282		1,447		1,447
2	Public Serv. Co. of NM	OLF	22,887	22,887	134,350			134,350
3	Public Serv. Co. of NM	LFP	109,856	109,856	728,306			728,306
4	Public Serv. Co. of NM	SFP	11,510	11,510				
5	Public Serv. Co. of NM	NF	2,306	2,306		12,746		12,746
6	Salt River Project	OLF	18,553	18,553	416,375			416,375
7	Tucson Electric Power	OLF	38,128	38,128				
8	Tucson Electric Power	SFP	169	169		622		622
9	Tucson Electric Power	NF	14	14		64		64
10								
11								
12								
13								
14								
15								
16								
	TOTAL		203,705	203,705	1,279,031	14,879		1,293,910

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 2014/Q1
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: b

Contract is an evergreen contract.

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

Amounts shown based on actual energy flows.

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

Amounts shown based on actual energy flows.

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

Contract expires June 30, 2017.

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

Amounts shown based on actual energy flows.

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

Amounts shown based on actual energy flows.

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

Amounts shown based on 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 transmission reservations.

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

Amounts shown based on 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: b

Contract expires concurrent with the ANPP Participation Agreement.

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

Amounts shown based on actual energy flows.

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

Amounts shown based on actual energy flows.

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

Amounts shown based on actual energy flows.

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

Amounts shown based on actual energy flows.

Schedule Page: 332 Line No.: 7 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.: 8 Column: c

Amounts shown based on transmission reservations.

Schedule Page: 332 Line No.: 8 Column: d

Amounts shown based on transmission reservations.

Schedule Page: 332 Line No.: 8 Column: f

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

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

Amounts shown based on transmission reservations.

Name of Respondent El Paso Electric Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2014/Q1
FOOTNOTE DATA			

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

Amounts shown based on transmission reservations.

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

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

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

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

Line No.	Functional Classification (a)	Depreciation Expense (Account 403) (b)	Depreciation Expense for Asset Retirement Costs (Account 403.1) (c)	Amortization of Other Limited-Term Electric Plant (Account 404) (e)	Amortization of Other Electric Plant (Account 405) (e)	Total (f)
1	Intangible Plant			1,914,840		1,914,840
2	Steam Production Plant	4,379,122	4,831			4,383,953
3	Nuclear Production Plant	4,712,649	(339,571)			4,373,078
4	Hydraulic Production Plant Conv					
5	Hydraulic Production Plant - Pumped Storage					
6	Other Production Plant	785,303	104			785,407
7	Transmission Plant	1,791,335				1,791,335
8	Distribution Plant	4,885,403				4,885,403
9	General Plant	1,788,146				1,788,146
10	Common Plant					
11	TOTAL ELECTRIC (lines 2 through 10)	18,341,958	(334,636)	1,914,840		19,922,162

MONTHLY PEAKS AND OUTPUT

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

NAME OF SYSTEM:

Line No.	Month (a)	Total Monthly Energy (MWH) (b)	Monthly Non-Requirements Sales for Resale & Associated Losses (c)	MONTHLY PEAK		
				Megawatts (See Instr. 4) (d)	Day of Month (e)	Hour (f)
1	January	907,507	290,658	1,076	23	2000
2	February	816,889	287,850	1,092	5	2000
3	March	893,243	309,345	1,000	31	2000
4	Total	2,617,639	887,853	3,168		
5	April				0	0
6	May				0	0
7	June				0	0
8	Total					
9	July				0	0
10	August				0	0
11	September				0	0
12	Total					

Name of Respondent El Paso Electric Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2014/Q1
FOOTNOTE DATA			

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

Includes 62,930 MWhs related to sales to Freeport related to the Company's Power Purchase and Sales Agreement with Freeport dated December 16, 2005.

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

Includes 62,930 MWhs related to sales to Freeport related to the Company's Power Purchase and Sales Agreement with Freeport dated December 16, 2005.

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

Includes 60,404 MWhs related to sales to Freeport related to the Company's Power Purchase and Sales Agreement with Freeport dated December 16, 2005.

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

Includes 60,404 MWhs related to sales to Freeport related to the Company's Power Purchase and Sales Agreement with Freeport dated December 16, 2005.

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

Includes 67,505 MWhs related to sales to Freeport related to the Company's Power Purchase and Sales Agreement with Freeport dated December 16, 2005.

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

Includes 67,505 MWhs related to sales to Freeport related to the Company's Power Purchase and Sales Agreement with Freeport dated December 16, 2005.

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 2014/Q1

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	1,076	23	2000		6	541	50	71	
2	February	1,092	5	2000		6	540	50	72	
3	March	1,000	31	2000		9	540	50	72	
4	Total for Quarter 1	3,168				21	1,621	150	215	
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	3,168				21	1,621	150	215	

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