

THIS FILING IS

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

Form 1 Approved
OMB No.1902-0021
(Expires 11/30/2016)
Form 1-F Approved
OMB No.1902-0029
(Expires 11/30/2016)
Form 3-Q Approved
OMB No.1902-0205
(Expires 11/30/2016)



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 2015/Q3

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>2015/Q3</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 Russell G. Gibson		06 Title of Contact Person Vice President & Controller
07 Address of Contact Person <i>(Street, City, State, Zip Code)</i> P.O. Box 982, El Paso, TX 79960-0982; 100 North Stanton, El Paso, TX 79901		
08 Telephone of Contact Person, <i>Including Area Code</i> (915) 351-4222	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/ Russell G. Gibson	03 Signature /s/ Russell G. Gibson	04 Date Signed <i>(Mo, Da, Yr)</i> 11/17/2015
02 Title Vice President & Controller		

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

LIST OF SCHEDULES (Electric Utility)

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

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

Name of Respondent 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>2015/Q3</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 2015/Q3
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:

The Company owns a 7% interest in Units 4 and 5 at Four Corners and shares power entitlements and allocated costs with APS, the operating agent, and the other Four Corners participants. The Company notified the other participants in 2013 that it would not continue in Four Corners after the termination of the 50-year contractual term of the participation agreement but that it would offer to sell its interest to them in order to facilitate their decision to extend the life of the plant. On February 17, 2015, the Company and APS entered into an asset purchase agreement (the "Agreement"), providing for the purchase by APS of the Company's interests in Four Corners. The cash purchase price is equal to the net book value of the Company's interest in Four Corners at the date of closing, which is expected to occur not later than July 2016, subject to the receipt of regulatory approvals. The purchase price will be adjusted downward to reflect APS's assumption in the Agreement of the Company's obligation to pay for future plant decommissioning and mine reclamation expenses. At the closing, APS will also reimburse the Company for the undepreciated value of certain capital expenditures made prior thereto. APS will assume responsibility for all capital expenditures made after July 2016 and, with certain exceptions, any pre-2016 capital expenditures to be put into service following the closing. In addition, APS will indemnify the Company against liabilities and costs related to the future operation of Four Corners. Included in the Company's regulatory-basis balance sheet at September 30, 2015 are obligations of \$6.5 million and \$19.3 million for plant decommissioning and mine reclamation costs, respectively, which the Company expects to pay at closing in accordance with the Agreement.

On June 26, 2015, APS filed an application requesting authorization from FERC to purchase 100% of the Company's ownership interest in Units 4 and 5 of Four Corners and the associated transmission interconnection facilities and rights. APS has requested authorization be granted by FERC on or before December 24, 2015. The Company cannot predict the outcome of the case at this time.

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

None

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

On March 19, 2015, the Company placed into commercial operation two transmission lines which connect the Montana Power Station ("MPS") to the electrical grid. The two transmission lines are: (i) MPS to Caliente, a 115-kv transmission line from the MPS to the existing Caliente Substation in east El Paso; and (ii) MPS In & Out, a 115-kv transmission line from the MPS to intersect with the existing Caliente – Coyote 115 –kv transmission line in east El Paso. The Public Utility Commission of Texas ("PUCT") issued final orders approving the Company's Certificate of Convenience and Necessity ("CCN") applications for the two transmission lines in PUCT Docket Nos. 41360 and 41359. The New Mexico Public Regulation Commission ("NMPRC") issued final orders approving the Company's CCN applications in NMPRC Case No.12-000137-UT.

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IMPORTANT CHANGES DURING THE QUARTER/YEAR (Continued)			

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

None

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 3.0% effective in January 2015 compared to 2014 through the merit award process. The annual effect of this increase was approximately \$1.6 million.

Base salaries for union employees under contract were increased by 2.25 % effective September 2015 compared to 2014. The annual effect of this increase was approximately \$0.6 million.

9. Materially Important Legal Proceedings (see also Notes B, F and G 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.

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 January 31, 2015, David G. Carpenter, Executive Vice President, retired from the Company.

On January 31, 2015, Hector R. Puente, Executive Vice President, retired from the Company.

On February 5, 2015, the Company Board of Directors announced the election of board members Charles A. Yamarone as the new Chairman of the Board of Directors and Edward Escudero as Vice Chairman of the Board. Mr. Yamarone replaced departing Chairman, Michael K. Parks, who resigned from the Board of Directors on February 5, 2015.

On May 18, 2015, Michael D. Blanchard, Vice President, Regulatory Affairs, resigned from the Company effective May 31, 2015.

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IMPORTANT CHANGES DURING THE QUARTER/YEAR (Continued)			

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

None

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	4,439,284,569	4,095,848,314
3	Construction Work in Progress (107)	200-201	262,591,383	414,284,207
4	TOTAL Utility Plant (Enter Total of lines 2 and 3)		4,701,875,952	4,510,132,521
5	(Less) Accum. Prov. for Depr. Amort. Depl. (108, 110, 111, 115)	200-201	2,169,988,695	2,125,210,546
6	Net Utility Plant (Enter Total of line 4 less 5)		2,531,887,257	2,384,921,975
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)		199,618,380	186,416,447
12	(Less) Accum. Prov. for Amort. of Nucl. Fuel Assemblies (120.5)	202-203	85,695,914	72,863,120
13	Net Nuclear Fuel (Enter Total of lines 7-11 less 12)		113,922,466	113,553,327
14	Net Utility Plant (Enter Total of lines 6 and 13)		2,645,809,723	2,498,475,302
15	Utility Plant Adjustments (116)		233,908	460,594
16	Gas Stored Underground - Noncurrent (117)		0	0
17	OTHER PROPERTY AND INVESTMENTS			
18	Nonutility Property (121)		658,502	692,126
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)		1,607,516	1,653,064
25	Sinking Funds (125)		0	0
26	Depreciation Fund (126)		0	0
27	Amortization Fund - Federal (127)		0	0
28	Other Special Funds (128)		238,673,341	241,390,445
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)		240,939,359	243,735,635
33	CURRENT AND ACCRUED ASSETS			
34	Cash and Working Funds (Non-major Only) (130)		0	0
35	Cash (131)		12,103,719	40,119,429
36	Special Deposits (132-134)		0	0
37	Working Fund (135)		330,453	271,140
38	Temporary Cash Investments (136)		139,150	113,267
39	Notes Receivable (141)		0	0
40	Customer Accounts Receivable (142)		73,784,184	48,463,192
41	Other Accounts Receivable (143)		2,790,294	3,838,124
42	(Less) Accum. Prov. for Uncollectible Acct.-Credit (144)		2,328,584	2,333,113
43	Notes Receivable from Associated Companies (145)		0	0
44	Accounts Receivable from Assoc. Companies (146)		0	0
45	Fuel Stock (151)	227	1,497,860	1,397,719
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	47,771,117	44,514,605
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	-149,475	-22,280

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	-5,000	-1,086
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)		10,547,815	11,569,509
58	Advances for Gas (166-167)		0	0
59	Interest and Dividends Receivable (171)		5,174	5,830
60	Rents Receivable (172)		0	0
61	Accrued Utility Revenues (173)		30,070,000	21,191,000
62	Miscellaneous Current and Accrued Assets (174)		899,100	1,034,393
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)		177,455,807	170,161,729
68	DEFERRED DEBITS			
69	Unamortized Debt Expenses (181)		12,791,065	13,183,608
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	143,247,862	152,445,158
73	Prelim. Survey and Investigation Charges (Electric) (183)		981,421	773,683
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)		-127,949	-134,745
77	Temporary Facilities (185)		0	0
78	Miscellaneous Deferred Debits (186)	233	6,735,980	6,473,271
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)		17,680,567	18,345,010
82	Accumulated Deferred Income Taxes (190)	234	200,045,179	203,294,226
83	Unrecovered Purchased Gas Costs (191)		0	0
84	Total Deferred Debits (lines 69 through 83)		381,354,125	394,380,211
85	TOTAL ASSETS (lines 14-16, 32, 67, and 84)		3,445,792,922	3,307,213,471

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	65,817,657	65,784,977
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)		308,125,439	306,119,436
7	Other Paid-In Capital (208-211)	253	1,715,571	2,432,300
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	1,104,871,766	1,057,500,972
12	Unappropriated Undistributed Subsidiary Earnings (216.1)	118-119	0	0
13	(Less) Reaquired Capital Stock (217)	250-251	423,337,131	424,646,957
14	Noncorporate Proprietorship (Non-major only) (218)		0	0
15	Accumulated Other Comprehensive Income (219)	122(a)(b)	-20,222,971	-8,001,395
16	Total Proprietary Capital (lines 2 through 15)		1,036,629,392	998,848,394
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	850,000,000	850,000,000
22	Unamortized Premium on Long-Term Debt (225)		0	0
23	(Less) Unamortized Discount on Long-Term Debt-Debit (226)		3,877,578	3,955,402
24	Total Long-Term Debt (lines 18 through 23)		1,039,257,422	1,039,179,598
25	OTHER NONCURRENT LIABILITIES			
26	Obligations Under Capital Leases - Noncurrent (227)		95,000,000	95,000,000
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)		149,908,198	153,613,948
30	Accumulated Miscellaneous Operating Provisions (228.4)		0	0
31	Accumulated Provision for Rate Refunds (229)		0	0
32	Long-Term Portion of Derivative Instrument Liabilities		0	0
33	Long-Term Portion of Derivative Instrument Liabilities - Hedges		0	0
34	Asset Retirement Obligations (230)		79,905,196	74,576,650
35	Total Other Noncurrent Liabilities (lines 26 through 34)		324,813,394	323,190,598
36	CURRENT AND ACCRUED LIABILITIES			
37	Notes Payable (231)		85,000,000	0
38	Accounts Payable (232)		50,741,675	78,862,366
39	Notes Payable to Associated Companies (233)		0	0
40	Accounts Payable to Associated Companies (234)		0	0
41	Customer Deposits (235)		6,461,032	6,696,298
42	Taxes Accrued (236)	262-263	30,226,568	24,650,650
43	Interest Accrued (237)		16,260,393	10,848,852
44	Dividends Declared (238)		0	0
45	Matured Long-Term Debt (239)		0	0

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

Line No.	Title of Account (a)	Ref. Page No. (b)	Current Year End of Quarter/Year Balance (c)	Prior Year End Balance 12/31 (d)
46	Matured Interest (240)		0	0
47	Tax Collections Payable (241)		2,800,931	-526,644
48	Miscellaneous Current and Accrued Liabilities (242)		17,458,161	18,544,867
49	Obligations Under Capital Leases-Current (243)		34,268,576	31,441,075
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)		243,217,336	170,517,464
55	DEFERRED CREDITS			
56	Customer Advances for Construction (252)		14,715,118	15,005,672
57	Accumulated Deferred Investment Tax Credits (255)	266-267	21,615,018	22,483,761
58	Deferred Gains from Disposition of Utility Plant (256)		0	0
59	Other Deferred Credits (253)	269	22,346,332	22,409,827
60	Other Regulatory Liabilities (254)	278	55,317,529	54,333,963
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)		611,465,132	583,109,431
64	Accum. Deferred Income Taxes-Other (283)		76,416,249	78,134,763
65	Total Deferred Credits (lines 56 through 64)		801,875,378	775,477,417
66	TOTAL LIABILITIES AND STOCKHOLDER EQUITY (lines 16, 24, 35, 54 and 65)		3,445,792,922	3,307,213,471

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	672,967,389	720,961,786	289,713,044	283,644,748
3	Operating Expenses					
4	Operation Expenses (401)	320-323	364,416,578	417,663,847	144,011,532	146,729,501
5	Maintenance Expenses (402)	320-323	49,771,825	45,619,258	14,354,650	15,392,895
6	Depreciation Expense (403)	336-337	62,113,621	55,391,504	21,370,429	18,313,851
7	Depreciation Expense for Asset Retirement Costs (403.1)	336-337	-852,337	-994,159	-277,470	-333,178
8	Amort. & Depl. of Utility Plant (404-405)	336-337	5,274,311	5,982,775	1,105,856	2,049,041
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)		114,138	114,138	38,046	38,046
13	(Less) Regulatory Credits (407.4)					
14	Taxes Other Than Income Taxes (408.1)	262-263	48,843,624	48,882,622	19,252,513	17,963,482
15	Income Taxes - Federal (409.1)	262-263	-2,445,941	-2,447,005	-1,802,782	-1,645,262
16	- Other (409.1)	262-263	2,388,485	3,218,403	1,832,769	2,416,578
17	Provision for Deferred Income Taxes (410.1)	234, 272-277	75,305,108	85,461,520	40,863,118	51,830,516
18	(Less) Provision for Deferred Income Taxes-Cr. (411.1)	234, 272-277	43,938,740	53,880,306	17,955,017	33,922,528
19	Investment Tax Credit Adj. - Net (411.4)	266	-894,240	-892,960	-298,080	-296,800
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)		3	12		12
23	Losses from Disposition of Allowances (411.9)					
24	Accretion Expense (411.10)		5,139,211	4,351,828	1,713,093	1,450,603
25	TOTAL Utility Operating Expenses (Enter Total of lines 4 thru 24)		565,235,640	608,471,453	224,208,657	219,986,733
26	Net Util Oper Inc (Enter Tot line 2 less 25) Carry to Pg117, line 27		107,731,749	112,490,333	65,504,387	63,658,015

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
672,967,389	720,961,786					2
						3
364,416,578	417,663,847					4
49,771,825	45,619,258					5
62,113,621	55,391,504					6
-852,337	-994,159					7
5,274,311	5,982,775					8
						9
						10
						11
114,138	114,138					12
						13
48,843,624	48,882,622					14
-2,445,941	-2,447,005					15
2,388,485	3,218,403					16
75,305,108	85,461,520					17
43,938,740	53,880,306					18
-894,240	-892,960					19
						20
						21
3	12					22
						23
5,139,211	4,351,828					24
565,235,640	608,471,453					25
107,731,749	112,490,333					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)		107,731,749	112,490,333	65,504,387	63,658,015
28	Other Income and Deductions					
29	Other Income					
30	Nonutility Operating Income					
31	Revenues From Merchandising, Jobbing and Contract Work (415)		592,862	25,261	259,905	6,495
32	(Less) Costs and Exp. of Merchandising, Job. & Contract Work (416)		469,505	13,304	187,807	9,344
33	Revenues From Nonutility Operations (417)					
34	(Less) Expenses of Nonutility Operations (417.1)					
35	Nonoperating Rental Income (418)					
36	Equity in Earnings of Subsidiary Companies (418.1)	119				
37	Interest and Dividend Income (419)		4,757,717	4,692,329	1,606,257	1,560,558
38	Allowance for Other Funds Used During Construction (419.1)		8,416,887	10,215,201	1,873,749	3,848,520
39	Miscellaneous Nonoperating Income (421)		12,626,254	7,749,583	5,794,671	1,821,889
40	Gain on Disposition of Property (421.1)		586,952	2,096,363	586,952	8,461
41	TOTAL Other Income (Enter Total of lines 31 thru 40)		26,511,167	24,765,433	9,933,727	7,236,579
42	Other Income Deductions					
43	Loss on Disposition of Property (421.2)			4,522		
44	Miscellaneous Amortization (425)		226,686	226,686	75,562	75,562
45	Donations (426.1)		1,385,644	1,355,281	291,727	698,323
46	Life Insurance (426.2)		275,983	147,392	277,410	147,392
47	Penalties (426.3)		9,003	12,459	7,000	9,000
48	Exp. for Certain Civic, Political & Related Activities (426.4)		513,125	503,687	132,804	161,961
49	Other Deductions (426.5)		640,134	-114,726	325,047	-346,277
50	TOTAL Other Income Deductions (Total of lines 43 thru 49)		3,050,575	2,135,301	1,109,550	745,961
51	Taxes Applic. to Other Income and Deductions					
52	Taxes Other Than Income Taxes (408.2)	262-263	7,091	7,233	2,265	2,401
53	Income Taxes-Federal (409.2)	262-263	2,972,538	4,790,669	1,357,191	3,815,350
54	Income Taxes-Other (409.2)	262-263	49,616		7,398	
55	Provision for Deferred Inc. Taxes (410.2)	234, 272-277	419,258	2,246,948	197,368	488,073
56	(Less) Provision for Deferred Income Taxes-Cr. (411.2)	234, 272-277	308	301,556	100	240,693
57	Investment Tax Credit Adj.-Net (411.5)					
58	(Less) Investment Tax Credits (420)		-25,497	-25,497	-8,499	-8,499
59	TOTAL Taxes on Other Income and Deductions (Total of lines 52-58)		3,473,692	6,768,791	1,572,621	4,073,630
60	Net Other Income and Deductions (Total of lines 41, 50, 59)		19,986,900	15,861,341	7,251,556	2,416,988
61	Interest Charges					
62	Interest on Long-Term Debt (427)		47,963,473	42,370,845	15,953,780	14,121,058
63	Amort. of Debt Disc. and Expense (428)		815,548	767,141	289,870	273,583
64	Amortization of Loss on Reaquired Debt (428.1)		664,443	664,443	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)		1,131,278	1,028,824	484,357	457,868
69	(Less) Allowance for Borrowed Funds Used During Construction-Cr. (432)		5,365,374	5,840,709	1,353,063	2,189,051
70	Net Interest Charges (Total of lines 62 thru 69)		45,209,368	38,990,544	15,596,425	12,884,939
71	Income Before Extraordinary Items (Total of lines 27, 60 and 70)		82,509,281	89,361,130	57,159,518	53,190,064
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)		82,509,281	89,361,130	57,159,518	53,190,064

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		1,057,500,972	1,006,809,842
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)		82,509,281	95,247,056
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		-35,138,487	(44,555,926)
32				
33				
34				
35				
36	TOTAL Dividends Declared-Common Stock (Acct. 438)		-35,138,487	(44,555,926)
37	Transfers from Acct 216.1, Unapprop. Undistrib. Subsidiary Earnings			
38	Balance - End of Period (Total 1,9,15,16,22,29,36,37)		1,104,871,766	1,057,500,972
	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)		1,104,871,766	1,057,500,972
	UNAPPROPRIATED UNDISTRIBUTED SUBSIDIARY EARNINGS (Account			
	Report only on an Annual Basis, no Quarterly			
49	Balance-Beginning of Year (Debit or Credit)			
50	Equity in Earnings for Year (Credit) (Account 418.1)			
51	(Less) Dividends Received (Debit)			
52				
53	Balance-End of Year (Total lines 49 thru 52)			

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)	82,509,281	89,361,130
3	Noncash Charges (Credits) to Income:		
4	Depreciation and Depletion	62,113,621	55,391,504
5	Amortization of Other	15,248,050	16,534,640
6	Amortization of Nuclear Fuel	33,027,626	34,125,856
7			
8	Deferred Income Taxes (Net)	31,785,318	33,526,607
9	Investment Tax Credit Adjustment (Net)	-868,743	-867,463
10	Net (Increase) Decrease in Receivables	-33,156,035	-47,330,733
11	Net (Increase) Decrease in Inventory	-3,352,739	-980,670
12	Net (Increase) Decrease in Allowances Inventory	127,195	-19,400
13	Net Increase (Decrease) in Payables and Accrued Expenses	931,778	17,263,922
14	Net (Increase) Decrease in Other Regulatory Assets	6,764,579	-1,601,822
15	Net Increase (Decrease) in Other Regulatory Liabilities	3,110,625	2,300,273
16	(Less) Allowance for Other Funds Used During Construction	8,416,887	10,215,201
17	(Less) Undistributed Earnings from Subsidiary Companies		
18	Other (provide details in footnote):	-5,415,998	-2,783,142
19			
20	Deferred Charges and Credits	-2,394,848	-5,491,790
21	Net (Increase) Decrease in Prepayments and Other	-5,400,593	-4,380,585
22	Net Cash Provided by (Used in) Operating Activities (Total 2 thru 21)	176,612,230	174,833,126
23			
24	Cash Flows from Investment Activities:		
25	Construction and Acquisition of Plant (including land):		
26	Gross Additions to Utility Plant (less nuclear fuel)	-225,298,627	-205,329,240
27	Gross Additions to Nuclear Fuel	-34,428,307	-32,764,675
28	Gross Additions to Common Utility Plant		
29	Gross Additions to Nonutility Plant		
30	(Less) Allowance for Other Funds Used During Construction	-8,416,887	-10,215,201
31	Other (provide details in footnote):		
32			
33			
34	Cash Outflows for Plant (Total of lines 26 thru 33)	-251,310,047	-227,878,714
35			
36	Acquisition of Other Noncurrent Assets (d)		
37	Proceeds from Disposal of Noncurrent Assets (d)	643,744	2,394,569
38			
39	Investments in and Advances to Assoc. and Subsidiary Companies		
40	Contributions and Advances from Assoc. and Subsidiary Companies		
41	Disposition of Investments in (and Advances to)		
42	Associated and Subsidiary Companies		
43			
44	Purchase of Investment Securities (a)		
45	Proceeds from Sales of Investment Securities (a)		

STATEMENT OF CASH FLOWS

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

Line No.	Description (See Instruction No. 1 for Explanation of Codes) (a)	Current Year to Date Quarter/Year (b)	Previous Year to Date Quarter/Year (c)
46	Loans Made or Purchased		
47	Collections on Loans		
48			
49	Net (Increase) Decrease in Receivables		
50	Net (Increase) Decrease in Inventory		
51	Net (Increase) Decrease in Allowances Held for Speculation		
52	Net Increase (Decrease) in Payables and Accrued Expenses		
53	Investment in Decommissioning Trust Fund (Purchases)	-70,016,311	-54,342,584
54	Investment in Decommissioning Trust Fund (Sales and Maturities)	63,775,680	47,354,727
55	Other (provide details in footnote):	-619,342	4,437,787
56	Net Cash Provided by (Used in) Investing Activities		
57	Total of lines 34 thru 55)	-257,526,276	-228,034,215
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	266,779,192	186,215,251
65			
66	Net Increase in Short-Term Debt (c)		
67	Other (provide details in footnote):		
68			
69			
70	Cash Provided by Outside Sources (Total 61 thru 69)	266,779,192	186,215,251
71			
72	Payments for Retirement of:		
73	Long-term Debt (b)		
74	Preferred Stock		
75	Common Stock		
76	Other Financing Activities	-503,185	-525,317
77	Financing and Capital Lease Obligations	-177,617,975	-111,039,128
78	Net Decrease in Short-Term Debt (c)		
79	Tax (Obligations) Benefits from Long-Term Incentive Plans	-536,013	-370,818
80	Dividends on Preferred Stock		
81	Dividends on Common Stock	-35,138,487	-33,261,306
82	Net Cash Provided by (Used in) Financing Activities		
83	(Total of lines 70 thru 81)	52,983,532	41,018,682
84			
85	Net Increase (Decrease) in Cash and Cash Equivalents		
86	(Total of lines 22,57 and 83)	-27,930,514	-12,182,407
87			
88	Cash and Cash Equivalents at Beginning of Period	40,503,836	25,592,063
89			
90	Cash and Cash Equivalents at End of period	12,573,322	13,409,656

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 2015/Q3
El Paso Electric Company			
FOOTNOTE DATA			

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

	2015	2014
Other:		
Net Gain on Sale of Property, Plant and Equipment	\$ (586,951)	\$ (2,091,841)
Net Gains on Equity Investments	(7,886,355)	(3,791,069)
Amortization of Unearned Compensation	2,787,720	3,265,154
Unrealized (Gains) and Losses on Investments in Debt Securities	80,009	(53,725)
Other Operating Activities	189,579	(111,661)
Total	\$ (5,415,998)	\$ (2,783,142)

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

	2015	2014
Other:		
Customer Advances for Construction	\$ (290,554)	\$ 1,797,006
Net Salvage and Cost of Removal	(328,788)	2,640,781
Total	\$ (619,342)	\$ 4,437,787

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>2015/Q3</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 2015/Q3
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 U.S. Generally Accepted Accounting Principles ("GAAP") used in the September 30, 2015 Form 10-Q filed by El Paso Electric Company with the Securities and Exchange Commission. Notes A through I of the regulatory-basis financial statements are from the September 30, 2015 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 I 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.

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NOTES TO FINANCIAL STATEMENTS (Continued)			

Statement of Cash Flows

Cash and cash equivalents and amortization of other presented on the statement of cash flows for the nine months ended September 30, 2015 and 2014 consist of the following (in thousands):

	<u>2015</u>	<u>2014</u>
Cash and Cash Equivalents:		
Cash (131)	\$ 12,104	\$ 13,143
Working funds (135)	330	161
Temporary cash investments (136)	139	106
Cash and cash equivalents at end of period	<u>\$ 12,573</u>	<u>\$ 13,410</u>
Amortization of Other:		
ARO depreciation (403.1)	\$ (852)	\$ (994)
Other utility plant (404)	5,274	5,983
Regulatory assets (407.3)	114	114
ARO liability accretion (411.10)	5,139	4,352
Miscellaneous amortization (425)	227	227
Debt expense (428)	816	767
Loss on reacquired debt (428.1)	664	664
Interest rate lock losses	348	326
RCF issuance costs	125	130
Dry cask storage amortization	2,506	3,499
Coal reclamation amortization	887	886
Texas rate case expense amortization	-	581
	<u>\$ 15,248</u>	<u>\$ 16,535</u>

A. Principles of Preparation

These condensed regulatory-basis financial statements should be read in conjunction with the regulatory-basis financial statements and notes thereto in the Annual Report of El Paso Electric Company on FERC Form No.1 for the year ended December 31, 2014 (the "2014 FERC Form No.1"). Capitalized terms used in this report and not defined herein have the meaning ascribed to such terms in the 2014 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 September 30, 2015 and December 31, 2014; the results of its operations for the three and nine months ended September 30, 2015 and 2014; its comprehensive operations for the nine months ended September 30, 2015 and the year ended December 31, 2014; and its cash flows for the nine months ended September 30, 2015 and 2014. The results of operations for the three and nine months ended September 30, 2015 and the comprehensive operations, and the cash flows for the nine months ended September 30, 2015 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 "PUC"), 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 2015/Q3
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 statements of operations.

Supplemental Cash Flow Disclosures (in thousands)

	Nine Months Ended September 30,	
	2015	2014
Cash paid (received) for:		
Interest on long-term debt and borrowing under the revolving credit facility	\$ 41,406	\$ 37,689
Income tax paid (refunded), net	(272)	2,969
Non-cash investing and financing activities:		
Changes in accrued plant additions	(13,150)	(3,762)
Grants of restricted shares of common stock	1,106	3,025

New Accounting Standards. In May 2014, the FASB issued new guidance (Accounting Standards Update ("ASU") 2014-09, Revenue from Contracts with Customers (Topic 606)) to provide a framework that replaces the existing revenue recognition guidance. ASU 2014-09 is the result of a joint effort by the FASB and the International Accounting Standards Board intended to clarify the principles for recognizing revenue and to develop a common revenue standard for GAAP and International Financial Reporting Standards. ASU 2014-09 provides that an entity should recognize the amount of revenue to which it expects to be entitled for the transfer of promised goods or services to customers. ASU 2014-09 was originally intended to be effective for annual periods and interim periods within that reporting period beginning after December 15, 2016, for public business entities. In August 2015, FASB issued ASU 2015-14 to defer the effective date of ASU 2014-09 for all entities by one year. Public business entities will apply the guidance in ASU 2014-09 to annual reporting periods beginning after December 15, 2017 and interim periods within that reporting period. Early adoption of ASU 2014-09 is permitted after December 15, 2016. The Company is currently assessing the future impact of this ASU.

In May 2015, FASB issued ASU 2015-07, Fair Value Measurement (Topic 820) to eliminate the requirement to categorize investments in the fair value hierarchy if the fair value is measured at net asset value ("NAV") per share (or its equivalent) using the practical expedient in the FASB's fair value measurement guidance. Reporting entities must still provide sufficient information to enable users to reconcile total investments in the fair value hierarchy and total investments measured at fair value in the financial statements. Additionally, the scope of current disclosure requirements for investments eligible to be measured at NAV will be limited to investments to which the practical expedient is applied. This ASU is effective in fiscal years beginning after December 15, 2015, and interim periods within those fiscal years. The ASU requires retrospective application. Early adoption is permitted. The Company is currently assessing the future impact of this ASU.

B. Regulation

General

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

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El Paso Electric Company			
NOTES TO FINANCIAL STATEMENTS (Continued)			

Texas Regulatory Matters

2012 Texas Retail Rate Case. 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 2012 Texas retail rate 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 discussed below. The 2012 Texas retail rate 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.

2015 Texas Rate Case Filing. On August 10, 2015, the Company filed with the City of El Paso, other municipalities incorporated in its Texas service territory, and the PUCT in Docket No. 44941, a request for an increase in non-fuel base revenues of approximately \$71.5 million. The Company has invoked its statutory right to have its new rates relate back for consumption after the 155th day after the filing (i.e., January 12, 2016). As such, the difference in rates that would have been collected will be surcharged or refunded to customers beginning after the PUCT's final order in Docket No. 44941 which is expected to be early in the second quarter of 2016. The PUCT has the authority to require the Company to surcharge or refund such difference over a period not to exceed eighteen (18) months. The Company cannot predict the outcome of the case at this time.

Energy Efficiency Cost Recovery Factor. The Company made its annual filing to establish its energy efficiency cost recovery factor for 2015 on May 1, 2014. In addition to projected energy efficiency costs for 2015 and true-up to prior year actual costs, the Company requested approval of a \$2.0 million bonus for the 2013 energy efficiency program results in accordance with PUCT rules. The PUCT approved the Company's request at its November 14, 2014 open meeting. The Company recorded the \$2.0 million bonus as operating revenue in the fourth quarter of 2014.

On May 1, 2015, the Company made its annual filing to establish its energy efficiency cost recovery factor for 2016. In addition to projected energy efficiency costs for 2016 and true-up to prior year actual costs, the Company requested approval of a \$1.0 million bonus for the 2014 energy efficiency program results in accordance with PUCT rules. This case was assigned PUCT Docket No. 44677. A stipulation and settlement agreement was filed September 24, 2015 and the PUCT approved the settlement on November 5, 2015. The settlement approved by the PUCT includes a performance bonus of \$1.0 million.

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. The Texas Fuel Rule requires the Company to request to refund fuel costs in any month when the over-recovery balance exceeds a threshold material amount and it expects fuel costs to continue to be materially over-recovered. The Texas Fuel Rule also permits the Company to seek to surcharge fuel under-recoveries in any month the balance exceeds a threshold material amount and it expects fuel cost recovery to continue to be materially under-recovered. Fuel over- and under-recoveries are considered material when they exceed 4% of the previous twelve months' fuel costs. All such fuel revenue and expense activities are subject to periodic final review by the PUCT in fuel reconciliation proceedings.

On April 15, 2015, the Company filed a request, which was assigned PUCT Docket No. 44633, to reduce its fixed fuel factor by approximately 24% to reflect an expected reduction in fuel expense. The over-recovered balance was below the materiality threshold. The reduction in the fixed fuel factor was effective on an interim basis May 1, 2015 and approved by the PUCT on May 20, 2015. As of September 30, 2015, the Company had under-recovered fuel costs in the amount of \$2.4 million for the Texas jurisdiction.

Fuel Reconciliation Proceeding. Pursuant to the 2012 Texas retail rate settlement discussed above, on September 27, 2013, the Company filed an application with the PUCT, designated as PUCT 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. A settlement was reached and a final order was issued by the PUCT on July 11, 2014. The PUCT's final order completes the regulatory review and reconciliation of the Company's fuel expenses for the period through March 31, 2013.

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NOTES TO FINANCIAL STATEMENTS (Continued)			

The settlement provides that 100% of margins on non-arbitrage off-system sales (as defined by the settlement) and 50% of margins on arbitrage off-system sales be shared with its Texas customers beginning April 1, 2014. For the period April 1, 2014 through June 30, 2015, the Company's total share of margins assignable to Texas retail jurisdiction, on arbitrage and non-arbitrage off-system sales, may not exceed 10% of the total margins assignable to the Texas retail jurisdiction on all off-system sales.

The Company also agreed in the settlement to file with the PUCT a proceeding to address the reasonableness of the Company's decision to not continue to participate in the Four Corners Generating Station ("Four Corners") and to include fuel costs related to final coal mine closing and reclamation costs. On June 10, 2015, the Company filed this application with the PUCT. This case was assigned PUCT Docket No. 44805 and is addressed in more detail below.

Montana Power Station Approvals. The Company has received a Certificate of Convenience and Necessity ("CCN") from the PUCT to construct four natural gas fired generating units at the Montana Power Station (the "MPS") in El Paso County, Texas. The Company also obtained air permits from the Texas Commission on Environmental Quality (the "TCEQ") and the U.S. Environmental Protection Agency (the "EPA").

The PUCT has issued final orders approving CCNs for the MPS to Caliente transmission line, MPS In & Out transmission line and the MPS to Montwood transmission line. These transmission lines will connect MPS to the Company's transmission system for delivery of electricity throughout its service territory. MPS Units 1 and 2 and the MPS to Caliente and MPS In & Out transmission lines became operational in March 2015.

Solar Generation CCN Filing. On April 20, 2015, the Company filed an application with the PUCT requesting CCN authorization to construct a new 20 MW solar-powered generation facility to be located on Fort Bliss in the Company's service territory in Texas. This case was assigned PUCT Docket No. 44637. The Company was unable to reach an agreement with the United States Army on essential terms of the easement within Fort Bliss on which the facility would be located. Accordingly, on August 19, 2015, the Company filed a notice that it was withdrawing its application, and on the same day the Administrative Law Judge dismissed the case.

Community Solar. On June 8, 2015, the Company filed a petition with the PUCT to initiate a community solar program to include construction and ownership of a 3 MW solar photovoltaic system located at the MPS. Participation will be on a voluntary basis, and customers will contract for a set capacity (kW) amount and receive all energy produced. The Company has requested a PUCT final order approving the program so that the project can be completed before December 31, 2016 to maximize potential tax benefits. This case was assigned PUCT Docket No. 44800. A hearing on the merits is currently scheduled for early December 2015.

Four Corners Generating Station. On June 10, 2015, the Company filed an application requesting reasonableness and public interest findings and certain rate- and accounting- related findings to sell its ownership interest in Four Corners to Arizona Public Service Company ("APS") pursuant to a Purchase and Sale Agreement executed February 17, 2015. The anticipated closing date is July 6, 2016, pending regulatory approval. This case was assigned PUCT Docket No. 44805. The deadline for parties to request hearing is set as November 20, 2015, and the deadline for the PUCT Staff to file a recommendation in the case is November 30, 2015, if no hearing is requested. It is expected that the final coal mine closing and reclamation costs will be addressed in the proceeding as well as other issues related to post-participation events such as the asset retirement obligations. The Company cannot predict the outcome of the case at this time.

Other Required Approvals. The Company has obtained other required approvals for 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 are updated annually for adjustment to the recovery factors.

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NOTES TO FINANCIAL STATEMENTS (Continued)			

2015 New Mexico Rate Case Filing. On May 11, 2015, the Company filed with the NMPRC (NMPRC Case No. 15-00127-UT) for an annual increase in non-fuel base rates of approximately \$8.6 million or 7.1%. The filing also requests an annual reduction of \$15.4 million, or 21.5%, for fuel and purchased power costs recovered in base rates. The reduction in fuel and purchased power rates reflects reduced fuel prices and improvements in system heat rates due to new generating unit additions. Based on the standard procedural schedule, the Company expects new rates to go into effect early in the second quarter of 2016. A hearing in the case began on November 16, 2015. The Company cannot predict the outcome of the case at this time.

Fuel and Purchased Power Costs. Fuel and purchased power costs are recovered through base rates and a Fuel and Purchased Power Cost Adjustment Clause (the "FPPCAC") that accounts for changes in the costs of fuel relative to the amount included in base rates. On January 8, 2014, the NMPRC approved the continuation of the FPPCAC without modification in NMPRC Case No. 13-00380-UT. Fuel and purchased power costs are reconciled to actual costs on a monthly basis and recovered or refunded to customers the second succeeding month. The Company recovers costs related to Palo Verde Unit 3 capacity and energy in New Mexico through the FPPCAC as purchased power using a proxy market price approved in the 2014 FPPCAC continuation.

Montana Power Station Approvals. The Company has received a CCN from the NMPRC to construct four units at the MPS and the associated transmission lines. The Company also obtained all necessary air permits from the TCEQ and the EPA. A final order in NMPRC Case No. 13-00297-UT approving the CCN for MPS Units 3 and 4 was issued on June 11, 2014. MPS Units 1 and 2 and the MPS to Caliente and MPS In & Out transmission lines became operational in March 2015.

Solar Generation CCN Filing. On April 20, 2015, the Company filed a petition with the NMPRC requesting CCN authorization to construct a new 20 MW solar-powered generation facility to be located on Fort Bliss in the Company's service territory in Texas. This case was assigned NMPRC Case No. 15-00099-UT. The Company was unable to reach an agreement with the United States Army on essential terms of the easement within Fort Bliss on which the facility would be located. Accordingly, on August 17, 2015, the Company filed a motion to withdraw the CCN filing. On September 23, 2015, the NMPRC issued a Final Order accepting the Hearing Examiner's Recommended Decision to grant the Company's motion to withdraw.

Four Corners Generating Station. On April 27, 2015, the Company filed an application requesting all necessary regulatory approvals to sell its ownership interest in Four Corners to APS pursuant to a Purchase and Sale Agreement executed February 17, 2015. The anticipated closing date is July 6, 2016, pending regulatory approval. This case was assigned NMPRC Case No. 15-00109-UT. Hearings in the case are scheduled for January 2016. The Company cannot predict the outcome of the case at this time.

Expedited Approval for CCN (5 MW Holloman Facility). On June 15, 2015, the Company filed a petition with the NMPRC requesting CCN authorization to construct a 5 MW solar-powered generation facility to be located at Holloman Air Force Base ("HAFB") in the Company's service territory in New Mexico. The new facility will be a dedicated Company-owned resource serving HAFB. The Company has requested approval such that the project can be completed before December 31, 2016 to maximize potential tax benefits. This case was assigned NMPRC Case No. 15-00185-UT. On October 7, 2015, the NMPRC issued a Final Order accepting the Hearing Examiner's Recommended Decision to approve the CCN, as modified, that the Company shall not seek to recover any revenue requirement associated with the facility from New Mexico jurisdictional customers other than HAFB without prior NMPRC approval.

Issuance of Long-Term Debt and Guarantee of Debt. On October 7, 2015 the Company received approval in NMPRC Case No. 15-00280-UT to issue up to \$310 million in new long-term debt; and to guarantee the issuance of up to \$65 million of new debt by Rio Grande Resources Trust ("RGRT") to finance future purchases of nuclear fuel and to refinance existing nuclear fuel debt obligations. This approval supersedes prior approvals.

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

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Federal Regulatory Matters

Four Corners Generating Station. On June 26, 2015, APS filed an application requesting authorization from FERC to purchase 100% of the Company's ownership interest in Units 4 and 5 of Four Corners and the associated transmission interconnection facilities and rights. APS has requested authorization by FERC on or before December 24, 2015. The Company cannot predict the outcome of the case at this time.

Public Service Company of New Mexico's ("PNM") Transmission Rate Case. On December 31, 2012, PNM filed with FERC to change its method of transmission rate recovery for its transmission delivery services from stated rates to formula rates. The Company takes transmission service from PNM and is among the PNM transmission customers affected by PNM's shift to formula rates. On March 1, 2013, the FERC issued an order rejecting in part PNM's filing, and establishing settlement judge and hearing procedures. On March 20, 2015, PNM filed with FERC a settlement agreement and offer of settlement resolving all issues set for hearing in the proceeding. On March 25, 2015, the Chief Judge issued an order granting PNM's motion to implement the settled rates. However, the Company is still awaiting a final decision from the Commission on whether the settlement will be approved. The Company cannot predict the outcome of the case at this time.

Revolving Credit Facility; Issuance of Long-Term Debt and Guarantee of Debt. On October 19, 2015, the FERC issued an order in Docket No. ES15-66-000 approving the Company's filing to issue short-term debt under its existing revolving credit facility up to \$400 million outstanding at any one time, to issue up to \$310 million in long-term debt, and to guarantee the issuance of up to \$65 million of new long-term debt by RGRT to finance future nuclear fuel purchases. The authorization is effective from November 15, 2015 through November 15, 2017. This approval supersedes prior approvals.

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

C. Palo Verde

Spent Nuclear Fuel and Waste Disposal

Pursuant to the Nuclear Waste Policy Act of 1982, as amended in 1987 (the "NWPA"), the U.S. Department of Energy (the "DOE") is legally obligated to accept and dispose of all spent nuclear fuel and other high-level radioactive waste generated by all domestic power reactors by 1998. The DOE's obligations are reflected in a contract for Disposal of Spent Nuclear Fuel and/or High-Level Radioactive Waste (the "Standard Contract") with each nuclear power plant. The DOE failed to begin accepting spent nuclear fuel by 1998. On December 19, 2012, APS, acting on behalf of itself and the participant owners of Palo Verde, filed a second breach of contract lawsuit against the DOE. This lawsuit sought to recover damages incurred due to the DOE's failure to accept Palo Verde's spent nuclear fuel for the period beginning January 1, 2007 through June 30, 2011. On August 18, 2014, APS and the DOE entered into a settlement agreement, stipulating to a dismissal of the lawsuit and payment of \$57.4 million by the DOE to the Palo Verde owners for certain specified costs incurred by Palo Verde during the period January 1, 2007 through June 30, 2011. On October 8, 2014, the Company received approximately \$9.1 million, representing its share of the award. The majority of the award was credited to customers through the applicable fuel adjustment clauses. On October 31, 2014, APS acting on behalf of itself and the participant owners of Palo Verde, submitted to the government an additional request for reimbursement of spent nuclear fuel storage costs for the period July 1, 2011 through June 30, 2014. The accepted claim amount was \$42.0 million. On June 1, 2015, the Company received approximately \$6.6 million, representing its share of the award. The majority of the award was credited to customers through the applicable fuel adjustment clauses in March 2015.

D. Common Stock

Dividends. The Company paid \$11.9 million and \$11.3 million in quarterly cash dividends during the three months ended September 30, 2015 and 2014, respectively. The Company paid a total of \$35.1 million and \$33.3 million in quarterly cash dividends during the nine months ended September 30, 2015 and 2014, respectively.

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E. 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 2010. The Company is currently under audit in Texas for tax years 2007 through 2011 and in Arizona for tax years 2009 through 2012.

For both the three months ended September 30, 2015 and 2014, the Company's regulatory-basis effective tax rate was 29.8% and 29.7%, respectively. For the nine months ended September 30, 2015 and 2014, the Company's regulatory-basis effective tax rate was 29.1% and 30.0%, respectively. The Company's regulatory-basis effective tax rate for all time periods differs from the federal statutory tax rate of 35.0% primarily due to the allowance for equity funds used during construction and state income taxes. The Company's regulatory-basis effective tax rate for the three and nine months ended September 30, 2015 also differs from the federal statutory tax rate of 35.0% due to a domestic production activities deduction earned in 2015 and capital gains in the qualified decommissioning trust realized in the first and third quarters of 2015, which are taxed at a federal rate of 20%.

In June 2015, legislation was approved in Texas which permanently reduced the Texas Franchise Tax rate to 0.75% tax on taxable margins down from an interim rate of 0.95%. The rate reduction is applicable to tax reports originally due on or after January 1, 2016 and is retroactive to January 1, 2015 tax accruals. The implementation of this rate change in June 2015 did not have a material impact on the financial statements of the Company.

F. Commitments, Contingencies and Uncertainties

For a full discussion of commitments and contingencies, see Note J of Notes to Regulatory-Basis Financial Statements in the 2014 FERC Form No. 1. In addition, see Notes B and C above and Notes C and E of Notes to Regulatory-Basis Financial Statements in the 2014 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 J of Notes to Regulatory-Basis Financial Statements in the 2014 FERC Form No.1. In addition to the contracts disclosed in the 2014 FERC Form No.1, in October 2015, the 25 MW additional energy transaction with Freeport-McMoran Copper and Gold Energy Services, LLC due to expire in December 2015 was extended through December 2016, in accordance with the Power Purchase and Sale Agreement.

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 more detailed discussion of certain key environmental issues, laws and regulations facing the Company see Note J of Notes to Regulatory-Basis Financial Statements in the 2014 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

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Columbia Circuit ("D.C. Circuit") 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 reversed and upheld CSAPR, remanding certain portions of CSAPR to the D.C. Circuit for further consideration. On June 26, 2014, the EPA filed a motion asking the D.C. Circuit to lift its stay on CSAPR, and on October 23, 2014, the D.C. Circuit lifted its stay of CSAPR. On July 28, 2015, the D.C. Circuit ruled that the EPA's emissions budgets for 13 states including Texas are invalid but left the rule in place on remand. While we are unable to determine the full impact of this decision until EPA takes further action, the Company believes it is currently positioned to comply with CSAPR.

National Ambient Air Quality Standards. Under the Clean Air Act ("CAA"), the EPA sets National Ambient Air Quality Standards ("NAAQS") for six criteria pollutants considered harmful to public health and the environment, including particulate matter ("PM"), NO_x, carbon monoxide ("CO"), ozone and SO₂. NAAQS must be reviewed by the EPA at five-year intervals. In 2010, the EPA tightened the NAAQS for both NO_x and SO₂. The EPA is considering a 1-hour secondary NAAQS for NO_x and SO₂. In January 2013, the EPA tightened the NAAQS for fine PM. On October 1, 2015, following on its November 2014 proposal, EPA released a final rule tightening the primary and secondary NAAQS for ground-level ozone from its 2008 standard levels of 75 parts per billion ("ppb") to 70 ppb. Ozone is the main component of smog. While not directly emitted into the air, it forms from precursors, including NO_x and volatile organic compounds, in combination with sunlight. The EPA is expected to make attainment/nonattainment designations for the revised ozone standards by October 1, 2017. While it is currently unknown how the areas in which we operate will be designated, for nonattainment areas classified as "Moderate" and above, states, and any tribes that choose to do so, are expected to be required to complete development of implementation plans in the 2020-2021 timeframe. Nonattainment areas will have from 2020 to 2037 to meet the primary (health) standard, with the exact attainment date varying based on the ozone level in the area. The Company continues to evaluate what impact these final and proposed NAAQS could have on its operations. If the Company is required to install additional equipment to control emissions at its facilities, the NAAQS, individually or in the aggregate, could have a material impact on its operations and financial results.

Utility MACT. The operation of coal-fired power plants, such as the Company's Four Corners plant, results in emissions of mercury and other air toxics. In December 2011, the EPA finalized Mercury and Air Toxics Standards (known as the "Utility MACT", or "MATS Rule") for oil-and coal-fired power plants, which requires significant reductions in emissions of mercury and other air toxics. Several judicial and other challenges were made to this rule, and on June 29, 2015, the U.S. Supreme Court remanded the rule to the D.C. Circuit Court, which rule remains in effect until the D.C. Circuit Court and the EPA take action. The legal status of the MATS Rule notwithstanding, the Four Corners plant operator, APS, believes Units 4 and 5 will require no additional modifications to achieve compliance with the MATS Rule, as currently written. We cannot currently predict, however, what additional modifications or costs may be incurred if the EPA rewrites the MATS Rule on remand.

Other Laws and Regulations and Risks. The Company has entered into an agreement to sell its interest in Four Corners to APS at the expiration of the 50-year participation agreement in July 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. By ceasing its participation in Four Corners, the Company expects to avoid the significant cost required to install expensive pollution control equipment in order to continue operation of the plant as well as the risks of water availability that might adversely affect the amount of power available, or the price thereof, from Four Corners in the future. The closing of the transaction is subject to the receipt of regulatory approvals.

Coal Combustion Waste. On October 19, 2015 the EPA's final rule regulating the disposal of coal combustion residuals (the "CCR Rule") from electric utilities as solid waste took effect. The Company has a 7% ownership interest in Units 4 and 5 of Four Corners, the only coal-fired generating facility for which the Company has an ownership interest subject to the CCR Rule. The Company entered into a Purchase and Sale Agreement with APS in February 2015 to sell the Company's entire ownership interest in Four Corners. For a discussion on the Purchase and Sale Agreement see Note E of the Notes to the Financial Statements in the 2014 FERC Form No. 1. The CCR Rule requires plant owners to treat coal combustion residuals as Subtitle D (as opposed to a more costly Subtitle C) waste. In general, the Company is liable for only 7% of costs to comply with the CCR Rule (consistent with our ownership percentage). The Company, however, believes under the terms of the Four Corners Purchase Agreement and after the pending sale, as a former owner, that the Company is not responsible for a significant portion of the costs under the CCR Rule, such as ongoing operational costs after July 2016. Accordingly, the Company does not expect the CCR Rule to have a significant impact on our financial condition or results of operations.

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On September 30, 2015, the EPA finalized revisions to the wastewater effluent limitation guidelines for steam electric power generators (the "Revised ELG Rule"). The Revised ELG Rule establishes requirements for wastewater streams from certain processes at affected facilities, including limits on toxic metals in wastewater discharges. Facilities must comply with the Revised ELG Rule between 2018 and 2023. The EPA anticipates that the new requirements in the Revised ELG Rule will only affect certain coal-fired steam electric power plants. Because the Company will no longer have an interest in Four Corners after July 2016, the Company does not expect the Revised ELG Rule to have a significant impact on our financial condition or results of operations.

In 2012, several environmental groups filed a lawsuit in federal district court against the Office of Surface Mining Reclamation and Enforcement ("OSM") of the U.S. Department of the Interior challenging OSM's 2012 approval of a permit revision which allowed for the expansion of mining operations into a new area of the mine that serves Four Corners ("Area IV North"). In April 2015, the court issued an order invalidating the permit revision, thereby prohibiting mining in Area IV North until OSM takes action to cure the defect in its permitting process identified by the court. Navajo Transitional Energy Company, the owner of the mine and supplier of coal to Four Corners, has indicated that it does not anticipate any near-term interruption of coal supply to the plant as a result of the suspension of mining in Area IV North. The Company cannot predict the time period that will be required for OSM's further permitting process to be completed or whether the outcome of the process will be sufficient to allow the permit to be reinstated.

Climate Change. The U.S. federal government has either considered, proposed and/or finalized legislation or regulations limiting greenhouse gas ("GHG") emissions, including carbon dioxide ("CO2"). In particular, the U.S. Congress has considered legislation to restrict or regulate GHG emissions. In the past few years, the EPA began using the CAA to regulate CO2 and other GHG emissions, such as the 2009 GHG Reporting Rule and the EPA's sulfur hexafluoride ("SF6") reporting rule, both of which apply to the Company, as well as the EPA's 2010 actions to impose permitting requirements on new and modified sources of GHG emissions. After announcing his plan to address climate change in 2013, the President directed the EPA to issue proposals for GHG rulemaking addressing power plants. In October 2015, the EPA published a final rule establishing new source performance standards ("NSPS") limiting CO2 emissions from new, modified and reconstructed electric generating units. In October 2015, the EPA also published a rule establishing guidelines for states to regulate CO2 emissions from existing power plants, as well as a proposed "federal plan" to address CO2 emissions from affected units in those states that do not submit an approvable compliance plan. The standards for existing plants are known as the Clean Power Plan ("CPP"), under which rule interim emissions performance rates must be achieved beginning in 2022 and final emissions performance rates by 2030. Legal challenges to the CPP were filed by groups of states and industry members in the Court of Appeals for the D.C. Circuit on October 23, 2015, and more challenges are expected. We are evaluating the CPP, the NSPS and the proposed CPP "federal plan" and, in part because state CPP compliance plans are not due until September 2016, we cannot at this time determine the impact of the CPP on our financial position, results of operations or cash flows.

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. Beginning in July 2011, the U.S. Department of Justice (the "DOJ"), on behalf of the EPA, and APS were engaged in substantive settlement negotiations in an effort to resolve DOJ pre-enforcement action. The allegations being addressed through settlement negotiations are that APS failed to obtain the necessary permits and install the controls necessary under the CAA to reduce SO2, NOx, and PM, and that defendants failed to obtain an operating permit under Title V of the CAA that reflects applicable requirements imposed by law. In November 2014, 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 NOx, 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. On June 24, 2015, the parties filed with the U.S. District Court for New Mexico a settlement agreement ("CAA Settlement Agreement") resolving this matter. On August 17, 2015, the U.S. District Court for New Mexico entered the CAA Settlement Agreement. The agreement imposes a total civil penalty payable by the co-owners of Four Corners collectively in the amount of \$1.5 million, and it requires the co-owners to pay \$6.7 million for environmental mitigation projects. As of September 30, 2015, the Company has a provision for its share of approximately \$0.5 million related to this matter.

In a related action, on October 4, 2011, Earthjustice filed a lawsuit in the United States District Court for New Mexico alleging violations of the Prevention of Significant Deterioration ("PSD") provisions of the CAA related to Four Corners. Thereafter, on January 6, 2012, Earthjustice filed a First Amended Complaint adding claims for violations of the CAA's NSPS program. The lawsuit addressed allegations similar to those raised in the DOJ pre-enforcement action described in the preceding paragraph. Among other

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things, the plaintiffs sought 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. Because the allegations in the DOJ pre-enforcement action and this lawsuit were substantially similar, the negotiations between the DOJ and APS regarding the pre-enforcement action also included Earthjustice. Accordingly, in response to the CAA Settlement Agreement, the parties to the case moved to dismiss the proceedings. Accordingly, the proceedings were terminated as of August 17, 2015. The CAA Settlement Agreement represents the final judgment in this case.

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. On June 30, 2015, the court ruled that the Assessment was not valid and further ruled that APS and the other Four Corners co-owners receive a refund of all of the contested amounts previously paid under the applicable tax statute. The New Mexico Taxation and Revenue Department filed a Notice of Appeal on August 31, 2015 with respect to the decision. The Company cannot predict the timing, results, or potential impacts of the outcome of this litigation.

G. 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. The Company expenses legal costs, including expenses related to loss contingencies, as they are incurred.

See Notes B and F above and Notes C and J of the Notes to Regulatory-Basis Financial Statements in the 2014 FERC Form No. 1 for discussion of the effects of government legislation and regulation on the Company.

H. Employee Benefits

Retirement Plans

The net periodic benefit cost recognized for the three and nine months ended September 30, 2015 and 2014 is made up of the components listed below as determined using the projected unit credit actuarial cost method (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2015	2014	2015	2014
Components of net periodic benefit cost:				
Service cost	\$ 2,394	\$ 2,112	\$ 6,594	\$ 6,474
Interest Cost	3,622	3,691	10,872	11,351
Expected return on plan assets	(4,951)	(4,681)	(14,846)	(14,017)
Amortization of:				
Net loss	2,485	2,283	7,985	6,571
Prior service benefit	(855)	(877)	(2,630)	(2,030)
Net periodic benefit cost	<u>\$ 2,695</u>	<u>\$ 2,528</u>	<u>\$ 7,975</u>	<u>\$ 8,349</u>

During the nine months ended September 30, 2015, the Company contributed \$10.4 million of its projected \$11.1 million 2015 annual contribution to its retirement plans.

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Other Postretirement Benefits

The net periodic benefit cost recognized for the three and nine months ended September 30, 2015 and 2014 is made up of the components listed below (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2015	2014	2015	2014
Components of net periodic benefit cost:				
Service cost	\$ 841	\$ 712	\$ 2,591	\$ 2,134
Interest Cost	976	1,115	3,026	3,347
Expected return on plan assets	(503)	(529)	(1,553)	(1,587)
Amortization of:				
Prior service benefit	(751)	(1,188)	(2,301)	(3,564)
Net gain	(519)	(668)	(1,519)	(2,004)
Net periodic benefit cost (benefit)	<u>\$ 44</u>	<u>\$ (558)</u>	<u>\$ 244</u>	<u>\$ (1,674)</u>

The Company has not contributed to its other postretirement benefits plan during the nine months ended September 30, 2015 and does not expect to contribute to its other postretirement benefit plan in 2015.

I. 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, financial 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 the current portion thereof, are based on estimated market prices for similar issues and are presented below (in thousands):

	September 30, 2015		December 31, 2014	
	Carrying Amount	Estimated Fair Value	Carrying Amount	Estimated Fair Value
Pollution Control Bonds	\$ 193,135	\$ 210,179	\$ 193,135	\$ 213,083
Senior Notes	846,123	994,040	846,044	968,728
RGRT Senior Notes (1)	95,000	101,745	110,000	117,215
RCF (1)	119,269	119,269	16,441	16,441
Total	<u>\$ 1,253,527</u>	<u>\$ 1,425,233</u>	<u>\$ 1,165,620</u>	<u>\$ 1,315,467</u>

- (1) Nuclear fuel capital lease obligations of \$95 million at September 30, 2015 and \$110 million at December 31, 2014 were funded through the RGRT Senior Notes and \$34.3 million and \$16.4 million, respectively under the Revolving Credit Facility ("RCF"). As of September 30, 2015, \$85.0 million was outstanding under the RCF for working capital or general corporate purposes. As of December 31, 2014, 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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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 \$231.9 million and \$234.3 million at September 30, 2015 and December 31, 2014, respectively. These securities are classified as available for sale under FASB guidance for certain investments in debt and equity securities and are valued using prices and other relevant information generated by market transactions involving identical or comparable securities. The reported fair values include gross unrealized losses on marketable securities whose impairment the Company has deemed to be temporary. The tables below present the gross unrealized losses and the fair value of these securities, aggregated by investment category and length of time that individual securities have been in a continuous unrealized loss position (in thousands):

Description of Securities (1):	September 30, 2015					
	Less than 12 Months		12 Months or Longer		Total	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
Federal Agency Mortgage Backed Securities	\$ 94	\$ (1)	\$ 2,197	\$ (46)	\$ 2,291	\$ (47)
U.S. Government Bonds	6,375	(58)	13,402	(432)	19,777	(490)
Municipal Obligations	10,994	(244)	9,019	(493)	20,013	(737)
Corporate Obligations	7,036	(406)	1,629	(135)	8,665	(541)
Total Debt Securities	24,499	(709)	26,247	(1,106)	50,746	(1,815)
Common Stock	6,958	(908)	—	—	6,958	(908)
Institutional Funds-International Equity	21,536	(1,725)	—	—	21,536	(1,725)
Equity Mutual Funds	8,792	(502)	—	—	8,792	(502)
Total Temporarily Impaired Securities	\$ 61,785	\$ (3,844)	\$ 26,247	\$ (1,106)	\$ 88,032	\$ (4,950)

(1) Includes 141 securities.

Description of Securities (2):	December 31, 2014					
	Less than 12 Months		12 Months or Longer		Total	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
Federal Agency Mortgage Backed Securities	\$ —	\$ —	\$ 2,383	\$ (57)	\$ 2,383	\$ (57)
U.S. Government Bonds	1,552	(2)	20,060	(573)	21,612	(575)
Municipal Obligations	6,433	(65)	8,570	(410)	15,003	(475)
Corporate Obligations	2,455	(24)	2,461	(111)	4,916	(135)
Total Debt Securities	10,440	(91)	33,474	(1,151)	43,914	(1,242)
Common Stock	1,475	(229)	—	—	1,475	(229)
Institutional Funds-International Equity	22,736	(821)	—	—	22,736	(821)
Total Temporarily Impaired Securities	\$ 34,651	\$ (1,141)	\$ 33,474	\$ (1,151)	\$ 68,125	\$ (2,292)

(2) Includes 106 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 is expected or is scheduled to decommission Palo Verde.

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
El Paso Electric Company		/ /	2015/Q3
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:	September 30, 2015		December 31, 2014	
	Fair Value	Unrealized Gains	Fair Value	Unrealized Gains
Federal Agency Mortgage Backed Securities	\$ 18,780	\$ 562	\$ 15,388	\$ 665
U.S. Government Bonds	25,250	468	20,016	567
Municipal Obligations	10,288	371	11,642	595
Corporate Obligations	11,419	490	13,762	850
Total Debt Securities	65,737	1,891	60,808	2,677
Common Stock	72,309	35,032	99,160	48,253
Cash and Cash Equivalents	5,807	—	6,193	—
Total	\$ 143,853	\$ 36,923	\$ 166,161	\$ 50,930

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 two years to six years and reflects anticipated future prepayments. The contractual year for maturity of these available-for-sale securities as of September 30, 2015 is as follows (in thousands):

	Total	2015	2016 through 2019	2020 through 2024	2025 and Beyond
Municipal Debt Obligations	\$ 30,301	\$ —	\$ 10,193	\$ 13,526	\$ 6,582
Corporate Debt Obligations	20,084	697	5,720	7,594	6,073
U.S. Government Bonds	45,027	3,051	15,666	16,844	9,466

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. The Company did not recognize other than temporary impairment losses on its available-for-sale securities in the three and nine month periods ending September 30, 2015 and 2014, respectively.

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 September 30		Nine Months Ended September 30	
	2015	2014	2015	2014
Proceeds from sales or maturities of available-for-sale securities	\$ 26,618	\$ 10,980	\$ 63,776	\$ 47,355
Gross realized gains included in pre-tax income	\$ 4,515	\$ 1,239	\$ 8,330	\$ 4,502
Gross realized losses included in pre-tax income	(191)	(415)	(443)	(711)
Net gains in pre-tax income	\$ 4,324	\$ 824	\$ 7,887	\$ (3,791)
Net unrealized holding gains (losses) included in accumulated other comprehensive income	\$ (8,092)	\$ 897	\$ (8,641)	\$ 7,965
Net gains reclassified out of accumulated other comprehensive income	(4,324)	(824)	(7,887)	(3,791)
Net gains (losses) in other comprehensive income	\$ (12,416)	\$ 73	\$ (16,528)	\$ 4,174

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El Paso Electric Company			
NOTES TO FINANCIAL STATEMENTS (Continued)			

Fair Value Measurements. FASB guidance requires the Company to provide expanded quantitative disclosures for financial assets and liabilities recorded on the regulatory-basis 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 sheets. 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 Institutional Funds are valued using the 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 analysis. Financial assets utilizing Level 3 inputs are 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.

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 institutional funds which are classified as Level 2. The fair value of the Company's decommissioning trust funds and investment in debt securities, at September 30, 2015 and December 31, 2014, 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 September 30, 2015	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	\$ 1,573	\$ —	\$ —	\$ 1,573
Available for sale:				
U.S. Government Bonds	\$ 45,027	\$ 45,027	\$ —	\$ —
Federal Agency Mortgage Backed Securities	21,071	—	21,071	—
Municipal Obligations	30,301	—	30,301	—
Corporate Obligations	20,084	—	20,084	—
Subtotal, Debt Securities	116,483	45,027	71,456	—
Common Stock	79,267	79,267	—	—
Equity Mutual Funds	8,792	8,792	—	—
Institutional Funds-International Equity	21,536	—	21,536	—
Cash and Cash Equivalents	5,807	5,807	—	—
Total available for sale	\$ 231,885	\$ 138,893	\$ 92,992	\$ —

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 2015/Q3
NOTES TO FINANCIAL STATEMENTS (Continued)			

Description of Securities	Fair Value as of December 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	\$ 1,653	\$ —	\$ —	\$ 1,653
Available for sale:				
U.S. Government Bonds	\$ 41,628	\$ 41,628	\$ —	\$ —
Federal Agency Mortgage Backed Securities	17,771	—	17,771	—
Municipal Obligations	26,645	—	26,645	—
Corporate Obligations	18,678	—	18,678	—
Subtotal, Debt Securities	104,722	41,628	63,094	—
Common Stock	100,635	100,635	—	—
Institutional Funds-International Equity	22,736	—	22,736	—
Cash and Cash Equivalents	6,193	6,193	—	—
Total available for sale	<u>\$ 234,286</u>	<u>\$ 148,456</u>	<u>\$ 85,830</u>	<u>\$ —</u>

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 and nine month periods ending September 30, 2015 and 2014. There were no purchases, sales, issuances, and settlements related to the assets in the Level 3 fair value measurement category during the three and nine months ended September 30, 2015 and 2014.

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

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

Line No.	Item (a)	Unrealized Gains and Losses on Available-for-Sale Securities (b)	Minimum Pension Liability adjustment (net amount) (c)	Foreign Currency Hedges (d)	Other Adjustments (e)
1	Balance of Account 219 at Beginning of Preceding Year	36,237,869			(21,327,999)
2	Preceding Qtr/Yr to Date Reclassifications from Acct 219 to Net Income	(5,977,629)			(927,246)
3	Preceding Quarter/Year to Date Changes in Fair Value	8,696,294			(12,628,256)
4	Total (lines 2 and 3)	2,718,665			(13,555,502)
5	Balance of Account 219 at End of Preceding Quarter/Year	38,956,534			(34,883,501)
6	Balance of Account 219 at Beginning of Current Year	38,956,534			(34,883,501)
7	Current Qtr/Yr to Date Reclassifications from Acct 219 to Net Income	(6,333,785)			778,982
8	Current Quarter/Year to Date Changes in Fair Value	(6,854,067)			
9	Total (lines 7 and 8)	(13,187,852)			778,982
10	Balance of Account 219 at End of Current Quarter/Year	25,768,682			(34,104,519)

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		(12,298,137)	2,611,733		
2		223,709	(6,681,166)		
3			(3,931,962)		
4		223,709	(10,613,128)	95,247,056	84,633,928
5		(12,074,428)	(8,001,395)		
6		(12,074,428)	(8,001,395)		
7		187,294	(5,367,509)		
8			(6,854,067)		
9		187,294	(12,221,576)	82,509,281	70,287,705
10		(11,887,134)	(20,222,971)		

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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 a 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 \$0.5 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)	3,947,587,333	3,947,587,333
4	Property Under Capital Leases		
5	Plant Purchased or Sold		
6	Completed Construction not Classified	491,697,236	491,697,236
7	Experimental Plant Unclassified		
8	Total (3 thru 7)	4,439,284,569	4,439,284,569
9	Leased to Others		
10	Held for Future Use		
11	Construction Work in Progress	262,591,383	262,591,383
12	Acquisition Adjustments		
13	Total Utility Plant (8 thru 12)	4,701,875,952	4,701,875,952
14	Accum Prov for Depr, Amort, & Depl	2,169,988,695	2,169,988,695
15	Net Utility Plant (13 less 14)	2,531,887,257	2,531,887,257
16	Detail of Accum Prov for Depr, Amort & Depl		
17	In Service:		
18	Depreciation	2,119,852,403	2,119,852,403
19	Amort & Depl of Producing Nat Gas Land/Land Right		
20	Amort of Underground Storage Land/Land Rights		
21	Amort of Other Utility Plant	50,136,292	50,136,292
22	Total In Service (18 thru 21)	2,169,988,695	2,169,988,695
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)	2,169,988,695	2,169,988,695

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 2015/Q3

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
					8
					9
					10
					11
					12
					13
					14
					15
					16
					17
					18
					19
					20
					21
					22
					23
					24
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					26
					27
					28
					29
					30
					31
					32
					33

Name of Respondent El Paso Electric Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of <u>2015/Q3</u>
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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	126,526,989	50,136,293
2	Steam Production Plant	580,120,695	290,049,541
3	Nuclear Production Plant	1,750,173,374	1,206,933,291
4	Hydraulic Production - Conventional		
5	Hydraulic Production - Pumped Storage		
6	Other Production	325,186,117	20,868,823
7	Transmission	422,996,395	214,206,951
8	Distribution	1,038,012,307	330,217,274
9	Regional Transmission and Market Operation		
10	General	196,268,692	57,576,522
11	TOTAL (Total of lines 1 through 10)	4,439,284,569	2,169,988,695

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	Fort Bliss 20MW Solar				
23	PV Project SIS	20,443	186-000	20,443	186-000
24					
25					
26					
27					
28					
29					
30					
31					
32					
33					
34					
35					
36					
37					
38					
39					
40					

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	Fort Bliss 20MW Solar				
23	PV Project SIS	20,443	186-000	20,443	186-000
24					
25					
26					
27					
28					
29					
30					
31					
32					
33					
34					
35					
36					
37					
38					
39					
40					

Name of Respondent El Paso Electric Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2015/Q3
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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	112,456,707	3,023,017	various	2,454,493	113,025,231
2						
3	Rio Grande Resources Trust:					
4	Nuclear Fuel Postload Daily Finance Charge	4,476,888	909,057	518	877,613	4,508,332
5						
6	Coal Reclamation	10,111,179		501/431	295,670	9,815,509
7						
8	Net Undercollection of Fuel Revenues:					
9	Texas		2,428,954			2,428,954
10						
11	2015 Texas Rate Case Costs	671,672	493,863			1,165,535
12						
13	Texas Energy Efficiency	503,470		142	503,470	
14						
15	New Mexico Renewable Energy Cost:					
16	Renewable Procurement Plan	140,083				140,083
17	Renewable Energy Credits	5,456,934	800,039			6,256,973
18						
19	New Mexico:					
20	2010 FPPCAC Audit	434,259				434,259
21	2015 New Mexico Rate Case Costs	554,819	312,536			867,355
22						
23	Palo Verde Deferred Depreciation	4,643,677		407.3	38,046	4,605,631
24						
25						
26						
27						
28						
29						
30						
31						
32						
33						
34						
35						
36						
37						
38						
39						
40						
41						
42						
43						
44	TOTAL :	139,449,688	7,967,466		4,169,292	143,247,862

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 2015/Q3
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: a

Represents total Company final coal mine reclamation liability related to the Company's 7% interest in Units 4 and 5 at Four Corners. 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. The Final Order of PUCT Docket No. 41852 issued July 11, 2014 provided for the final coal reclamation costs to continue in the amount of approximately \$70 thousand per month. In the Company's FERC jurisdiction final coal reclamation costs will not be recovered until actual final reclamation is paid. On February 17, 2015, the Company and APS entered into an asset purchase agreement, providing for the purchase by APS of the Company's interests in Four Corners. The purchase price will be adjusted downward to reflect APS's assumption of the Company's obligation to pay for future mine reclamation expenses. The Company recorded an adjustment of \$7.6 million at December 31, 2014 for mine reclamation costs, which the Company expects to pay at closing, based on a 2014 Golder Associate Study. See Note E of the notes to the Regulatory-Basis Financial Statements in the 2014 FERC Form 1 for a discussion of Four Corners.

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

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

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

In accordance with the Final Order in Docket No. 37690, the Company began recovering Energy Efficiency Program costs effective July 2010, through a tariff rider approved by the PUCT via Texas Rate 97. The rate is updated annually. At September 30, 2015, the Company had over-collected Texas Energy Efficiency Program cost. The over-collection is presented as a regulatory liability in account 254.3.

Schedule Page: 232 Line No.: 16 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.: 17 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: 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.: 21 Column: f

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

Schedule Page: 232 Line No.: 23 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	47,372,976	various	860,342	616,658	47,129,292
2						
3	Net Overcollection of Fuel Revenues:					
4	Texas	1,068,299	440s	1,068,299		
5	New Mexico	410,277			3,515,410	3,925,687
6	FERC	33,762			83,204	116,966
7						
8	New Mexico Energy Efficiency Program	2,753,040	131	1,322,512	1,155,633	2,586,161
9						
10	Texas Energy Efficiency Program		182.3	1,531,453	2,180,102	648,649
11						
12	Texas Military Base Discount and Recovery	854,145	142	939,086	995,715	910,774
13						
14						
15						
16						
17						
18						
19						
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34						
35						
36						
37						
38						
39						
40						
41	TOTAL	52,492,499		5,721,692	8,546,722	55,317,529

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 2015/Q3
FOOTNOTE DATA			

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

Amortization period ranges from 5 to 40 years.

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

In accordance with the Final Order in Docket No. 06-0065-UT, the Company started collecting Energy Efficiency 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.: 10 Column: a

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

Schedule Page: 278 Line No.: 12 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 base customers through a recovery factor.

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	251,665,486	251,832,360
3	(442) Commercial and Industrial Sales		
4	Small (or Comm.) (See Instr. 4)	193,652,279	203,287,038
5	Large (or Ind.) (See Instr. 4)	48,962,747	52,736,555
6	(444) Public Street and Highway Lighting	3,535,348	3,289,907
7	(445) Other Sales to Public Authorities	98,406,294	107,038,666
8	(446) Sales to Railroads and Railways		
9	(448) Interdepartmental Sales		
10	TOTAL Sales to Ultimate Consumers	596,222,154	618,184,526
11	(447) Sales for Resale	54,099,636	81,114,788
12	TOTAL Sales of Electricity	650,321,790	699,299,314
13	(Less) (449.1) Provision for Rate Refunds		
14	TOTAL Revenues Net of Prov. for Refunds	650,321,790	699,299,314
15	Other Operating Revenues		
16	(450) Forfeited Discounts	1,029,011	990,909
17	(451) Miscellaneous Service Revenues	2,740,010	2,747,723
18	(453) Sales of Water and Water Power		
19	(454) Rent from Electric Property	2,386,819	2,843,316
20	(455) Interdepartmental Rents		
21	(456) Other Electric Revenues	289,527	308,609
22	(456.1) Revenues from Transmission of Electricity of Others	16,200,232	14,771,915
23	(457.1) Regional Control Service Revenues		
24	(457.2) Miscellaneous Revenues		
25			
26	TOTAL Other Operating Revenues	22,645,599	21,662,472
27	TOTAL Electric Operating Revenues	672,967,389	720,961,786

ELECTRIC OPERATING REVENUES (Account 400)

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

MEGAWATT HOURS SOLD		AVG.NO. CUSTOMERS PER MONTH		Line No.
Year to Date Quarterly/Annual (d)	Amount Previous year (no Quarterly) (e)	Current Year (no Quarterly) (f)	Previous Year (no Quarterly) (g)	
				1
2,203,590	2,087,558			2
				3
1,835,931	1,809,477			4
802,182	794,891			5
27,253	23,735			6
1,194,934	1,178,668			7
				8
				9
6,063,890	5,894,329			10
2,356,217	2,660,246			11
8,420,107	8,554,575			12
				13
8,420,107	8,554,575			14

Line 12, column (b) includes \$ 8,879,000 of unbilled revenues.
 Line 12, column (d) includes 47,966 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 2015/Q3
FOOTNOTE DATA			

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

Includes 388,427 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 605,295 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 388,427 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 605,295 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 388,427 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 605,295 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>September 2015</u>
Non Pay Reconnect Charges	1,289,450
Name Change/Cut in Charge	858,900
New Service Charges	235,792
Overhead/Underground Connection Charges	164,748
Misc Other	<u>191,120</u>
Total	2,740,010

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

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

	<u>September 2014</u>
Non Pay Reconnect Charges	1,305,081
Name Change/Cut in Charge	846,599
New Service Charges	233,118
Overhead/Underground Connection Charges	162,422
Misc Other	<u>200,503</u>
Total	2,747,723

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

Includes \$288,799 related to the Company's 15.8% share of Palo Verde other electric revenues from APS.

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

Includes \$306,683 related to the Company's 15.8% share of Palo Verde other electric revenues from APS.

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)	116,960,033
3	Steam Power Generation - Maintenance (510-515)	20,097,976
4	Total Power Production Expenses - Steam Power	137,058,009
5	Nuclear Power Generation - Operation (517-525)	66,993,728
6	Nuclear Power Generation - Maintenance (528-532)	15,637,426
7	Total Power Production Expenses - Nuclear Power	82,631,154
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)	16,037,489
12	Other Power Generation - Maintenance (551-554.1)	1,694,076
13	Total Power Production Expenses - Other Power	17,731,565
14	Other Power Supply Expenses	
15	Purchased Power (555)	42,436,640
16	System Control and Load Dispatching (556)	1,004,243
17	Other Expenses (557)	151,250
18	Total Other Power Supply Expenses (line 15-17)	43,592,133
19	Total Power Production Expenses (Total of lines 4, 7, 10, 13 and 18)	281,012,861
20	2. TRANSMISSION EXPENSES	
21	Transmission Operation Expenses	
22	(560) Operation Supervision and Engineering	1,249,340
23		
24	(561.1) Load Dispatch-Reliability	62,789
25	(561.2) Load Dispatch-Monitor and Operate Transmission System	567,326
26	(561.3) Load Dispatch-Transmission Service and Scheduling	524,077
27	(561.4) Scheduling, System Control and Dispatch Services	670,933
28	(561.5) Reliability, Planning and Standards Development	669,240
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	308,658
33	(563) Overhead Line Expenses	199,681
34	(564) Underground Line Expenses	
35	(565) Transmission of Electricity by Others	4,447,488
36	(566) Miscellaneous Transmission Expenses	3,746,920
37	(567) Rents	220,455
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)	12,666,907
40	Transmission Maintenance Expenses	
41	(568) Maintenance Supervision and Engineering	67,437
42	(569) Maintenance of Structures	8,966
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	297,651
48	(571) Maintenance Overhead Lines	1,441,425
49	(572) Maintenance of Underground Lines	
50	(573) Maintenance of Miscellaneous Transmission Plant	15,980
51	(574) Maintenance of Transmission Plant	
52	TOTAL Transmission Maintenance Expenses (Lines 41 - 51)	1,831,459
53	Total Transmission Expenses (Lines 39 and 52)	14,498,366
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)	11,928,545
74	Distribution Maintenance Expenses (590-598)	5,822,231
75	Total Distribution Expenses (Lines 73 and 74)	17,750,776

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	14,460,344
2	(907-910) Customer Service and Information Expenses	168,966
3	(911-917) Sales Expenses	
4	8. ADMINISTRATIVE AND GENERAL EXPENSES	
5	Operations	
6	920 Administrative and General Salaries	24,842,391
7	921 Office Supplies and Expenses	3,924,620
8	(Less) 922 Administrative Expenses Transferred-Credit	
9	923 Outside Services Employed	11,462,420
10	924 Property Insurance	2,599,531
11	925 Injuries and Damages	2,997,368
12	926 Employee Pensions and Benefits	20,490,640
13	927 Franchise Requirements	
14	928 Regulatory Commission Expenses	2,776,460
15	(Less) 929 Duplicate Charges-Credit	
16	930.1 General Advertising Expenses	688,814
17	930.2 Miscellaneous General Expenses	11,327,784
18	931 Rents	498,405
19	TOTAL Operation (Total of lines 6 thru 18)	81,608,433
20	Maintenance	
21	935 Maintenance of General Plant	4,688,657
22	TOTAL Administrative and General Expenses (Total of lines 19 and 21)	86,297,090

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	Rio Grande Electric Co-Op	El Paso Electric Marketing	El Paso Electric Marketing	FNO
2	Arizona Electric Power Cooperative	Salt River Project	Arizona Public Service Company	LFP
3	Arizona Electric Power Cooperative	Salt River Project	Arizona Public Service Company	SFP
4	Arizona Electric Power Cooperative	Arizona Public Service Company	Salt River Project	SFP
5	Arizona Electric Power Cooperative	Arizona Public Service Company	Salt River Project	NF
6	Cargill	Salt River Project	Arizona Public Service Company	NF
7	Coral Power	Salt River Project	Arizona Public Service Company	LFP
8	Coral Power	Salt River Project	Arizona Public Service Company	SFP
9	Eagle Energy Partners	Salt River Project	Salt River Project	NF
10	Eagle Energy Partners	Salt River Project	Salt River Project	SFP
11	Eagle Energy Partners	Salt River Project	Salt River Project	SFP
12	Eagle Energy Partners	Salt River Project	Salt River Project	SFP
13	Exelon Generation LLC	Salt River Project	Arizona Public Service Company	NF
14	Imperial Irrigation District	Salt River Project	Arizona Public Service Company	NF
15	Macquarie Cook Power	Salt River Project	Arizona Public Service Company	NF
16	Macquarie Cook Power	Salt River Project	Arizona Public Service Company	NF
17	Macquarie Cook Power	Arizona Public Service Company	Salt River Project	NF
18	Macquarie Cook Power	Arizona Public Service Company	Salt River Project	SFP
19	Morgan Stanley	Salt River Project	Arizona Public Service Company	NF
20	Morgan Stanley	Salt River Project	Arizona Public Service Company	NF
21	Powerex	Salt River Project	Arizona Public Service Company	NF
22	Powerex	Arizona Public Service Company	Salt River Project	SFP
23	PPM Energy, Inc	Arizona Public Service Company	Salt River Project	NF
24	Public Service Company of New Mexico	Public Service Company of New Mex	Public Service Company of New Mex	SFP
25	Public Service Company of New Mexico	Public Service Company of New Mex	Public Service Company of New Mex	NF
26	Public Service Company of New Mexico	Public Service Company of New Mex	Public Service Company of New Mex	NF
27	Public Service Company of New Mexico	Public Service Company of New Mex	Public Service Company of New Mex	NF
28	Public Service Company of New Mexico	Public Service Company of New Mex	Public Service Company of New Mex	NF
29	Public Service Company of New Mexico	Public Service Company of New Mex	Public Service Company of New Mex	SFP
30	Public Service Company of New Mexico	Public Service Company of New Mex	Public Service Company of New Mex	SFP
31	Public Service Company of New Mexico	Public Service Company of New Mex	Tucson Electric Power Company	LFP
32	Public Service Company of New Mexico	Public Service Company of New Mex	Tucson Electric Power Company	NF
33	Public Service Company of New Mexico	Public Service Company of New Mex	Tucson Electric Power Company	SFP
34	Public Service Company of New Mexico	Public Service Company of New Mex	Public Service Company of New Mex	LFP
	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	EPE System	Coyote/Farmer	14	22,126	22,126	1
01	Palo Verde	Westwing	125	95,474	95,474	2
01	Palo Verde	Westwing		286	286	3
01	Westwing	Palo Verde		4,083	4,083	4
01	Westwing	Palo Verde		107	107	5
01	Palo Verde	Westwing		11,804	11,804	6
01	Palo Verde	Westwing	125	44,560	44,560	7
01	Palo Verde	Westwing		127	127	8
01	Jojoba	Palo Verde				9
01	Jojoba	Palo Verde	400	287,513	287,513	10
01	Jojoba	Palo Verde	555	699,690	699,690	11
01	Jojoba	Palo Verde		38,899	38,899	12
01	Palo Verde	Westwing		160	160	13
01	Palo Verde	Westwing		1,140	1,140	14
01	Palo Verde	Westwing		32	32	15
01	Palo Verde	Westwing		2,207	2,207	16
01	Westwing	Palo Verde				17
01	Westwing	Palo Verde		4,099	4,099	18
01	Palo Verde	Westwing		83,126	83,126	19
01	Palo Verde	Westwing		5,698	5,698	20
01	Palo Verde	Westwing		373	373	21
01	Westwing	Palo Verde		75	75	22
01	Westwing	Palo Verde		120	120	23
01	Amrad	Amrad		1	1	24
01	Amrad	Amrad		14	14	25
01	Afton	Amrad		197	197	26
01	Afton	Luna		190	190	27
01	Afton	Luna		1,205	1,205	28
01	Afton	Luna		450	450	29
01	Afton	Luna		10,380	10,380	30
01	Afton	Springerville	94	69,120	69,120	31
01	Afton	Springerville		3	3	32
01	Afton	Springerville		5,819	5,819	33
01	Afton	Westmesa	141	86,220	86,220	34
			1,843	2,455,071	2,455,071	

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.
60,901			60,901	1
150,909			150,909	2
				3
	3,664		3,664	4
	109		109	5
	12,461		12,461	6
153,219			153,219	7
				8
	5		5	9
343,000			343,000	10
977,400			977,400	11
	110,992		110,992	12
	102		102	13
	1,145		1,145	14
	27		27	15
	1,982		1,982	16
	45		45	17
	3,858		3,858	18
	60,804		60,804	19
	11,740		11,740	20
	384		384	21
	73		73	22
	115		115	23
	3		3	24
	43		43	25
	1,111		1,111	26
	728		728	27
	10,350		10,350	28
	5,175		5,175	29
	66,270		66,270	30
669,093			669,093	31
	17		17	32
	20,627		20,627	33
571,333			571,333	34
4,999,889	1,232,596	0	6,232,485	

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

1. Report all transmission of electricity, i.e., wheeling, provided for other electric utilities, cooperatives, other public authorities, qualifying facilities, non-traditional utility suppliers and ultimate customers for the quarter.

2. Use a separate line of data for each distinct type of transmission service involving the entities listed in column (a), (b) and (c).

3. Report in column (a) the company or public authority that paid for the transmission service. Report in column (b) the company or public authority that the energy was received from and in column (c) the company or public authority that the energy was delivered to. Provide the full name of each company or public authority. Do not abbreviate or truncate name or use acronyms. Explain in a footnote any ownership interest in or affiliation the respondent has with the entities listed in columns (a), (b) or (c)

4. In column (d) enter a Statistical Classification code based on the original contractual terms and conditions of the service as follows: FNO - Firm Network Service for Others, FNS - Firm Network Transmission Service for Self, LFP - "Long-Term Firm Point to Point Transmission Service, OLF - Other Long-Term Firm Transmission Service, SFP - Short-Term Firm Point to Point Transmission Reservation, NF - non-firm transmission service, OS - Other Transmission Service and AD - Out-of-Period Adjustments. Use this code for any accounting adjustments or "true-ups" for service provided in prior reporting periods. Provide an explanation in a footnote for each adjustment. See General Instruction for definitions of codes.

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

TRANSMISSION OF ELECTRICITY FOR OTHERS (Account 456)(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	Afton	Westmesa		38,832	38,832	1
01	Afton	Westmesa		43	43	2
01	Greenlee	Luna		524	524	3
01	Greenlee	Luna				4
01	Greenlee	Hidalgo		8	8	5
01	Las Cruces	Amrad		4,445	4,445	6
01	Luna	Amrad		15	15	7
01	Luna	Springerville	60	7,614	7,614	8
01	Luna	Springerville		3,596	3,596	9
01	Luna	Springerville	60	47,262	47,262	10
01	Luna	Springerville		99	99	11
01	Springerville	Luna		372	372	12
01	Westmesa	Amrad	25	48,896	48,896	13
01	Westmesa	Amrad		2,280	2,280	14
01	Westmesa	Amrad		1,969	1,969	15
01	Westmesa	Amrad		2,068	2,068	16
01	Palo Verde	Westwing		819	819	17
01	Westwing	Palo Verde				18
01	Palo Verde	Westwing		1,004	1,004	19
01	Westwing	Palo Verde		26	26	20
80	Springerville	Las Cruces/Orogrande	50	96,268	96,268	21
01	Springerville	Las Cruces/Orogrande		4,073	4,073	22
01	Jojoba	Kyrene	142	252,604	252,604	23
01	Jojoba	Kyrene		2,150	2,150	24
01	Jojoba	Palo Verde		320	320	25
01	Jojoba	Westwing		30	30	26
01	Luna	Greenlee	30	14,339	14,339	27
01	Luna	Greenlee		5,414	5,414	28
01	Luna	Greenlee		608	608	29
01	Luna	Springerville	10			30
01	Macho Springs	Greenlee		273	273	31
01	Macho Springs	Luna		177	177	32
01	Macho Springs	Springerville		89	89	33
01	Macho Springs	Springerville		5,561	5,561	34
			1,843	2,455,071	2,455,071	

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.
	205,429		205,429	1
	201		201	2
	12,090		12,090	3
	116		116	4
	47		47	5
	32,426		32,426	6
	46		46	7
426,981			426,981	8
	26,211		26,211	9
418,252			418,252	10
	316		316	11
	1,297		1,297	12
179,125			179,125	13
	16,679		16,679	14
	13,245		13,245	15
				16
	506		506	17
	13		13	18
	884		884	19
	16		16	20
346,500			346,500	21
				22
399,127			399,127	23
				24
	4,067		4,067	25
	128		128	26
218,183			218,183	27
	42,116		42,116	28
				29
				30
	4,353		4,353	31
	3,971		3,971	32
	340		340	33
	180,935		180,935	34
4,999,889	1,232,596	0	6,232,485	

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

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

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

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

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

FERC Rate Schedule of Tariff Number (e)	Point of Receipt (Substation or Other Designation) (f)	Point of Delivery (Substation or Other Designation) (g)	Billing Demand (MW) (h)	TRANSFER OF ENERGY		Line No.
				MegaWatt Hours Received (i)	MegaWatt Hours Delivered (j)	
01	Macho Springs	Springerville	10	5,794	5,794	1
01	Luna	Springerville		32	32	2
01	Palo Verde	Westwing		249,412	249,412	3
01	Springerville	Greenlee		6,971	6,971	4
01	Springerville	Luna		202	202	5
01	Palo Verde	Westwing		170,421	170,421	6
01	Jojoba	Westwing		12	12	7
01	Palo Verde	Westwing		1,200	1,200	8
01	Westmesa	Holloman	2	1,875	1,875	9
01	Westmesa	Holloman		80	80	10
01	Palo Verde	Westwing		1,996	1,996	11
						12
						13
						14
						15
						16
						17
						18
						19
						20
						21
						22
						23
						24
						25
						26
						27
						28
						29
						30
						31
						32
						33
						34
			1,843	2,455,071	2,455,071	

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.
71,320			71,320	1
	297		297	2
	207,541		207,541	3
	26,796		26,796	4
	1,512		1,512	5
	136,394		136,394	6
	39		39	7
	766		766	8
14,546			14,546	9
				10
	1,989		1,989	11
				12
				13
				14
				15
				16
				17
				18
				19
				20
				21
				22
				23
				24
				25
				26
				27
				28
				29
				30
				31
				32
				33
				34
4,999,889	1,232,596	0	6,232,485	

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 2015/Q3
FOOTNOTE DATA			

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

Network Integration Transmission Service. Evergreen contract expires March 31st with a two year notice.

Schedule Page: 328 Line No.: 2 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.: 3 Column: i

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

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

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

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.: 31 Column: d

Firm transmission contract, expiration August 1, 2019. Service was partially redirected to daily services.

Schedule Page: 328 Line No.: 34 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.: 8 Column: d

Firm transmission contract, expiration January 1, 2020. Service was partially redirected to daily services.

Schedule Page: 328.1 Line No.: 13 Column: d

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

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

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

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

Firm transmission contract, expiration January 1, 2026.

Schedule Page: 328.1 Line No.: 22 Column: i

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

Schedule Page: 328.1 Line No.: 23 Column: d

Firm transmission contract, expiration January 1, 2020

Schedule Page: 328.1 Line No.: 24 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: d

Firm transmission contract, expiration November 1, 2029.

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

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

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

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

Schedule Page: 328.2 Line No.: 9 Column: d

Firm transmission contract, expiration October 1, 2024

Schedule Page: 328.2 Line No.: 10 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	OS	50	50			1,503	1,503
2	Public Serv. Co. of NM	LFP	23,171	23,171	163,508			163,508
3	Public Serv. Co. of NM	LFP	143,535	143,535	850,239			850,239
4	Public Serv. Co. of NM	SFP	12,149	12,149				
5	Public Serv. Co. of NM	NF	6,867	6,867		53,487		53,487
6	Salt River Project	OLF	39,039	39,039	441,750			441,750
7	Salt River Project	SFP	4,960	4,960		26,059		26,059
8	Salt River Project	NF	44	44		260		260
9	Tristate G&T Assn., Inc	AD				936		936
10	Tristate G&T Assn., Inc	AD				1,464		1,464
11	Tucson Electric Power	OLF	167,533	167,533				
12	Tucson Electric Power	SFP	82	82		482		482
13	Tucson Electric Power	NF	225	225		1,419		1,419
14	Open Access Technology	NF	170	170		1,934		1,934
15								
16								
	TOTAL		397,825	397,825	1,455,497	86,041	1,503	1,543,041

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 2015/Q3
FOOTNOTE DATA			

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

Four Corners switchyard transformer/reactor losses.

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

Four Corners switchyard transformer/reactor losses.

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

Four Corners switchyard transformer/reactor losses.

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

Four Corners switchyard transformer/reactor losses.

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

Contract terminates June 30, 2017.

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 terminates June 1, 2019.

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: c

Amounts shown based on transmission reservations.

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

Amounts shown based on transmission reservations.

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

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

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

Amounts shown based on transmission reservations.

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

Amounts shown based on transmission reservations.

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

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

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

Represents adjustment to short term transmission losses for June 2015.

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

Represents adjustment to short term transmission losses for June 2015.

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

Name of Respondent El Paso Electric Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2015/Q3
FOOTNOTE DATA			

Amounts shown based on actual energy flows.

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

Amounts shown based on actual energy flows.

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

Under a pre-order 888/889 agreement, the Company was assigned rights as part of the Power Exchange and Transmission Agreement.

Schedule Page: 332 Line No.: 12 Column: c

Amounts shown based on transmission reservations.

Schedule Page: 332 Line No.: 12 Column: d

Amounts shown based on transmission reservations.

Schedule Page: 332 Line No.: 12 Column: f

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

Schedule Page: 332 Line No.: 13 Column: c

Amounts shown based on transmission reservations.

Schedule Page: 332 Line No.: 13 Column: d

Amounts shown based on transmission reservations.

Schedule Page: 332 Line No.: 13 Column: f

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

Schedule Page: 332 Line No.: 14 Column: c

Amounts shown based on transmission reservations.

Schedule Page: 332 Line No.: 14 Column: d

Amounts shown based on transmission reservations.

Schedule Page: 332 Line No.: 14 Column: f

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

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	937,639	288,819	1,112	22	1900
2	February	812,056	269,516	1,049	23	2000
3	March	888,973	295,103	1,033	31	1400
4	Total	2,638,668	853,438	3,194		
5	April	705,098	114,302	1,065	30	1700
6	May	908,741	228,866	1,421	29	1600
7	June	1,086,055	219,320	1,776	22	1600
8	Total	2,699,894	562,488	4,262		
9	July	1,185,792	274,749	1,716	28	1600
10	August	1,240,403	295,507	1,792	6	1600
11	September	1,135,082	315,460	1,666	1	1600
12	Total	3,561,277	885,716	5,174		

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 2015/Q3
FOOTNOTE DATA			

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

Includes 60,811 MWhs related to the Company's Power Purchase and Sales Agreement with Freeport-McMoRan dated December 16, 2005.

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

Includes 60,811 MWhs related to the Company's Power Purchase and Sales Agreement with Freeport-McMoRan dated December 16, 2005.

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

Includes 51,829 MWhs related to the Company's Power Purchase and Sales Agreement with Freeport-McMoRan dated December 16, 2005.

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

Includes 51,829 MWhs related to the Company's Power Purchase and Sales Agreement with Freeport-McMoRan dated December 16, 2005.

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

Includes 57,269 MWhs related to the Company's Power Purchase and Sales Agreement with Freeport-McMoRan dated December 16, 2005.

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

Includes 57,269 MWhs related to the Company's Power Purchase and Sales Agreement with Freeport-McMoRan dated December 16, 2005.

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

Includes 28,314 MWhs related to the Company's Power Purchase and Sales Agreement with Freeport-McMoRan dated December 16, 2005.

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

Includes 28,314 MWhs related to the Company's Power Purchase and Sales Agreement with Freeport-McMoRan dated December 16, 2005.

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

Includes 1,578 MWhs related to the Company's Power Purchase and Sales Agreement with Freeport-McMoRan dated December 16, 2005.

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

Includes 1,578 MWhs related to the Company's Power Purchase and Sales Agreement with Freeport-McMoRan dated December 16, 2005.

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

Includes 14,844 MWhs related to the Company's Power Purchase and Sales Agreement with Freeport-McMoRan dated December 16, 2005.

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

Includes 14,844 MWhs related to the Company's Power Purchase and Sales Agreement with Freeport-McMoRan dated December 16, 2005.

Schedule Page: 399 Line No.: 9 Column: b

Includes 54,485 MWhs related to the Company's Power Purchase and Sales Agreement with Freeport-McMoRan dated December 16, 2005.

Schedule Page: 399 Line No.: 9 Column: c

Includes 54,485 MWhs related to the Company's Power Purchase and Sales Agreement with Freeport-McMoRan dated December 16, 2005.

Schedule Page: 399 Line No.: 10 Column: b

Includes 61,887 MWhs related to the Company's Power Purchase and Sales Agreement with Freeport-McMoRan dated December 16, 2005.

Schedule Page: 399 Line No.: 10 Column: c

Includes 61,887 MWhs related to the Company's Power Purchase and Sales Agreement with Freeport-McMoRan dated December 16, 2005.

Schedule Page: 399 Line No.: 11 Column: b

Includes 57,410 MWhs related to the Company's Power Purchase and Sales Agreement with Freeport-McMoRan dated December 16, 2005.

Schedule Page: 399 Line No.: 11 Column: c

Includes 57,410 MWhs related to the Company's Power Purchase and Sales Agreement with Freeport-McMoRan dated December 16, 2005.

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	1,112	22	1900		5	681	50	83	
2	February	1,049	23	2000		6	686	50	88	
3	March	1,033	31	1400		9	689	50	75	
4	Total for Quarter 1					20	2,056	150	246	
5	April	1,065	30	1700		8	692	50	76	
6	May	1,421	29	1600		11	719	50	275	
7	June	1,776	22	1600		10	673	50	321	
8	Total for Quarter 2					29	2,084	150	672	
9	July	1,716	28	1600		13	680	50	469	
10	August	1,792	6	1600		14	679	50	470	
11	September	1,666	1	1600		14	670	50	324	
12	Total for Quarter 3					41	2,029	150	1,263	
13	October									
14	November									
15	December									
16	Total for Quarter 4									
17	Total Year to Date/Year					90	6,169	450	2,181	

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