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In the third quarter of 2016, the Company changed its accounting for state income taxes from the flow-through method to the normalization method in accordance with the final orders from the PUCT and the NMPPRC in its 2015 rate cases, effective January 1, 2016. Under the flow-through method, the Company previously recorded deferred state income taxes and regulatory liabilities and assets offsetting such deferred state income taxes at the expected cash flow to be reflected in future rates. Upon implementation of normalization, the Company began amortizing the net regulatory asset for deferred state income taxes to deferred income tax expense over a 15 year period as allowed by the regulators. In the third quarter of 2016, the Company began recording deferred state income tax expense as required by normalization, retroactive to January 2016 as provided in the final orders. The impact of the change was additional income tax expense of \$5.1 million for the year ended December 31, 2016.

The FASB guidance prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. There were no changes to the unrecognized tax positions for the years ended December 31, 2016 and 2015.

The Company recognizes in interest and penalties expense accounts, interest and penalties related to tax benefits that are uncertain. During the years ended December 31, 2016 and 2015, the Company recognized an expense of approximately \$0.1 million and \$0.2 million, respectively. The Company had approximately \$0.8 million and \$0.7 million for the payment of interest and penalties accrued at December 31, 2016 and 2015, respectively.

J. Commitments, Contingencies and Uncertainties

Power Purchase and Sale Contracts

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

Type of Contract	Counterparty	Quantity	Term	Commercial Operation Date
Power Purchase and Sale Agreement	Freeport	25 MW	December 2008 through December 2018	N/A
Power Purchase and Sale Agreement	Freeport	100 MW	June 2006 through December 2021	N/A
Power Purchase Agreement	Hatch Solar Energy Center I, LLC	5 MW	July 2011 through June 2036	July 2011
Power Purchase Agreement	NRG	20 MW	August 2011 through August 2031	August 2011
Power Purchase Agreement	SunE EPE1, LLC	10 MW	June 2012 through June 2037	June 2012
Power Purchase Agreement	SunE EPE2, LLC	12 MW	May 2012 through May 2037	May 2012
Power Purchase Agreement	Macho Springs Solar, LLC	50 MW	May 2014 through April 2034	May 2014
Power Purchase Agreement	Newman Solar LLC	10 MW	December 2014 through November 2044	December 2014

The Company has a firm Power Purchase and Sale Agreement with Freeport-McMoran Copper & Gold Energy Services LLC ("Freeport") that provides for Freeport to deliver energy to the Company from the Luna Energy Facility (a natural gas-fired combined cycle generation facility located in Luna County, New Mexico) and for the Company to deliver a like amount of energy at Greenlee, Arizona. The Company may purchase the quantities noted in the table above at a specified price at times when energy is not exchanged under the Power Purchase and Sale Agreement. The agreement was approved by the FERC and will continue through an initial term ending December 31, 2021, with subsequent rollovers until terminated. Upon mutual agreement, the Power Purchase and Sale Agreement allows the parties to increase the amount of energy that is purchased and sold under the agreement. The parties have agreed to increase the amount up to 125 MW through December 2018.

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The Company has entered into several power purchase agreements to help meet its renewable portfolio requirements. Namely, the Company has a 25-year purchase power agreement with Hatch Solar Energy Center I, LLC to purchase all of the output from a solar photovoltaic plant located in southern New Mexico which began commercial operation in July 2011. In June 2015, the Company entered into a consent agreement with Hatch Solar Energy Center 1, LLC to provide for additional or replacement photovoltaic modules. The Company also entered into a 20-year contract with NRG Solar Roadrunner LLC ("NRG") to purchase all of the output of a solar photovoltaic plant built in southern New Mexico which began commercial operation in August 2011. In addition, the Company has 25-year purchase power agreements to purchase all of the output of two additional solar photovoltaic plants located in southern New Mexico, SunE EPE1, LLC and SunE EPE2, LLC which began commercial operation in June 2012 and May 2012, respectively.

Furthermore, the Company has a 20-year purchase power agreement with Macho Springs Solar, LLC to purchase the entire generation output delivered from the 50 MW Macho Springs solar photovoltaic plant located in Luna County, New Mexico which began commercial operation in May 2014. Finally, the Company has a 30-year purchase power agreement with Newman Solar LLC to purchase the total output of approximately 10 MW from a solar photovoltaic plant on land subleased from the Company in proximity to its Newman Power Station ("Newman"). This solar photovoltaic plant began commercial operation in December 2014.

Environmental Matters

General The Company is subject to extensive laws, regulations and permit requirements with respect to air and greenhouse gas ("GHG") 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.

Environmental Litigation and Investigations Since July 2011, the U.S. Department of Justice (the "DOJ"), on behalf of the EPA, and APS have been engaged in substantive settlement negotiations in an effort to resolve certain of the pending matters. The allegations being addressed through settlement negotiations are that APS failed to obtain the necessary permits and install the controls necessary under the CAA to reduce sulfur dioxide ("SO₂"), nitrogen oxides ("NO_x"), and particulate matter ("PM"), and that defendants failed to obtain an operating permit under Title V of the CAA that reflects applicable requirements imposed by law. 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. At December 31, 2016, the Company has accrued its remaining unpaid share of approximately \$0.2 million related to this matter.

New Mexico Tax Matter Related to Coal Supplied to Four Corners

On May 23, 2013, the New Mexico Taxation and Revenue Department ("NMTRD") issued a notice of assessment for coal severance, surtax, penalty, and interest totaling approximately \$30.0 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 NMTRD 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 NMTRD filed a Notice of Appeal on August 31, 2015 with respect to the decision. Thereafter, APS and the coal supplier entered into a final settlement agreement with the NMTRD with respect to the Assessment. Pursuant to the final settlement agreement, the NMTRD agreed to release the Assessment, dismiss its filed appeal, and release its rights to any other surtax claims with respect to the coal supply agreement. APS and the other Four Corners participants agreed to forgo refund rights with respect to all the contested amounts previously paid under the applicable tax statute, in addition to a \$1.0 million settlement payment. The Company paid its share of this settlement, approximately \$47,000, in April 2016.

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Lease Agreements

The Company leases land in El Paso, Texas, adjacent to Newman under a lease which expires in June 2033 with a renewal option of 25 years. The Company also has several other leases for office, parking facilities and equipment which expire within the next 4 years. The Company has transmission and distribution lines which are operated under various property easement agreements. The majority of these easements include renewal options which the Company routinely exercises. These lease agreements do not impose any restrictions relating to issuance of additional debt, payment of dividends or entering into other lease arrangements.

Nuclear Fuel Capital Lease Obligation The Company's capital lease obligation for the financing of nuclear fuel is accomplished through RGRT. RGRT had \$110 million aggregate principal amount borrowed in the form of senior notes. In August 2015, \$15.0 million matured and were paid with borrowings from the RCF. In August 2017, \$50.0 million of these senior notes will mature. The Company will either repay or refinance this \$50.0 million of notes upon maturity. The Company guarantees the payment of principal and interest on the senior notes. The nuclear fuel financing requirements of RGRT are met with a combination of the senior notes and short-term borrowings under the RCF. The Company expects to pay \$39.3 million in 2017 for borrowings under the RCF.

The Company's total annual rental expense related to operating leases was \$1.7 million and \$1.9 million for 2016 and 2015, respectively. As of December 31, 2016, the Company's minimum future rental payments for the next five years are as follows (in thousands):

2017	\$	808
2018		662
2019		666
2020		664
2021		562

Union Matters

The Company has approximately 1,100 employees, about 38% of whom are covered by a collective bargaining agreement. The International Brotherhood of Electrical Workers Local 960 ("Local 960") represents the Company's employees working primarily in the power plants, substations, line crews, meter reading and collection, facilities services, and customer service. The Company entered into a new collective bargaining agreement effective September 3, 2016, with Local 960 for a three-year term ending September 3, 2019. The agreement provides for pay increases of 3% on September 3, 2016, September 3, 2017 and on September 3, 2018, respectively.

K. Litigation

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

See Note C and Note J for discussion of the effects of government legislation and regulation on the Company as well as certain pending legal proceedings.

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L. Employee Benefits

Retirement Plans

The Company's Retirement Income Plan (the "Retirement Plan") is a qualified noncontributory defined benefit plan. Upon retirement or death of a vested plan participant, assets of the Retirement Plan are used to pay benefit obligations under the Retirement Plan. Contributions from the Company are based on various factors such as the minimum funding amounts required by the Internal Revenue Service ("IRS"), state and federal regulatory requirements, amounts collected from customers in the Company's Texas and New Mexico jurisdictions and the annual cost of the Retirement Plan, as actuarially calculated. The assets of the Retirement Plan are primarily invested in common collective trusts which hold equity securities, debt securities and cash equivalents and are managed by a professional investment manager appointed by the Company.

The Company has two non-qualified retirement plans that are non-funded defined benefit plans. The Company's Supplemental Retirement Plan covers certain former employees and directors of the Company. The Excess Benefit Plan, was adopted in 2004 and covers certain active and former employees of the Company. The benefit cost for the non-qualified retirement plans are based on substantially the same actuarial methods and economic assumptions as those used for the Retirement Plan.

During the quarter ended March 31, 2014, the Company implemented certain amendments to the Retirement Plan and Excess Benefit Plan. In the first quarter of 2014, the Company offered a cash balance pension plan as an alternative to its current final average pay pension plan for employees hired prior to January 1, 2014. The cash balance pension plan also included an enhanced employer matching contribution to the employee's respective 401(k) Defined Contribution Plan (discussed below). For employees that elected the new cash balance feature of the plans, the pension benefit earned under the existing final average pay feature of the plans was frozen as of March 31, 2014. Employees hired after January 1, 2014 were automatically enrolled in the cash balance pension plan. The amendments to the plans were effective April 1, 2014. As a result of these actions, the Company remeasured the assets and liabilities of the plans, based on actuarially determined estimates, using the close of the alternative choice election period of February 28, 2014, as the remeasurement date.

Prior to December 31, 2013, employees who completed one year of service with the Company and worked at least a minimum number of hours each year were covered by the final average pay formula of the plan. For participants that continue to be covered by the final average pay formula, retirement benefits are based on the employee's final average pay and years of service. The cash balance pension plan covers employees beginning on their employment commencement date or re-employment commencement date in any plan year in which the employee completes at least a minimum number of hours of service. Retirement benefits under the cash balance pension plan are based on the employee's cash balance account, consisting of pay credits and interest credits.

The Company complies with the FASB guidance on disclosure for pension and other post-retirement plans that requires disclosure of investment policies and strategies, categories of investment and fair value measurements of plan assets, and significant concentrations of risk.

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

	December 31,			
	2016		2015	
	Retirement Income Plan	Non-Qualified Retirement Plans	Retirement Income Plan	Non-Qualified Retirement Plans
Change in projected benefit obligation:				
Benefit obligation at end of prior year	\$ 325,706	\$ 26,958	\$ 341,133	\$ 28,397
Service cost	7,705	296	8,530	262
Interest cost	12,161	878	13,477	1,018
Actuarial (gain) loss	7,988	1,267	(19,290)	(810)
Benefits paid	(15,792)	(1,937)	(18,144)	(1,909)
Benefit obligation at end of year	337,768	27,462	325,706	26,958
Change in plan assets:				
Fair value of plan assets at end of prior year	260,035	—	272,939	—
Actual return (loss) on plan assets	18,223	—	(3,760)	—
Employer contribution	7,300	1,937	9,000	1,909
Benefits paid	(15,792)	(1,937)	(18,144)	(1,909)
Fair value of plan assets at end of year	269,766	—	260,035	—
Funded status at end of year	\$ (68,002)	\$ (27,462)	\$ (65,671)	\$ (26,958)

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

	December 31,			
	2016		2015	
	Retirement Income Plan	Non-Qualified Retirement Plans	Retirement Income Plan	Non-Qualified Retirement Plans
Current liabilities	\$ —	\$ (2,696)	\$ —	\$ (2,102)
Noncurrent liabilities	(68,002)	(24,766)	(65,671)	(24,856)
Total	\$ (68,002)	\$ (27,462)	\$ (65,671)	\$ (26,958)

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

	December 31,			
	2016		2015	
	Retirement Income Plan	Non-Qualified Retirement Plans	Retirement Income Plan	Non-Qualified Retirement Plans
Projected benefit obligation	\$ (337,768)	\$ (27,462)	\$ (325,706)	\$ (26,958)
Accumulated benefit obligation	(314,071)	(25,550)	(302,446)	(25,785)
Fair value of plan assets	269,766	—	260,035	—

Pre-tax amounts recognized in accumulated other comprehensive income consist of the following (in thousands):

	December 31,			
	2016		2015	
	Retirement Income Plan	Non-Qualified Retirement Plans	Retirement Income Plan	Non-Qualified Retirement Plans
Net loss	\$ 121,052	\$ 10,073	\$ 118,963	\$ 9,592
Prior service benefit	(23,877)	(185)	(27,344)	(224)
Total	\$ 97,175	\$ 9,888	\$ 91,619	\$ 9,368

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

	December 31,					
	2016			2015		
	Retirement Income Plan	Non-Qualified Supplemental Retirement Plan	Excess Benefit Plan	Retirement Income Plan	Non-Qualified Supplemental Retirement Plan	Excess Benefit Plan
Discount rate	4.29%	3.76%	4.34%	4.57%	3.99%	4.59%
Rate of compensation increase	4.5%	N/A	4.5%	4.5%	N/A	4.5%

The Company reassesses various actuarial assumptions at least on an annual basis. The discount rate is reviewed at each measurement date. The discount rate used to measure the fiscal year end obligation is based on a segmented spot rate yield curve that matches projected future payments with the appropriate interest rate applicable to the timing of the projected future benefit payments. A 1% increase in the discount rate would decrease the December 31, 2016 retirement plans' projected benefit obligation by 11.5%. A 1% decrease in the discount rate would increase the December 31, 2016 retirement plans' projected benefit obligation by 14.1%.

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

	Years Ended December 31,			
	2016		2015	
	Retirement Income Plan	Non- Qualified Retirement Plans	Retirement Income Plan	Non- Qualified Retirement Plans
Service cost	\$ 7,705	\$ 296	\$ 8,530	\$ 262
Interest cost	12,161	878	13,477	1,018
Expected return on plan assets	(18,879)	—	(19,795)	—
Amortization of:				
Net loss	6,554	785	9,710	937
Prior service benefit	(3,467)	(39)	(3,467)	(39)
Net periodic benefit cost	\$ 4,074	\$ 1,920	\$ 8,455	\$ 2,178

In 2016, the Company changed the method used to estimate the service and interest components of net periodic benefit cost for pension benefits. This change, compared to the previous method, resulted in a decrease in the service cost and interest cost components in 2016, and is expected to result in a decrease in the service cost and interest cost components in future periods. Historically, the Company estimated service and interest costs utilizing a single weighted-average discount rate derived from the yield curve used to measure the benefit obligation at the beginning of the period. In 2016, the Company elected to utilize a full yield curve approach to estimate these components by applying the specific spot rates along the yield curve used in the determination of the benefit obligation to the relevant projected cash flows. The Company believes the new approach provides a more precise measurement of service and interest costs by aligning the timing of the plan's liability cash flows to the corresponding spot rates on the yield curve. The Company accounted for this change as a change in accounting estimate and accordingly, accounted for this prospectively. The change in estimate decreased the service and interest components of net periodic benefit cost in 2016 by approximately \$2.9 million.

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

	Years Ended December 31,			
	2016		2015	
	Retirement Income Plan	Non- Qualified Retirement Plans	Retirement Income Plan	Non- Qualified Retirement Plans
Net (gain) loss	\$ 8,644	\$ 1,266	\$ 4,266	\$ (811)
Prior service benefit	—	—	—	—
Amortization of:				
Net loss	(6,554)	(785)	(9,710)	(937)
Prior service benefit	3,467	39	3,467	39
Total recognized in other comprehensive income	\$ 5,557	\$ 520	\$ (1,977)	\$ (1,709)

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

	Years Ended December 31,			
	2016		2015	
	Retirement Income Plan	Non- Qualified Retirement Plans	Retirement Income Plan	Non- Qualified Retirement Plans
Total recognized in net periodic benefit cost and other comprehensive income	\$ 9,631	\$ 2,440	\$ 6,478	\$ 469

The following are amounts in accumulated other comprehensive income that are expected to be recognized as components of net periodic benefit cost during 2017 (in thousands):

	Retirement Income Plan	Non- Qualified Retirement Plans
Net loss	\$ 7,530	\$ 825
Prior service benefit	(3,470)	(40)

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

	2016			2015		
	Retirement Income Plan	Non-Qualified Supplemental Retirement Plan	Excess Benefit Plan	Retirement Income Plan	Non-Qualified Supplemental Retirement Plan	Excess Benefit Plan
Discount rate						
Benefit obligation	4.57%	3.99%	4.63%	4.0%	3.4%	4.1%
Service cost	4.83%	N/A	4.87%	4.0%	N/A	4.1%
Interest cost	3.86%	3.04%	3.9%	4.0%	3.4%	4.1%
Expected long-term return on plan assets	7.0%	N/A	N/A	7.5%	N/A	N/A
Rate of compensation increase	4.5%	N/A	4.5%	4.5%	N/A	4.5%

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The Company's overall expected long-term rate of return on assets is 7.0% effective January 1, 2016 and January 1, 2017, which is both a pre-tax and after-tax rate as pension funds are generally not subject to income tax. The expected long-term rate of return is based on the weighted average of the expected returns on investments based upon the target asset allocation of the pension fund. The Company's target allocations for the plan's assets are presented below:

	December 31, 2016
Equity securities	50%
Fixed income	40%
Alternative investments	10%
Total	100%

The Retirement Plan invests the majority of its plan assets in common collective trusts which includes a diversified portfolio of domestic and international equity securities and fixed income securities. Alternative investments of the Retirement Plan are comprised of a real estate limited partnership and equity securities of real estate companies. The expected rate of returns for the funds are assessed annually and are based on long-term relationships among major asset classes and the level of incremental returns that can be earned by the successful implementation of different active investment management strategies. Equity and real estate equity returns are based on estimates of long-term inflation rate, real rate of return, 10-year Treasury bond premium over cash, an expected equity risk premium, as well as other economic factors. Fixed income returns are based on maturity, long-term inflation, real rate of return and credit spreads. These assumptions also capture the expected correlation of returns between these asset classes over the long term.

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

- Level 1 – Observable inputs that reflect quoted market prices for identical assets and liabilities in active markets. Prices of securities held in the mutual funds and underlying portfolios of the Retirement Plan are primarily obtained from independent pricing services. These prices are based on observable market data. The Common Collective Trusts 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. During the third quarter of 2016, the Company concluded that the NAV used for determining the fair value of the investments in the Common Collective Trusts have readily determinable fair values. Accordingly, such fund values have been re-categorized from Level 2 to Level 1 hierarchy.
- Level 2 – Inputs other than quoted market prices included in Level 1 that are observable for the asset or liability either directly or indirectly. The fair value of these investments are based on evaluated prices that reflect observable market information, such as actual trade information of similar securities, adjusted for observable differences.
- Level 3 – Unobservable inputs using data that is not corroborated by market data.

The fair value of the Company's Retirement Plan assets at December 31, 2016 and 2015, and the level within the three levels of the fair value hierarchy defined by the FASB guidance on fair value measurements are presented in the table below (in thousands):

Description of Securities	Fair Value as of December 31, 2016	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Cash and Cash Equivalents	\$ 932	\$ 932	\$ —	\$ —
Common Collective Trusts (a)				
Equity funds	144,081	144,081	—	—
Fixed income funds	109,356	109,356	—	—
Real Estate Funds	8,406	8,406	—	—
Total Common Collective Trusts	261,843	261,843	—	—
Limited Partnership Interest in Real Estate (b)(c)	6,991	—	—	—
Total Plan Investments	\$ 269,766	\$ 262,775	\$ —	\$ —

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Description of Securities	Fair Value as of December 31, 2015	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Cash and Cash Equivalents	\$ 1,266	\$ 1,266	\$ —	\$ —
Common Collective Trusts (a)				
Equity funds	144,279	144,279	—	—
Fixed income funds	103,877	103,877	—	—
Real Estate Funds	2,025	2,025	—	—
Total Common Collective Trusts	250,181	250,181	—	—
Limited Partnership Interest in Real Estate (b)(c)	8,588	—	—	—
Total Plan Investments	\$ 260,035	\$ 251,447	\$ —	\$ —

- (a) The Common Collective Trusts are invested in equity and fixed income securities, or a combination thereof. The investment objective of each fund is to produce returns in excess of, or commensurate with, its predefined index.
- (b) This investment is a commercial real estate partnership that purchases land, develops limited infrastructure, and sells it for commercial development. The Company was restricted from selling its partnership interest during the life of the partnership, which spanned 7 years. Return on investment is realized as land is sold. The fair value of the limited partnership interest in real estate is based on the NAV of the partnership which reflects the appraised value of the land. The partnership term expired on June 30, 2016. Upon expiration, dissolution of the partnership commenced and, as a result, the general partner of the partnership is attempting to sell the remaining inventory as soon as possible at the highest pricing possible.
- (c) In the first quarter of 2016, the Company implemented ASU 2015-07, Fair Value Measurement (Topic 820) which eliminates the requirement to categorize investments in the fair value hierarchy if the fair value is measured at NAV per share (or its equivalent) using the practical expedient in the FASB's fair value measurement guidance. The fair value amounts presented in the table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the regulatory-basis balance sheet. ASU 2015-07 is effective for regulatory-basis financial statements issued for fiscal years beginning after December 15, 2015, and interim periods within those fiscal years.

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

	Fair Value of Investments in Real Estate
Balances at December 31, 2014	\$ 8,748
Unrealized loss in fair value	(160)
Balances at December 31, 2015	8,588
Sale of land	(775)
Unrealized loss in fair value	(822)
Balances at December 31, 2016	\$ 6,991

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 twelve month periods ending December 31, 2016 and 2015. There were no purchases, issuances, and settlements related to the assets in the Level 3 fair value measurement category during the twelve month periods ending December 31, 2016 and 2015.

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

The Company contributes at least the minimum funding amounts required by the IRS for the Retirement Plan, as actuarially calculated. The Company expects to contribute at least \$10.0 million to its retirement plans in 2017.

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

	Retirement Income Plan	Non- Qualified Retirement Plans
2017	\$ 16,113	\$ 2,698
2018	19,080	2,060
2019	18,771	2,025
2020	18,923	1,957
2021	19,755	1,907
2022-2026	107,916	8,949

401(k) Defined Contribution Plans

The Company sponsors 401(k) defined contribution plans covering substantially all employees. Annual matching contributions made to the savings plans for the years 2016 and 2015 were \$4.1 million and \$3.9 million, respectively. Historically, the Company had provided a 50 percent matching contribution up to 6 percent of the employee's compensation subject to certain other limits and exclusions. Effective April 1, 2014, for employees who enrolled in the cash balance pension plan (discussed above), the Company provided a 100 percent matching contribution up to 6 percent of the employee's compensation subject to certain other limits and exclusions.

Other Post-retirement Benefits

The Company provides certain health care benefits for retired employees and their eligible dependents and life insurance benefits for retired employees only. Substantially all of the Company's employees may become eligible for those benefits if they retire while working for the Company. Contributions from the Company are based on various factors such as the Plan's funded status, the IRS tax deductible limit, state and federal regulatory requirements, amounts collected from customers in the Company's Texas and New Mexico jurisdictions and the annual cost of the Plan, as actuarially calculated. The assets of the plan are primarily invested in institutional funds which hold equity securities, debt securities, and cash equivalents and are managed by a professional investment manager appointed by the Company.

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

	December 31,	
	2016	2015
Change in benefit obligation:		
Benefit obligation at end of prior year	\$ 92,643	\$ 100,700
Service cost	2,769	3,454
Interest cost	3,167	4,035
Actuarial loss (gain)	10,751	(11,423)
Amendment (a) (b)	(32,697)	(824)
Benefits paid	(4,428)	(4,544)
Retiree contributions	1,310	1,245
Benefit obligation at end of year	73,515	92,643
Change in plan assets:		
Fair value of plan assets at end of prior year	38,090	41,358
Actual return (loss) on plan assets	2,443	(469)
Employer contribution	1,700	500
Benefits paid	(4,428)	(4,544)
Retiree contributions	1,310	1,245
Fair value of plan assets at end of year	39,115	38,090
Funded status at end of year	\$ (34,400)	\$ (54,553)

- (a) During October 2016, the Company approved and communicated a plan amendment that resulted in a remeasurement of the Company's Other Post-retirement Benefit Plan. Effective January 1, 2017, retirees and dependents that are less than 65 years of age are offered a choice between a \$1,000 and \$2,250 deductible plan. Additionally, retirees and dependents that are 65 years of age or greater were covered by a fully insured Medicare advantage plan.
- (b) Amendment relates to modification of the Company's Other Post-retirement Benefit Plan which increased mail order co-payments for post age 65. The amendment was approved in 2015 and became effective January 1, 2016.

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

	December 31,	
	2016	2015
Current liabilities	\$ —	\$ —
Noncurrent liabilities	(34,400)	(54,553)
Total	\$ (34,400)	\$ (54,553)

Pre-tax amounts recognized in accumulated other comprehensive income consist of the following (in thousands):

	December 31,	
	2016	2015
Net gain	\$ (26,285)	\$ (38,802)
Prior service benefit	(41,009)	(12,213)
Total	\$ (67,294)	\$ (51,015)

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

	December 31,	
	2016	2015
Discount rate at end of year	4.36%	4.59%
Health care cost trend rates:		
Initial		
Pre-65 medical	6.50%	7.00%
Post-65 medical	4.50%	7.00%
Pre-65 drug	7.50%	7.00%
Post-65 drug	10.50%	7.00%
Ultimate	4.50%	4.50%
Year ultimate reached (a)	2026	2026

(a) Pre-65 medical reaches the ultimate trend rate in 2025. Additionally, the Post-65 medical trend is assumed to be 4.50% for all years into the future.

The discount rate is reviewed at each measurement date. The discount rate used to measure the fiscal year end obligation is based on a segmented spot rate yield curve that matches projected future payments with the appropriate interest rate applicable to the timing of the projected future benefit payments. A 1% increase in the discount rate would decrease the December 31, 2016 accumulated post-retirement benefit obligation by 13.1%. A 1% decrease in the discount rate would increase the December 31, 2016 accumulated post-retirement benefit obligation by 16.7%.

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

	Years Ended December 31,	
	2016	2015
Service cost	\$ 2,769	\$ 3,454
Interest cost	3,167	4,035
Expected return on plan assets	(1,835)	(2,070)
Amortization of:		
Prior service benefit	(3,901)	(3,068)
Net gain	(2,374)	(2,025)
Net periodic benefit cost	\$ (2,174)	\$ 326

In 2016, the Company changed the method used to estimate the service and interest components of net periodic benefit cost for other post-retirement benefits. This change, compared to the previous method, resulted in a decrease in the service cost and interest cost components in 2016, and is expected to result in a decrease in the service cost and interest cost components in future periods. Historically, the Company estimated service and interest costs utilizing a single weighted-average discount rate derived from the yield curve used to measure the benefit obligation at the beginning of the period. In 2016, the Company elected to utilize a full yield curve approach to estimate these components by applying the specific spot rates along the yield curve used in the determination of the benefit obligation to the relevant projected cash flows. The Company believes the new approach provides a more precise measurement of service and interest costs by aligning the timing of the plan's liability cash flows to the corresponding spot rates on the yield curve. The Company accounted for this change as a change in accounting estimate and accordingly, accounted for this prospectively. The change in estimate decreased the service and interest components of net periodic benefit cost in 2016 by approximately \$0.8 million.

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

	Years Ended December 31,	
	2016	2015
Net (gain) loss	\$ 10,143	\$ (8,884)
Prior service benefit	(32,697)	(824)
Amortization of:		
Prior service benefit	3,901	3,068
Net gain	2,374	2,025
Total recognized in other comprehensive income	<u>\$ (16,279)</u>	<u>\$ (4,615)</u>

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

	Years Ended December 31,	
	2016	2015
Total recognized in net periodic benefit cost and other comprehensive income	<u>\$ (18,453)</u>	<u>\$ (4,289)</u>

The amount in accumulated other comprehensive income that is expected to be recognized as a component of net periodic benefit cost during 2017 is a prior service benefit of \$6.2 million and a net gain of \$1.6 million.

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

	2016 (a)		2015
	January 1 - September 30	October 1 - December 31	
Benefit obligation	4.59%	3.75%	4.1%
Service cost	4.91%	4.03%	4.1%
Interest cost	3.86%	3.15%	4.1%
Expected long-term return on plan assets	4.875%		5.2%
Health care cost trend rates:			
Initial	7.00%		7.25%
Ultimate	4.5%		4.5%
Year ultimate reached	2026		2026

(a) The actuarial assumptions are evaluated by the Company at each measurement date. The Other Post-retirement Benefits Plan was remeasured at October 1, 2016 due to a plan amendment.

For measurement purposes, a 7.0% annual rate of increase in the per capita cost of covered health care benefits was assumed for 2016. The rate was assumed to decrease gradually to 4.5% for 2026 and remain at that level thereafter. Assumed health care cost trend rates have a significant effect on the amounts reported for the health care plan. The effect of a 1% change in these assumed health care cost trend rates would increase or decrease the December 31, 2016 benefit obligation by \$11.2 million or \$9.0 million, respectively. In addition, a 1% change in said rate would increase or decrease the aggregate 2016 service and interest cost components of the net periodic benefit cost by \$1.3 million or \$1.0 million, respectively.

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The Company's overall expected long-term rate of return on assets, on an after-tax basis, is 4.875% effective January 1, 2016 and January 1, 2017. The expected long-term rate of return is based on the after-tax weighted average of the expected returns on investments based upon the target asset allocation. The Company's target allocations for the plan's assets are presented below:

	December 31, 2016
Equity securities	65%
Fixed income	30%
Alternative investments	5%
Total	100%

The Other Post-retirement Benefit Plan invests the majority of its plan assets in institutional funds which includes a diversified portfolio of domestic and international equity securities and fixed income securities. The asset portfolio also includes cash equivalents and a real estate limited partnership. The expected rates of return for the funds are assessed annually and are based on long-term relationships among major asset classes and the level of incremental returns that can be earned by the successful implementation of different active investment management strategies. Equity returns are based on estimates of long-term inflation rate, real rate of return, 10-year Treasury bond premium over cash, an expected equity risk premium, as well as other economic factors. Fixed income returns are based on maturity, long-term inflation, real rate of return and credit spreads. These assumptions also capture the expected correlation of returns between these asset classes over the long term.

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

- Level 1 – Observable inputs that reflect quoted market prices for identical assets and liabilities in active markets. Prices of securities held in the mutual funds and underlying portfolios of the Other Post-retirement Benefits Plan are primarily obtained from independent pricing services. These prices are based on observable market data. 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. During the third quarter of 2016, the Company concluded that the NAV used for determining the fair value of the investments in the institutional funds have readily determinable fair values. Accordingly, such fund values have been re-categorized from Level 2 to Level 1 hierarchy.
- Level 2 – Inputs other than quoted market prices included in Level 1 that are observable for the asset or liability either directly or indirectly. The fair value of these investments are based on evaluated prices that reflect observable market information, such as actual trade information of similar securities, adjusted for observable differences.
- Level 3 – Unobservable inputs using data that is not corroborated by market data.

The fair value of the Company's Other Post-retirement Benefits Plan assets at December 31, 2016 and 2015, and the level within the three levels of the fair value hierarchy defined by the FASB guidance on fair value measurements are presented in the table below (in thousands):

Description of Securities	Fair Value as of December 31, 2016	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Institutional Funds (a)				
Equity funds	\$ 26,133	\$ 26,133	\$ —	\$ —
Fixed income funds	11,671	11,671	—	—
Total Institutional Funds	37,804	37,804	—	—
Limited Partnership Interest in Real Estate (b) (c)	1,311	—	—	—
Total Plan Investments	\$ 39,115	\$ 37,804	\$ —	\$ —

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Description of Securities	Fair Value as of December 31, 2015	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Institutional Funds (a)				
Equity funds	\$ 24,881	\$ 24,881	\$ —	\$ —
Fixed income funds	11,599	11,599	—	—
Total Institutional Funds	36,480	36,480	—	—
Limited Partnership Interest in Real Estate (b) (c)	1,610	—	—	—
Total Plan Investments	\$ 38,090	\$ 36,480	\$ —	\$ —

- (a) The institutional funds are invested in equity or fixed income securities, or a combination thereof. The investment objective of each fund is to produce returns in excess of, or commensurate with, its predefined index.
- (b) This investment is a commercial real estate partnership that purchases land, develops limited infrastructure, and sells it for commercial development. The Company was restricted from selling its partnership interest during the life of the partnership, which spanned 7 years. Return of investment is realized as land is sold. The fair value of the limited partnership interest in real estate is based on the NAV of the partnership which reflects the appraised value of the land. The partnership term expired on June 30, 2016. Upon expiration, dissolution of the partnership commenced and, as a result, the general partner of the partnership is attempting to sell the remaining inventory as soon as possible at the highest pricing possible.
- (c) In the first quarter of 2016, the Company implemented ASU 2015-07, Fair Value Measurement (Topic 820) which eliminates the requirement to categorize investments in the fair value hierarchy if the fair value is measured at NAV per share (or its equivalent) using the practical expedient in the FASB's fair value measurement guidance. The fair value amounts presented in the table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the regulatory-basis balance sheet. ASU 2015-07 is effective for regulatory-basis financial statements issued for fiscal years beginning after December 15, 2015, and interim periods within those fiscal years.

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

	Fair Value of Investments in Real Estate
Balances at December 31, 2014	\$ 1,640
Unrealized loss in fair value	(30)
Balances at December 31, 2015	1,610
Sale of land	(145)
Unrealized loss in fair value	(154)
Balances at December 31, 2016	\$ 1,311

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 twelve month periods ending December 31, 2016 and 2015. There were no purchases, issuances, and settlements related to the assets in the Level 3 fair value measurement category during the twelve month periods ending December 31, 2016 and 2015.

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

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The Company expects to contribute \$1.5 million to its other post-retirement benefits plan in 2017. The following benefit payments, which reflect expected future service, as appropriate, are expected to be paid (in thousands):

2017	\$ 2,622
2018	2,880
2019	3,057
2020	3,320
2021	3,510
2022-2026	20,084

Annual Short-Term Incentive Plan

The Annual Short-Term Incentive Plan (the "Incentive Plan") provides for the payment of cash awards to eligible Company employees, including each of its named executive officers. Payment of awards is based on the achievement of performance measures reviewed and approved by the Company's Board of Directors' Compensation Committee. Generally, these performance measures are based on meeting certain financial, operational and individual performance criteria. The financial performance goals are based on earnings per share and the operational performance goals are based on compliance, customer satisfaction, and reliability. If a specified level of earnings per share is not attained, no amounts will be paid under the Incentive Plan, unless the Compensation Committee determines otherwise. In 2016, the Company reached the required levels of earnings per share, customer satisfaction, reliability, compliance, and safety goals for an incentive payment of \$12.5 million. In 2015, the Company reached the required levels of earnings per share, safety, compliance, and customer satisfaction goals for an incentive payment of \$10.5 million. The Company has renewed the Incentive Plan in 2017 with similar goals.

M. Franchises and Significant Customers

Franchises

The Company operates under franchise agreements with several cities in its service territory, including one with El Paso, Texas, the largest city it serves. The franchise agreement allows the Company to utilize public rights-of-way necessary to serve its customers within El Paso. Pursuant to the El Paso franchise agreement, which was amended in 2010, the Company pays to the City of El Paso, on a quarterly basis, a fee equal to 4.00% of gross revenues the Company receives for the generation, transmission and distribution of electrical energy and other services within the city. The 2005 El Paso franchise agreement set the franchise fee at 3.25% of gross revenues, but the 2010 amendment added an incremental fee equal to 0.75% of gross revenues to be placed in a restricted fund to be used by the city solely for economic development and renewable energy purposes. Any assignment of the franchise agreement, including a deemed assignment as a result of a change in control of the Company, requires the consent of the City of El Paso. The El Paso franchise agreement is set to expire on July 31, 2030.

The Company does not have a written franchise agreement with the City of Las Cruces, the second largest city in its service territory. The Company provides electric distribution service to the City of Las Cruces under an implied franchise by satisfying all obligations under the franchise agreement that expired on April 30, 2009. The Company pays the City of Las Cruces a franchise fee of 2.00% of gross revenues the Company receives from services within the City of Las Cruces.

Military Installations

The Company serves HAFB, White Sands Missile Range ("White Sands") and Fort Bliss. These military installations represent approximately 2.8% of the Company's annual retail revenues. In July 2014, the Company signed an agreement with Fort Bliss under which Fort Bliss takes retail electric service from the Company under the applicable Texas tariffs. The Company serves White Sands under the applicable New Mexico tariffs. In August 2016, the Company signed a contract with HAFB under which the Company provides retail electric service and limited wheeling services to HAFB under the applicable New Mexico tariffs. As stated in the contract, HAFB will purchase the full output of a Company-owned 5 MW solar facility upon its completed construction, with HAFB's other power requirements provided under the applicable New Mexico tariffs.

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N. Financial Instruments and Investments

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

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

	December 31,			
	2016		2015	
	Carrying Amount	Estimated Fair Value	Carrying Amount	Estimated Fair Value
Pollution Control Bonds	\$ 193,135	\$ 206,818	\$ 193,135	\$ 212,624
Senior Notes	1,003,195	1,112,285	846,149	829,864
RGRT Senior Notes (1)	95,000	98,855	95,000	100,345
RCF (1)	83,275	83,275	143,439	143,439
Total	\$ 1,374,605	\$ 1,501,233	\$ 1,277,723	\$ 1,286,272

- (1) Nuclear fuel capital lease obligations as of December 31, 2016 and December 31, 2015, is funded through the \$95 million RGRT Senior Notes and \$39.3 million and \$35.4 million, respectively under the RCF. As of December 31, 2016, \$44.0 million was outstanding under the RCF for working capital or general corporate purposes. As of December 31, 2015, \$108.0 million 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 period reflecting current market rates. Consequently, the carrying value approximates fair value.

Treasury Rate Locks. The Company entered into treasury rate lock agreements in 2005 to hedge against potential movements in the treasury reference interest rate pending the issuance of the 6% Senior Notes. The treasury rate lock agreements met the criteria for hedge accounting and were designated as a cash flow hedge. In accordance with cash flow hedge accounting, the Company recorded the loss associated with the fair value of the cash flow hedge, net of tax, as a component of accumulated other comprehensive loss and amortizes the accumulated comprehensive loss to earnings as interest expense over the life of the 6% Senior Notes. In 2017, approximately \$0.5 million of this accumulated other comprehensive loss item will be reclassified to interest expense.

Contracts and Derivative Accounting. The Company uses commodity contracts to manage its exposure to price and availability risks for fuel purchases and power sales and purchases and these contracts generally have the characteristics of derivatives. The Company does not trade or use these instruments with the objective of earning financial gains on the commodity price fluctuations. The Company has determined that all such contracts outstanding at December 31, 2016, except for certain natural gas commodity contracts with optionality features, that had the characteristics of derivatives met the "normal purchases and normal sales" exception provided in the FASB guidance for accounting for derivative instruments and hedging activities, and, as such, were not required to be accounted for as derivatives.

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Marketable Securities. The Company's marketable securities, included in decommissioning trust funds in the regulatory-basis balance sheet, are reported at fair value which was \$255.7 million and \$239.0 million at December 31, 2016 and 2015, respectively. These securities are classified as available for sale and recorded at their estimated fair value using the FASB guidance for certain investments in debt and equity 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):

	December 31, 2016					
	Less than 12 Months		12 Months or Longer		Total	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
Description of Securities (1):						
Federal Agency Mortgage Backed Securities	\$ 11,582	\$ (239)	\$ 436	\$ (22)	\$ 12,018	\$ (261)
U.S. Government Bonds	31,655	(762)	17,976	(835)	49,631	(1,597)
Municipal Obligations	9,596	(394)	4,067	(372)	13,663	(766)
Corporate Obligations	7,971	(172)	2,092	(172)	10,063	(344)
Total Debt Securities	60,804	(1,567)	24,571	(1,401)	85,375	(2,968)
Common Stock	2,760	(167)	—	—	2,760	(167)
Institutional Funds-International Equity	22,945	(110)	—	—	22,945	(110)
Total Temporarily Impaired Securities	\$ 86,509	\$ (1,844)	\$ 24,571	\$ (1,401)	\$ 111,080	\$ (3,245)

(1) Includes approximately 152 securities.

	December 31, 2015					
	Less than 12 Months		12 Months or Longer		Total	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
Description of Securities (1):						
Federal Agency Mortgage Backed Securities	\$ 9,383	\$ (97)	\$ 1,113	\$ (47)	\$ 10,496	\$ (144)
U.S. Government Bonds	24,094	(310)	14,272	(623)	38,366	(933)
Municipal Obligations	8,286	(160)	7,388	(446)	15,674	(606)
Corporate Obligations	6,058	(722)	2,307	(228)	8,365	(950)
Total Debt Securities	47,821	(1,289)	25,080	(1,344)	72,901	(2,633)
Common Stock	3,584	(344)	—	—	3,584	(344)
Institutional Funds-International Equity	22,454	(768)	—	—	22,454	(768)
Total Temporarily Impaired Securities	\$ 73,859	\$ (2,401)	\$ 25,080	\$ (1,344)	\$ 98,939	\$ (3,745)

(2) Includes approximately 133 securities.

The Company monitors the length of time specific securities trade 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. The Company recognizes impairment losses on certain of its securities deemed to be other than temporary. In accordance with the FASB guidance, these impairment losses are recognized in net income, and a lower cost basis is established for these securities. In addition, the Company will research the future prospects of individual securities as necessary. The Company does not anticipate expending monies held in trust before 2044 or a later period when decommissioning of Palo Verde begins.

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For the twelve months ended December 31, 2016 and 2015, the Company recognized other than temporary impairment losses on its available-for-sale securities as follows (in thousands):

	2016	2015
Unrealized holding losses included in pre-tax income	\$ (352)	\$ (338)

The reported securities 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):

	December 31, 2016		December 31, 2015	
	Fair Value	Unrealized Gains	Fair Value	Unrealized Gains
Description of Securities:				
Federal Agency Mortgage Backed Securities	\$ 7,430	\$ 319	\$ 9,589	\$ 438
U.S. Government Bonds	12,237	138	12,033	136
Municipal Obligations	2,481	144	8,671	332
Corporate Obligations	12,350	655	10,110	368
Total Debt Securities	34,498	1,256	40,403	1,274
Common Stock	61,884	34,066	72,636	37,001
Equity Mutual Funds	42,244	3,345	18,853	91
Cash and Cash Equivalents	6,002	—	8,204	—
Total	\$ 144,628	\$ 38,667	\$ 140,096	\$ 38,366

The Company's marketable securities include investments in mortgage backed securities, municipal, corporate and federal debt obligations. The contractual year for maturity for these available-for-sale securities as of December 31, 2016 is as follows (in thousands):

	Total	2017	2018 through 2021	2022 through 2026	2027 and Beyond
Municipal Debt Obligations	\$ 16,144	\$ 990	\$ 6,253	\$ 8,139	\$ 762
Corporate Debt Obligations	22,413	—	8,664	6,090	7,659
U.S. Government Bonds	61,868	14,272	22,495	14,786	10,315
Federal Agency Mortgage Backed Securities	19,448	—	5	390	19,053

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 during the twelve months ended December 31, 2016 and 2015 and the related effects on pre-tax income are as follows (in thousands):

	2016	2015
Proceeds from sales of available-for-sale securities	\$ 91,268	\$ 102,567
Gross realized gains included in pre-tax income	\$ 9,212	\$ 12,379
Gross realized losses included in pre-tax income	(1,220)	(927)
Gross unrealized losses included in pre-tax income	(352)	(338)
Net gains in pre-tax income	\$ 7,640	\$ 11,114
Net unrealized holding gains (losses) included in accumulated other comprehensive income	\$ 8,444	\$ (2,906)
Net gains reclassified out of accumulated other comprehensive income	(7,640)	(11,114)
Net gains (losses) in other comprehensive income	\$ 804	\$ (14,020)

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

- Level 1 - Observable inputs that reflect quoted market prices for identical assets and liabilities in active markets. Financial assets utilizing Level 1 inputs include the 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. 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. During the third quarter of 2016, the Company concluded that the NAV used for determining the fair value of the Institutional Funds- International Equity investments have readily determinable fair values. Accordingly, such fund values have been re-categorized from Level 2 to Level 1 hierarchy.
- Level 2 - Inputs other than quoted market prices included in Level 1 that are observable for the asset or liability either directly or indirectly. Financial assets utilizing Level 2 inputs include the nuclear decommissioning trust investments in fixed income securities. The fair value of these financial instruments is based on evaluated prices that reflect observable market information, such as actual trade information of similar securities, adjusted for observable differences.
- Level 3 - Unobservable inputs using data that is not corroborated by market data and primarily based on internal Company analysis using models and various other 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. The FASB guidance identifies this valuation technique as the "market approach" with observable inputs. The Company analyzes available-for-sale securities to determine if losses are other than temporary.

The fair value of the Company's decommissioning trust funds and investments in debt securities at December 31, 2016 and 2015, and the level within the three levels of the fair value hierarchy defined by the FASB guidance are presented in the table below (in thousands):

Description of Securities	Fair Value as of December 31, 2016	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	\$ 1,421	\$ —	\$ —	\$ 1,421
Available for sale:				
U.S. Government Bonds	\$ 61,868	\$ 61,868	\$ —	\$ —
Federal Agency Mortgage Backed Securities	19,448	—	19,448	—
Municipal Obligations	16,144	—	16,144	—
Corporate Obligations	22,413	—	22,413	—
Subtotal, Debt Securities	119,873	61,868	58,005	—
Common Stock	64,644	64,644	—	—
Equity Mutual Funds	42,244	42,244	—	—
Institutional Funds-International Equity	22,945	22,945	—	—
Cash and Cash Equivalents	6,002	6,002	—	—
Total available for sale	\$ 255,708	\$ 197,703	\$ 58,005	\$ —

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 2016/Q4
El Paso Electric Company			
NOTES TO FINANCIAL STATEMENTS (Continued)			

Description of Securities	Fair Value as of December 31, 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	\$ 1,543	\$ —	\$ —	\$ 1,543
Available for sale:				
U.S. Government Bonds	\$ 50,399	\$ 50,399	\$ —	\$ —
Federal Agency Mortgage Backed Securities	20,085	—	20,085	—
Municipal Obligations	24,345	—	24,345	—
Corporate Obligations	18,475	—	18,475	—
Subtotal, Debt Securities	113,304	50,399	62,905	—
Common Stock	76,220	76,220	—	—
Equity Mutual Funds	18,853	18,853	—	—
Institutional Funds-International Equity	22,454	22,454	—	—
Cash and Cash Equivalents	8,204	8,204	—	—
Total available for sale	\$ 239,035	\$ 176,130	\$ 62,905	\$ —

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

	2016	2015
Balance at January 1	\$ 1,543	\$ 1,653
Net unrealized gains (losses) in fair value recognized in income (a)	(122)	(110)
Balance at December 31	\$ 1,421	\$ 1,543

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

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 twelve month periods ending December 31, 2016 and 2015. There were no purchases, sales, issuances, and settlements related to the assets in the Level 3 fair value measurement category during the twelve month periods ending December 31, 2016 and 2015.

O. Supplemental Statements of Cash Flows Disclosures

	Years Ended December 31,	
	2016	2015
	(In thousands)	
Cash paid for:		
Interest on long-term debt and borrowing under the revolving credit facility	\$ 69,990	\$ 62,297
Income taxes, net of refund	2,328	1,000
Non-cash investing financing activities:		
Sale of Interest in Four Corners Generating Station (a)	27,720	—
Changes in accrued plant additions	4,789	(6,660)
Grants of restricted shares of common stock	1,236	1,567

- (a) The Company sold its interest in Four Corners for approximately \$32.0 million based on the book value as defined in the Purchase and Sale Agreement. The sales price was adjusted downward by \$7.0 million and \$19.5 million to reflect APS's affiliate assumption of the Company's obligation to pay for future plant decommissioning and mine reclamation expense, respectively. The sales price was also adjusted downward by approximately \$1.3 million for closing adjustments and other assets and liabilities assumed by APS's affiliate. At the closing of the sale, the Company received approximately \$4.2 million in cash, subject to post-closing adjustments.

[illegible]

[illegible]

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El Paso Electric Company			2016/Q4
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 pension and other postretirement benefit plans.

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

During the first quarter of 2005, the Company entered into treasury rate lock agreements to hedge against potential movements in the treasury reference interest rate pending the issuance of 6% Senior Notes. These treasury rate locks were terminated on May 11, 2005. The treasury rate lock agreements met the criteria for hedge accounting and were designated as a cash flow hedge. In accordance with cash flow hedge accounting, the Company recorded the loss associated with the fair value of the cash flow hedge of approximately \$14.5 million, net of tax, as a component of accumulated other comprehensive income. In May 2005, the Company began to recognize in earnings (as additional interest expense) the accumulated other comprehensive income associated with the cash flow hedge. During the next twelve month period, approximately \$0.5 million pre-tax of this accumulated other comprehensive income item will be reclassified to interest expense.

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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)	3,968,179,943	3,968,179,943	
4	Property Under Capital Leases			
5	Plant Purchased or Sold			
6	Completed Construction not Classified	752,179,804	752,179,804	
7	Experimental Plant Unclassified			
8	Total (3 thru 7)	4,720,359,747	4,720,359,747	
9	Leased to Others			
10	Held for Future Use			
11	Construction Work in Progress	154,738,506	154,738,506	
12	Acquisition Adjustments			
13	Total Utility Plant (8 thru 12)	4,875,098,253	4,875,098,253	
14	Accum Prov for Depr, Amort, & Depl	2,161,720,490	2,161,720,490	
15	Net Utility Plant (13 less 14)	2,713,377,763	2,713,377,763	
16	Detail of Accum Prov for Depr, Amort & Depl			
17	In Service			
18	Depreciation	2,106,257,017	2,106,257,017	
19	Amort & Depl of Producing Nat Gas Land/Land Right			
20	Amort of Underground Storage Land/Land Rights			
21	Amort of Other Utility Plant	55,463,473	55,463,473	
22	Total In Service (18 thru 21)	2,161,720,490	2,161,720,490	
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)	2,161,720,490	2,161,720,490	

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SUMMARY OF UTILITY PLANT AND ACCUMULATED PROVISIONS FOR DEPRECIATION AMORTIZATION AND DEPLETION					
Gas (d)	Other (Specify) (e)	Other (Specify) (f)	Other (Specify) (g)	Common (h)	Line No
					1
					2
					3
					4
					5
					6
					7
					8
					9
					10
					11
					12
					13
					14
					15
					16
					17
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					19
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					29
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					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 2016/Q4
NUCLEAR FUEL MATERIALS (Account 120 1 through 120 6 and 157)					
<p>1 Report below the costs incurred for nuclear fuel materials in process of fabrication, on hand, in reactor, and in cooling, owned by the respondent</p> <p>2 If the nuclear fuel stock is obtained under leasing arrangements, attach a statement showing the amount of nuclear fuel leased, the quantity used and quantity on hand, and the costs incurred under such leasing arrangements</p>					
Line No	Description of item (a)	Balance Beginning of Year (b)	Changes during Year Additions (c)		
1	Nuclear Fuel in process of Refinement, Conv, Enrichment & Fab (120 1)				
2	Fabrication				
3	Nuclear Materials				
4	Allowance for Funds Used during Construction				
5	(Other Overhead Construction Costs, provide details in footnote)				
6	SUBTOTAL (Total 2 thru 5)				
7	Nuclear Fuel Materials and Assemblies				
8	In Stock (120 2)				
9	In Reactor (120 3)				
10	SUBTOTAL (Total 8 & 9)				
11	Spent Nuclear Fuel (120 4)				
12	Nuclear Fuel Under Capital Leases (120 6)	191,560,563	44,767,262		
13	(Less) Accum Prov for Amortization of Nuclear Fuel Assem (120 5)	75,495,520	-1,544,892		
14	TOTAL Nuclear Fuel Stock (Total 6, 10, 11, 12, less 13)	116,065,043			
15	Estimated net Salvage Value of Nuclear Materials in line 9				
16	Estimated net Salvage Value of Nuclear Materials in line 11				
17	Est Net Salvage Value of Nuclear Materials in Chemical Processing				
18	Nuclear Materials held for Sale (157)				
19	Uranium				
20	Plutonium				
21	Other (provide details in footnote)				
22	TOTAL Nuclear Materials held for Sale (Total 19, 20, and 21)				

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NUCLEAR FUEL MATERIALS (Account 120 1 through 120 6 and 157)					
Changes during Year				Balance	Line
Amortization (d)	Other Reductions (Explain in a footnote) (e)			End of Year (f)	No
					1
					2
					3
					4
					5
					6
					7
					8
					9
					10
					11
	40,154,815			196,173,010	12
-42,547,226	40,154,815			76,343,039	13
				119,829,971	14
					15
					16
					17
					18
					19
					20
					21
					22

Name of Respondent El Paso Electric Company	This Report is (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2016/Q4
FOOTNOTE DATA			

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

Retirement of fully amortized nuclear fuel in connection with the 2016 reloads in Units 1 and 3.

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

Dry cask storage costs allocated to Units 1, 2 and 3.

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

Retirement of fully amortized nuclear fuel in connection with the 2016 reloads in Units 1 and 3.

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

All of the Company's nuclear fuel financing is accomplished through a trust that has amounts borrowed through senior notes and borrowings under a revolving credit facility. The assets and liabilities of the trust are reported on the Company's regulatory basis balance sheets.

The total amount borrowed for nuclear fuel by the trust at December 31, 2016 was \$134.3 million of which \$39.3 million had been borrowed under the revolving credit facility, and \$95 million was borrowed through the senior notes. The Company expects to repay the \$50 million of senior notes that will mature in August 2017 with borrowings under the Company's revolving credit facility or refinance them. During 2016, the Company capitalized approximately \$5.2 million of costs, including interest on trust borrowings, issuance costs and accrued interest on the senior notes, trustee fees and miscellaneous legal expenses, in connection with the financing of nuclear fuel through the trust. Information on quantities of nuclear fuel materials is not available.

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ELECTRIC PLANT IN SERVICE (Account 101, 102, 103 and 106)				
1 Report below the original cost of electric plant in service according to the prescribed accounts 2 In addition to Account 101, Electric Plant in Service (Classified), this page and the next include Account 102, Electric Plant Purchased or Sold, Account 103, Experimental Electric Plant Unclassified, and Account 106, Completed Construction Not Classified-Electric 3 Include in column (c) or (d), as appropriate, corrections of additions and retirements for the current or preceding year 4 For revisions to the amount of initial asset retirement costs capitalized, included by primary plant account, increases in column (c) additions and reductions in column (e) adjustments 5 Enclose in parentheses credit adjustments of plant accounts to indicate the negative effect of such accounts 6 Classify Account 106 according to prescribed accounts, on an estimated basis if necessary, and include the entries in column (c) Also to be included in column (c) are entries for reversals of tentative distributions of prior year reported in column (b) Likewise, if the respondent has a significant amount of plant retirements which have not been classified to primary accounts at the end of the year, include in column (d) a tentative distribution of such retirements, on an estimated basis, with appropriate contra entry to the account for accumulated depreciation provision Include also in column (d)				
Line No	Account (a)	Balance Beginning of Year (b)	Additions (c)	
1	1 INTANGIBLE PLANT			
2	(301) Organization			
3	(302) Franchises and Consents			
4	(303) Miscellaneous Intangible Plant	127,729,512	5,574,003	
5	TOTAL Intangible Plant (Enter Total of lines 2, 3, and 4)	127,729,512	5,574,003	
6	2 PRODUCTION PLANT			
7	A Steam Production Plant			
8	(310) Land and Land Rights	291,469		
9	(311) Structures and Improvements	57,724,009	595,791	
10	(312) Boiler Plant Equipment	224,262,844	5,253,178	
11	(313) Engines and Engine-Driven Generators	60,445,918	12,458,913	
12	(314) Turbogenerator Units	139,159,467	4,153,084	
13	(315) Accessory Electric Equipment	37,775,969	91,437	
14	(316) Misc Power Plant Equipment	60,885,023	851,207	
15	(317) Asset Retirement Costs for Steam Production	2,824,209		
16	TOTAL Steam Production Plant (Enter Total of lines 8 thru 15)	583,368,908	23,403,610	
17	B Nuclear Production Plant			
18	(320) Land and Land Rights	2,347,713		
19	(321) Structures and Improvements	509,060,879	18,316,590	
20	(322) Reactor Plant Equipment	769,655,907	4,106,467	
21	(323) Turbogenerator Units	244,053,667	2,505,019	
22	(324) Accessory Electric Equipment	174,421,986	2,132,192	
23	(325) Misc Power Plant Equipment	109,868,475	6,551,207	
24	(326) Asset Retirement Costs for Nuclear Production	-42,229,190		
25	TOTAL Nuclear Production Plant (Enter Total of lines 18 thru 24)	1,767,179,437	33,611,475	
26	C Hydraulic Production Plant			
27	(330) Land and Land Rights			
28	(331) Structures and Improvements			
29	(332) Reservoirs, Dams, and Waterways			
30	(333) Water Wheels, Turbines, and Generators			
31	(334) Accessory Electric Equipment			
32	(335) Misc Power Plant Equipment			
33	(336) Roads, Railroads, and Bridges			
34	(337) Asset Retirement Costs for Hydraulic Production			
35	TOTAL Hydraulic Production Plant (Enter Total of lines 27 thru 34)			
36	D Other Production Plant			
37	(340) Land and Land Rights	2,346,342	-23,218	
38	(341) Structures and Improvements	71,054,909	28,982,711	
39	(342) Fuel Holders, Products, and Accessories	9,502,498	9,877,319	
40	(343) Prime Movers	192,985,285	115,577,709	
41	(344) Generators	24,841,151	9,273,113	
42	(345) Accessory Electric Equipment	18,342,622	6,794,266	
43	(346) Misc Power Plant Equipment	6,188,127	793,505	
44	(347) Asset Retirement Costs for Other Production	204,814		
45	TOTAL Other Prod Plant (Enter Total of lines 37 thru 44)	325,465,748	171,275,405	
46	TOTAL Prod Plant (Enter Total of lines 16, 25, 35, and 45)	2,676,014,093	228,290,490	

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ELECTRIC PLANT IN SERVICE (Account 101, 102, 103 and 106) (Continued)				
Line No	Account (a)	Balance Beginning of Year (b)	Additions (c)	
47	3 TRANSMISSION PLANT			
48	(350) Land and Land Rights	14,022,413	474,786	
49	(352) Structures and Improvements	9,224,711	1,607,155	
50	(353) Station Equipment	163,034,830	29,402,107	
51	(354) Towers and Fixtures	26,976,758	1,407,044	
52	(355) Poles and Fixtures	123,729,491	6,045,538	
53	(356) Overhead Conductors and Devices	90,011,603	5,757,857	
54	(357) Underground Conduit			
55	(358) Underground Conductors and Devices			
56	(359) Roads and Trails	1,095,500	1,119,075	
57	(359 1) Asset Retirement Costs for Transmission Plant			
58	TOTAL Transmission Plant (Enter Total of lines 48 thru 57)	428,095,306	45,813,562	
59	4 DISTRIBUTION PLANT			
60	(360) Land and Land Rights	7,110,428	229,829	
61	(361) Structures and Improvements	8,399,578	2,211,581	
62	(362) Station Equipment	191,324,144	10,469,201	
63	(363) Storage Battery Equipment			
64	(364) Poles, Towers, and Fixtures	152,327,397	10,476,234	
65	(365) Overhead Conductors and Devices	88,342,704	9,855,569	
66	(366) Underground Conduit	117,309,915	6,402,653	
67	(367) Underground Conductors and Devices	137,923,722	62,366	
68	(368) Line Transformers	227,902,323	20,953,989	
69	(369) Services	46,560,261	795,016	
70	(370) Meters	49,319,320	3,279,448	
71	(371) Installations on Customer Premises	12,587,843	600,149	
72	(372) Leased Property on Customer Premises			
73	(373) Street Lighting and Signal Systems	10,396,414	572,078	
74	(374) Asset Retirement Costs for Distribution Plant			
75	TOTAL Distribution Plant (Enter Total of lines 60 thru 74)	1,049,504,049	65,908,113	
76	5 REGIONAL TRANSMISSION AND MARKET OPERATION PLANT			
77	(380) Land and Land Rights			
78	(381) Structures and Improvements			
79	(382) Computer Hardware			
80	(383) Computer Software			
81	(384) Communication Equipment			
82	(385) Miscellaneous Regional Transmission and Market Operation Plant			
83	(386) Asset Retirement Costs for Regional Transmission and Market Oper			
84	TOTAL Transmission and Market Operation Plant (Total lines 77 thru 83)			
85	6 GENERAL PLANT			
86	(389) Land and Land Rights	899,211	934,325	
87	(390) Structures and Improvements	94,116,852	10,390,882	
88	(391) Office Furniture and Equipment	23,277,951	5,208,607	
89	(392) Transportation Equipment	42,030,800	3,500,947	
90	(393) Stores Equipment	181,385		
91	(394) Tools, Shop and Garage Equipment	3,476,444	564,884	
92	(395) Laboratory Equipment	3,036,230	802,638	
93	(396) Power Operated Equipment	6,828,710	1,698,864	
94	(397) Communication Equipment	26,425,753	3,368,266	
95	(398) Miscellaneous Equipment	2,987,818	712,765	
96	SUBTOTAL (Enter Total of lines 86 thru 95)	203,261,154	27,182,178	
97	(399) Other Tangible Property			
98	(399 1) Asset Retirement Costs for General Plant			
99	TOTAL General Plant (Enter Total of lines 96, 97 and 98)	203,261,154	27,182,178	
100	TOTAL (Accounts 101 and 106)	4,484,604,114	372,768,346	
101	(102) Electric Plant Purchased (See Instr 8)			
102	(Less) (102) Electric Plant Sold (See Instr 8)			
103	(103) Experimental Plant Unclassified			
104	TOTAL Electric Plant in Service (Enter Total of lines 100 thru 103)	4,484,604,114	372,768,346	

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ELECTRIC PLANT IN SERVICE (Account 101, 102, 103 and 106) (Continued)					
Retirements (d)	Adjustments (e)	Transfers (f)	Balance at End of Year (g)		Line No
					47
			14,497,199		48
107,393			10,724,473		49
4,546,853			187,890,084		50
8,051			28,375,751		51
594,109			129,180,920		52
30,720			95,738,740		53
					54
					55
			2,214,575		56
					57
5,287,126			468,621,742		58
					59
		-107,946	7,232,311		60
4,221			10,606,938		61
248,691	-206,709		201,337,945		62
					63
737,846			162,065,785		64
614,945			97,583,328		65
3,143			123,709,425		66
413,688			137,572,400		67
1,358,488			247,497,824		68
			47,355,277		69
			52,598,768		70
98,305			13,089,687		71
					72
28,909			10,939,583		73
					74
3,508,236	-206,709	-107,946	1,111,589,271		75
					76
					77
					78
					79
					80
					81
					82
					83
					84
					85
		-284,252	1,549,284		86
			104,507,734		87
1,822,743		-949,216	25,714,599		88
1,622,040		4,328	43,914,035		89
128,038			53,347		90
152,164			3,889,164		91
44,782			3,794,086		92
37,157			8,490,417		93
1,561,391			28,232,628		94
32,771			3,667,812		95
5,401,086		-1,229,140	223,813,106		96
					97
					98
5,401,086		-1,229,140	223,813,106		99
136,088,987	-815,780	-107,946	4,720,359,747		100
					101
					102
					103
136,088,987	-815,780	-107,946	4,720,359,747		104

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 2016/Q4
CONSTRUCTION WORK IN PROGRESS - - ELECTRIC (Account 107)				
1 Report below descriptions and balances at end of year of projects in process of construction (107) 2 Show items relating to "research, development, and demonstration" projects last, under a caption Research, Development, and Demonstrating (see Account 107 of the Uniform System of Accounts) 3 Minor projects (5% of the Balance End of the Year for Account 107 or \$1,000,000, whichever is less) may be grouped				
Line No	Description of Project (a)	Construction work in progress - Electric (Account 107) (b)		
1	PALO VERDE CAPITAL IMPROVEMENTS	50,598,207		
2	ENERGY MANAGEMENT SYSTEM REPLACEMENT	11,496,078		
3	LEO SUBSTATION UPGRADE	6,187,128		
4	MILAGRO TO LEO TRANSMISSION LINE REBUILD	3,881,248		
5	SCOTSDALE TRANSFORMER AND SWITCHGEAR REPLACEMENT	3,848,259		
6	RIO GRANDE TO SUNSET TRANSMISSION LINE REBUILD	3,689,051		
7	LANE TO COPPER TRANSMISSION LINE REBUILD	3,489,040		
8	DISTRIBUTION RESIDENTIAL CONSTRUCTION - TX	3,366,464		
9	DISTRIBUTION COMMERCIAL CONSTRUCTION - TX	2,818,808		
10	CUSTOMER CARE & BILLING SYSTEM 2 4 UPGRADE	2,512,045		
11	AIP ACCESS & CLEARING	2,486,406		
12	DISTRIBUTION BETTERMENT - TX	2,324,486		
13	NEWMAN GAS METERING UPGRADE	2,284,849		
14	FABENS DISTRIBUTION AND CUSTOMER CARE FACILITY	2,125,527		
15	SPARKS SUBSTATION TRANSFORMER ADDITION	2,097,502		
16	SUNSET TRANSFORMER REPLACEMENT	2,055,803		
17	AFTON TO AIRPORT TRANSMISSION LINE	2,005,087		
18	SANTA FE REGULATOR AND SWITCHGEAR REPLACEMENT	2,001,718		
19	STREET CAR (TROLLEY) PROJECT	1,721,844		
20	NEWMAN UNIT 5 GT4 WET COMPRESSION UPGRADE	1,607,166		
21	NEWMAN UNIT 5 STEAM TURBINE UPGRADE	1,578,363		
22	DISTRIBUTION SUBSTATION TRANSFORMERS REPLACEMENTS - TX	1,496,970		
23	TX COMMUNITY 3MW SOLAR PROJECT	1,166,838		
24	SUNSET UNDERGROUND BREAKER UPGRADES	1,165,858		
25	RIO BOSQUE 69KV CAPITAL PROJECT	1,110,940		
26	CALIENTE AND DIABLO SUBSTATIONS AUTOTRANSFORMER REPLACEMENTS	1,076,422		
27	GLOBAL REACH SUBSTATION TRANSFORMER AND SWITCHGEAR	1,059,505		
28	DISTRIBUTION COMMERCIAL CONSTRUCTION - NM	1,040,447		
29	EATON CORPORATION UPDATE OF SECONDARY NETWORK SYSTEM	1,030,479		
30	TRANSMISSION BLANKET PROJECT	1,000,396		
31	MINOR PROJECTS	30,415,572		
32				
33				
34				
35				
36				
37				
38				
39				
40				
41				
42				
43	TOTAL	154,738,506		

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 2016/Q4
ACCUMULATED PROVISION FOR DEPRECIATION OF ELECTRIC UTILITY PLANT (Account 108)					
<p>1 Explain in a footnote any important adjustments during year</p> <p>2 Explain in a footnote any difference between the amount for book cost of plant retired, Line 11, column (c), and that reported for electric plant in service, pages 204-207, column 9d), excluding retirements of non-depreciable property</p> <p>3 The provisions of Account 108 in the Uniform System of accounts require that retirements of depreciable plant be recorded when such plant is removed from service. If the respondent has a significant amount of plant retired at year end which has not been recorded and/or classified to the various reserve functional classifications, make preliminary closing entries to tentatively functionalize the book cost of the plant retired. In addition, include all costs included in retirement work in progress at year end in the appropriate functional classifications</p> <p>4 Show separately interest credits under a sinking fund or similar method of depreciation accounting</p>					
Section A. Balances and Changes During Year					
Line No	Item (a)	Total (c+d+e) (b)	Electric Plant in Service (c)	Electric Plant Held for Future Use (d)	Electric Plant Leased to Others (e)
1	Balance Beginning of Year	2,138,294,361	2,138,294,361		
2	Depreciation Provisions for Year, Charged to				
3	(403) Depreciation Expense	79,038,903	79,038,903		
4	(403 1) Depreciation Expense for Asset Retirement Costs	-1,159,369	-1,159,369		
5	(413) Exp of Elec Plt Leas to Others				
6	Transportation Expenses-Clearing	1,038,586	1,038,586		
7	Other Clearing Accounts				
8	Other Accounts (Specify, details in footnote)				
9					
10	TOTAL Deprec Prov for Year (Enter Total of Lines 3 thru 9)	78,918,120	78,918,120		
11	Net Charges for Plant Retired				
12	Book Cost of Plant Retired	136,088,987	136,088,987		
13	Cost of Removal	5,124,357	5,124,357		
14	Salvage (Credit)	6,202,117	6,202,117		
15	TOTAL Net Chrgs for Plant Ret (Enter Total of lines 12 thru 14)	135,011,227	135,011,227		
16	Other Debit or Cr Items (Describe, details in footnote)	24,055,763	24,055,763		
17					
18	Book Cost or Asset Retirement Costs Retired				
19	Balance End of Year (Enter Totals of Lines 1, 10, 15, 16, and 18)	2,106,257,017	2,106,257,017		
Section B. Balances at End of Year According to Functional Classification					
20	Steam Production	223,396,776	223,396,776		
21	Nuclear Production	1,222,958,518	1,222,958,518		
22	Hydraulic Production-Conventional				
23	Hydraulic Production-Pumped Storage				
24	Other Production	30,079,171	30,079,171		
25	Transmission	218,600,684	218,600,684		
26	Distribution	348,308,611	348,308,611		
27	Regional Transmission and Market Operation				
28	General	62,913,257	62,913,257		
29	TOTAL (Enter Total of Lines 20 thru 28)	2,106,257,017	2,106,257,017		

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			2016/Q4
FOOTNOTE DATA			

Schedule Page: 219 Line No.: 16 Column: b

This number includes the a net book value removal of \$24,295,012 related to the sale of the Four Corners Plant. Also, included in this category is a (\$175,022)write-off of the NM portion of the Four Corners ARO asset and a reserve transfer of (\$64,227)to account(404)Amortization of limited term electric plant.

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 2016/Q4
MATERIALS AND SUPPLIES					
<p>1 For Account 154, report the amount of plant materials and operating supplies under the primary functional classifications as indicated in column (a), estimates of amounts by function are acceptable In column (d), designate the department or departments which use the class of material</p> <p>2 Give an explanation of important inventory adjustments during the year (in a footnote) showing general classes of material and supplies and the various accounts (operating expenses, clearing accounts, plant, etc) affected debited or credited Show separately debit or credits to stores expense clearing, if applicable</p>					
Line No	Account (a)	Balance Beginning of Year (b)	Balance End of Year (c)	Department or Departments which Use Material (d)	
1	Fuel Stock (Account 151)	1,471,698	1,831,509	Production	
2	Fuel Stock Expenses Undistributed (Account 152)				
3	Residuals and Extracted Products (Account 153)				
4	Plant Materials and Operating Supplies (Account 154)				
5	Assigned to - Construction (Estimated)				
6	Assigned to - Operations and Maintenance				
7	Production Plant (Estimated)	32,708,589	31,853,106	Production	
8	Transmission Plant (Estimated)	5,517,638	5,524,582	Transmission	
9	Distribution Plant (Estimated)	6,414,258	5,317,545	Distribution	
10	Regional Transmission and Market Operation Plant (Estimated)				
11	Assigned to - Other (provide details in footnote)	2,587,188	2,660,316	Various	
12	TOTAL Account 154 (Enter Total of lines 5 thru 11)	47,227,673	45,355,549		
13	Merchandise (Account 155)				
14	Other Materials and Supplies (Account 156)				
15	Nuclear Materials Held for Sale (Account 157) (Not applic to Gas Util)				
16	Stores Expense Undistributed (Account 163)	-2,006	1,106		
17					
18					
19					
20	TOTAL Materials and Supplies (Per Balance Sheet)	48,697,365	47,188,164		

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			2016/Q4
FOOTNOTE DATA			

Schedule Page: 227 Line No.: 11 Column: b

Consists primarily of items used in the field and includes conduit, underground rubber goods, lighting and safety supplies and tools.

Schedule Page: 227 Line No.: 11 Column: c

Consists primarily of items used in the field and includes conduit, underground rubber goods, lighting and safety supplies and tools.

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 2016/Q4
Allowances (Accounts 158 1 and 158 2)					
1 Report below the particulars (details) called for concerning allowances 2 Report all acquisitions of allowances at cost 3 Report allowances in accordance with a weighted average cost allocation method and other accounting as prescribed by General Instruction No 21 in the Uniform System of Accounts 4 Report the allowances transactions by the period they are first eligible for use the current year's allowances in columns (b)-(c), allowances for the three succeeding years in columns (d)-(i), starting with the following year, and allowances for the remaining succeeding years in columns (j)-(k) 5 Report on line 4 the Environmental Protection Agency (EPA) issued allowances Report withheld portions Lines 36-40					
Line No	SO2 Allowances Inventory (Account 158 1) (a)	Current Year		2017	
		No (b)	Amt (c)	No (d)	Amt (e)
1	Balance-Beginning of Year	13,963 00		359 00	
2					
3	Acquired During Year				
4	Issued (Less Withheld Allow)	366 00			
5	Returned by EPA				
6					
7					
8	Purchases/Transfers				
9	Evolution Markets	10 00			
10					
11					
12					
13					
14					
15	Total	10 00			
16					
17	Relinquished During Year				
18	Charges to Account 509				
19	Other				
20	Emissions Deduction	18 00			
21	Cost of Sales/Transfers				
22					
23					
24					
25					
26					
27					
28	Total				
29	Balance-End of Year	14,321 00		359 00	
30					
31	Sales				
32	Net Sales Proceeds(Assoc Co)				
33	Net Sales Proceeds (Other)				
34	Gains				
35	Losses				
	Allowances Withheld (Acct 158 2)				
36	Balance-Beginning of Year				
37	Add Withheld by EPA				
38	Deduct Returned by EPA				
39	Cost of Sales				
40	Balance-End of Year				
41					
42	Sales				
43	Net Sales Proceeds (Assoc Co)				
44	Net Sales Proceeds (Other)				
45	Gains				
46	Losses				

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 2016/Q4
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Allowances (Accounts 158 1 and 158 2) (Continued)

6 Report on Lines 5 allowances returned by the EPA Report on Line 39 the EPA's sales of the withheld allowances Report on Lines 43-46 the net sales proceeds and gains/losses resulting from the EPA's sale or auction of the withheld allowances

7 Report on Lines 8-14 the names of vendors/transfers of allowances acquire and identify associated companies (See "associated company" under "Definitions" in the Uniform System of Accounts)

8 Report on Lines 22 - 27 the name of purchasers/ transferees of allowances disposed of an identify associated companies

9 Report the net costs and benefits of hedging transactions on a separate line under purchases/transfers and sales/transfers

10 Report on Lines 32-35 and 43-46 the net sales proceeds and gains or losses from allowance sales

2018		2019		Future Years		Totals		Line No
No (f)	Amt (g)	No (h)	Amt (i)	No (j)	Amt (k)	No (l)	Amt (m)	
359 00		359 00		9,693 00		24,733 00		1
								2
								3
						366 00		4
								5
								6
								7
								8
						10 00		9
								10
								11
								12
								13
								14
						10 00		15
								16
								17
								18
								19
						18 00		20
								21
								22
								23
								24
								25
								26
								27
								28
359 00		359 00		9,693 00		25,091 00		29
								30
								31
								32
								33
								34
								35
								36
								37
								38
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								42
								43
								44
								45
								46

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			2016/Q4
FOOTNOTE DATA			

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

The Balance-Beginning of the Year 2016 reflects allowances from both the Acid Rain Program (ARP) accounts for the Newman, Montana, and Rio Grande as well as the new U.S. Environmental Protection Agency ("EPA") trading rule Cross-State Air Pollution Rule (CSAPR) for Newman, Copper, and MPS. The entries reported for years 2016 and 2017 represent CSAPR allowances deposited into EPE's account for years 2016 and 2017.

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

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

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

Represents allowances allocated to the Company by the EPA based on our current electric generation and the current regulatory framework. There have been no allocations made yet under CSAPR for years beyond 2017.

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

Represents allowances allocated to the Company by the EPA based on our current electric generation and the current regulatory framework. There have been no allocations made yet under CSAPR for years beyond 2017.

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

Represents allowances allocated to the Company by the EPA based on our current electric generation and the current regulatory framework. Allowances for future years include allowances for each year beginning in 2020 and beyond. There have been no allocations made yet under CSAPR for years beyond 2017.

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

Represents allowances banked by the Company through December 31, 2015.

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

The Company has not purchased any allowances; however, at December 29, 2016 SO2 allowances were trading at approximately \$0.50 per ton (allowance) under Acid Rain and \$6.00 under CSAPR.

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 2016/Q4
Allowances (Accounts 158 1 and 158 2)					
1 Report below the particulars (details) called for concerning allowances 2 Report all acquisitions of allowances at cost 3 Report allowances in accordance with a weighted average cost allocation method and other accounting as prescribed by General Instruction No 21 in the Uniform System of Accounts 4 Report the allowances transactions by the period they are first eligible for use the current year's allowances in columns (b)-(c), allowances for the three succeeding years in columns (d)-(i), starting with the following year, and allowances for the remaining succeeding years in columns (j)-(k) 5 Report on line 4 the Environmental Protection Agency (EPA) issued allowances Report withheld portions Lines 36-40					
Line No	NOx Allowances Inventory (Account 158 1) (a)	Current Year		2017	
		No (b)	Amt (c)	No (d)	Amt (e)
1	Balance-Beginning of Year	1 00	130		
2					
3	Acquired During Year				
4	Issued (Less Withheld Allow)	1,876 00		520 00	
5	Returned by EPA				
6					
7					
8	Purchases/Transfers				
9	Evolution Markets	469 00	45,580		
10					
11					
12					
13					
14					
15	Total	469 00	45,580		
16					
17	Relinquished During Year				
18	Charges to Account 509	1,030 00	62,575		
19	Other				
20			-44,688		
21	Cost of Sales/Transfers				
22					
23					
24					
25					
26					
27					
28	Total				
29	Balance-End of Year	1,316 00	27,823	520 00	
30					
31	Sales				
32	Net Sales Proceeds(Assoc Co)				
33	Net Sales Proceeds (Other)				
34	Gains				
35	Losses				
	Allowances Withheld (Acct 158 2)				
36	Balance-Beginning of Year				
37	Add Withheld by EPA				
38	Deduct Returned by EPA				
39	Cost of Sales				
40	Balance-End of Year				
41					
42	Sales				
43	Net Sales Proceeds (Assoc Co)				
44	Net Sales Proceeds (Other)				
45	Gains				
46	Losses				

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 2016/Q4		
Allowances (Accounts 158 1 and 158 2) (Continued)								
6 Report on Lines 5 allowances returned by the EPA Report on Line 39 the EPA's sales of the withheld allowances Report on Lines 43-46 the net sales proceeds and gains/losses resulting from the EPA's sale or auction of the withheld allowances 7 Report on Lines 8-14 the names of vendors/transfers of allowances acquire and identify associated companies (See "associated company" under "Definitions" in the Uniform System of Accounts) 8 Report on Lines 22 - 27 the name of purchasers/ transferees of allowances disposed of an identify associated companies 9 Report the net costs and benefits of hedging transactions on a separate line under purchases/transfers and sales/transfers 10 Report on Lines 32-35 and 43-46 the net sales proceeds and gains or losses from allowance sales								
2018		2019		Future Years		Totals		Line
No (f)	Amt (g)	No (h)	Amt (i)	No (j)	Amt (k)	No (l)	Amt (m)	No
						1 00	130	1
								2
								3
520 00						2,916 00		4
								5
								6
								7
								8
						469 00	45,580	9
								10
								11
								12
								13
								14
						469 00	45,580	15
								16
								17
						1,030 00	62,575	18
								19
							-44,688	20
								21
								22
								23
								24
								25
								26
								27
								28
520 00						2,356 00	27,823	29
								30
								31
								32
								33
								34
								35
								36
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								46

Name of Respondent El Paso Electric Company	This Report is (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2016/Q4
FOOTNOTE DATA			

Schedule Page: 229 Line No.: 1 Column: b

All entries to this form correspond to EPE's allowances under both CSAPR Annual and Ozone Season allocations. Please note that NOx Seasonal and NOx annual allowances are not interchangeable.

Schedule Page: 229 Line No.: 1 Column: c

All entries to this form correspond to EPE's allowances under both CSAPR Annual and Ozone Season allocations. Please note that NOx Seasonal and NOx annual allowances are not interchangeable.

Schedule Page: 229 Line No.: 1 Column: l

All entries to this form correspond to EPE's allowances under both CSAPR Annual and Ozone Season allocations. Please note that NOx Seasonal and NOx annual allowances are not interchangeable.

Schedule Page: 229 Line No.: 1 Column: m

All entries to this form correspond to EPE's allowances under both CSAPR Annual and Ozone Season allocations. Please note that NOx Seasonal and NOx annual allowances are not interchangeable.

Schedule Page: 229 Line No.: 4 Column: b

Represents 1,221 NOx allowances eligible for annual emission use, 618 NOx allowances eligible for ozone-season emission, and 37 new units set aside allocated by EPA. All entries to this form correspond to EPE's allowances under both CSAPR Annual and Ozone Season allocations. Please note that NOx Seasonal and NOx annual allowances are not interchangeable.

Schedule Page: 229 Line No.: 4 Column: d

Represents 520 Nox allowances eligible for ozone-season emission. Nox allowances eligible for annual emission use have not been provided as of the date of this report. All entries to this form correspond to EPE's allowances under both CSAPR Annual and Ozone Season allocations. Please note that NOx Seasonal and NOx annual allowances are not interchangeable.

Schedule Page: 229 Line No.: 4 Column: f

Represents 520 Nox allowances eligible for ozone-season emission. Nox allowances eligible for annual emission use have not been provided as of the date of this report. All entries to this form correspond to EPE's allowances under both CSAPR Annual and Ozone Season allocations. Please note that NOx Seasonal and NOx annual allowances are not interchangeable.

Schedule Page: 229 Line No.: 4 Column: l

All entries to this form correspond to EPE's allowances under both CSAPR Annual and Ozone Season allocations. Please note that NOx Seasonal and NOx annual allowances are not interchangeable.

Schedule Page: 229 Line No.: 4 Column: m

All entries to this form correspond to EPE's allowances under both CSAPR Annual and Ozone Season allocations. Please note that NOx Seasonal and NOx annual allowances are not interchangeable.

Schedule Page: 229 Line No.: 9 Column: b

All entries to this form correspond to EPE's allowances under both CSAPR Annual and Ozone Season allocations. Please note that NOx Seasonal and NOx annual allowances are not interchangeable.

Schedule Page: 229 Line No.: 9 Column: c

All entries to this form correspond to EPE's allowances under both CSAPR Annual and Ozone Season allocations. Please note that NOx Seasonal and NOx annual allowances are not interchangeable.

Schedule Page: 229 Line No.: 9 Column: l

All entries to this form correspond to EPE's allowances under both CSAPR Annual and Ozone Season allocations. Please note that NOx Seasonal and NOx annual allowances are not interchangeable.

Schedule Page: 229 Line No.: 9 Column: m

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 2016/Q4
FOOTNOTE DATA			

All entries to this form correspond to EPE's allowances under both CSAPR Annual and Ozone Season allocations. Please note that NOx Seasonal and NOx annual allowances are not interchangeable.

Schedule Page: 229 Line No.: 15 Column: b

All entries to this form correspond to EPE's allowances under both CSAPR Annual and Ozone Season allocations. Please note that NOx Seasonal and NOx annual allowances are not interchangeable.

Schedule Page: 229 Line No.: 15 Column: c

All entries to this form correspond to EPE's allowances under both CSAPR Annual and Ozone Season allocations. Please note that NOx Seasonal and NOx annual allowances are not interchangeable.

Schedule Page: 229 Line No.: 15 Column: l

All entries to this form correspond to EPE's allowances under both CSAPR Annual and Ozone Season allocations. Please note that NOx Seasonal and NOx annual allowances are not interchangeable.

Schedule Page: 229 Line No.: 15 Column: m

All entries to this form correspond to EPE's allowances under both CSAPR Annual and Ozone Season allocations. Please note that NOx Seasonal and NOx annual allowances are not interchangeable.

Schedule Page: 229 Line No.: 18 Column: b

Includes the NOx allowances expected to be purchased for the 2016 compliance year. All entries to this form correspond to EPE's allowances under both CSAPR Annual and Ozone Season allocations. Please note that NOx Seasonal and NOx annual allowances are not interchangeable.

Schedule Page: 229 Line No.: 18 Column: c

Includes the NOx allowances expected to be purchased for the 2016 compliance year. All entries to this form correspond to EPE's allowances under both CSAPR Annual and Ozone Season allocations. Please note that NOx Seasonal and NOx annual allowances are not interchangeable.

Schedule Page: 229 Line No.: 18 Column: l

All entries to this form correspond to EPE's allowances under both CSAPR Annual and Ozone Season allocations. Please note that NOx Seasonal and NOx annual allowances are not interchangeable.

Schedule Page: 229 Line No.: 18 Column: m

All entries to this form correspond to EPE's allowances under both CSAPR Annual and Ozone Season allocations. Please note that NOx Seasonal and NOx annual allowances are not interchangeable.

Schedule Page: 229 Line No.: 20 Column: c

Represents the NOx allowance cost adjustment to true-up to the 2015 expense. All entries to this form correspond to EPE's allowances under both CSAPR Annual and Ozone Season allocations. Please note that NOx Seasonal and NOx annual allowances are not interchangeable.

Schedule Page: 229 Line No.: 20 Column: m

All entries to this form correspond to EPE's allowances under both CSAPR Annual and Ozone Season allocations. Please note that NOx Seasonal and NOx annual allowances are not interchangeable.

Schedule Page: 229 Line No.: 29 Column: b

All entries to this form correspond to EPE's allowances under both CSAPR Annual and Ozone Season allocations. Please note that NOx Seasonal and NOx annual allowances are not interchangeable.

Schedule Page: 229 Line No.: 29 Column: c

All entries to this form correspond to EPE's allowances under both CSAPR Annual and Ozone Season allocations. Please note that NOx Seasonal and NOx annual allowances are not interchangeable.

Schedule Page: 229 Line No.: 29 Column: d

All entries to this form correspond to EPE's allowances under both CSAPR Annual and Ozone

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			2016/Q4
FOOTNOTE DATA			

Season allocations. Please note that NOx Seasonal and NOx annual allowances are not interchangeable.

Schedule Page: 229 Line No.: 29 Column: l

All entries to this form correspond to EPE's allowances under both CSAPR Annual and Ozone Season allocations. Please note that NOx Seasonal and NOx annual allowances are not interchangeable.

Schedule Page: 229 Line No.: 29 Column: m

All entries to this form correspond to EPE's allowances under both CSAPR Annual and Ozone Season allocations. Please note that NOx Seasonal and NOx annual allowances are not interchangeable.

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 2016/Q4
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	AC200S PV Project SIS	122,715	186-000	(122,715)	186-000
23					
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 2016/Q4	
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	117,479,520	16,651,371	various	35,290,307	98,840,584	
2							
3	Rio Grande Resources Trust:						
4	Nuclear Fuel Postload Daily Finance Charge	4,539,385	2,836,216	518	3,275,546	4,100,055	
5							
6	Coal Reclamation	9,519,760	253,005	501/431	1,591,947	8,180,818	
7							
8	New Mexico Four Corners Decommissioning		1,400,433			1,400,433	
9							
10	Net Undercollection of Fuel Revenues:						
11	Texas		11,560,890	440s	437,980	11,122,910	
12							
13	Texas:						
14	2015 Texas Rate Case Costs	1,881,821	1,769,521	928	981,417	2,669,925	
15	2017 Texas Rate Case Costs		245,991			245,991	
16							
17	Texas Energy Efficiency	25,447		254	25,447		
18							
19	Texas Relate Back Surcharge		8,048,576	131	1,593,268	6,455,308	
20							
21	New Mexico Renewable Energy						
22	Credits and Related Costs	6,397,097	1,097,194	407.3	557,520	6,936,771	
23							
24	New Mexico:						
25	2010 FPPCAC Audit	434,259		407.3	36,186	398,073	
26	2015 New Mexico Rate Case Costs	1,288,300		407.3	214,716	1,073,584	
27	2017 New Mexico Rate Case Costs		10,441			10,441	
28							
29	Palo Verde Deferred Depreciation	4,567,585		407.3	152,184	4,415,401	
30							
31							
32							
33							
34							
35							
36							
37							
38							
39							
40							
41							
42							
43							
44	TOTAL :	146,133,174	43,873,638		44,156,518	145,850,294	

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			2016/Q4
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

This amount represents the Company's total final coal mine reclamation unamortized costs, based on a 2014 Golder Associate Study, 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 was passed through as reconcilable fuel costs.

On February 17, 2015, the Company and Arizona Public Service Company ("APS") entered into an asset purchase agreement (the "Purchase and Sale Agreement") providing for the purchase by APS of the Company's interests in Four Corners. The Four Corners transaction closed on July 6, 2016.

On June 10, 2015, the Company filed an application in Texas requesting reasonableness and public interest findings and certain rate and accounting findings related to the Purchase and Sale Agreement. This case was assigned PUCT Docket No. 44805. Subsequent to the filing of the application, the case has been subject to numerous procedural matters, including a March 23, 2016 order in which the PUCT determined not to dismiss the reasonableness and public interest issues in this docket but to consider the requested rate and accounting findings, including mine reclamation costs, in a rate case proceeding. On September 1, 2016, a motion by parties in the proceeding to suspend the procedural schedule in order to pursue settlement was approved. On March 3, 2017, the Company filed a Joint Motion to Implement Stipulation and Agreement, and commission Staff filed its recommendation that the Company's disposition of the Four Corners Power Plant was reasonable and consistent with the public interest. A final order approving the Stipulation and Agreement was adopted by the PUCT on March 30, 2017.

At December 31, 2016, the regulatory asset associated with the Four Corners mine reclamation costs for the Company's Texas jurisdiction was approximately \$7.3 million. Until otherwise determined, the Company will continue to recover its mine reclamation costs in Texas under previous orders and decisions of the PUCT. While not binding to the PUCT, the Stipulation and Agreement acknowledged an agreement among the parties related to the rate and accounting treatment of certain costs of Four Corners, including coal reclamation costs. Pursuant to the commission's order in PUCT Docket No. 44805, recovery of these costs will be addressed in appropriate base rate and fuel-related proceedings. If the PUCT makes a determination that results in changes to how existing regulatory assets or previously incurred costs for Four Corners are recovered in rates, any such changes will be recognized for financial reporting purposes only when it becomes probable future cash flows will change as a result of such regulatory actions.

Pursuant to the final order in NMPRC Case No. 15-00109-UT, the New Mexico jurisdiction portion of the coal reclamation costs are to be recovered through the FPPPCAC over a seven-year period beginning with the rate case to be filed after closing the sale of Four Corners on July 6, 2016.

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

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

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

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 2016/Q4
FOOTNOTE DATA			

On August 25, 2016, the PUCT issued its final order in Docket No. 44941 approving the recovery of rate case expenses through a separate surcharge beginning October 1, 2016 and ending September 30, 2018.

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

The Company requested these costs as a component of base rates in the Company's 2017 rate case, PUCT Docket No. 46831, which was filed on February 13, 2017.

Schedule Page: 232 Line No.: 17 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 December 31, 2016, the balance is presented as regulatory liability in account 254.3.

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

On August 25, 2016, the PUCT issued its final order in Docket No. 44941 approving the recovery of revenues associated with the relate back of rates to consumption on and after January 12, 2016 through March 31, 2016 through a separate surcharge beginning October 1, 2016 and ending September 30, 2017.

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

In the NMPRC Case No.15-00127-UT, the NMPRC approved the Company's request to recover costs related to renewable energy certificates and procurement plan costs over a six-year period beginning July 1, 2016.

Schedule Page: 232 Line No.: 25 Column: a

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

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

This balance is related to rate case costs requested in Case No. 15-00127-UT and is being amortized over a three-year period beginning July 1, 2016.

Schedule Page: 232 Line No.: 27 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.: 29 Column: a

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

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 2016/Q4	
MISCELLANEOUS DEFERRED DEBITS (Account 186)						
1 Report below the particulars (details) called for concerning miscellaneous deferred debits 2 For any deferred debit being amortized, show period of amortization in column (a) 3 Minor item (1% of the Balance at End of Year for Account 186 or amounts less than \$100,000, whichever is less) may be grouped by classes						
Line No	Description of Miscellaneous Deferred Debits (a)	Balance at Beginning of Year (b)	Debits (c)	CREDITS Account Charged (d) Amount (e)		Balance at End of Year (f)
1	Facility & Impact Study	-139,238	123,360	131	256,000	-271,878
2						
3	Four Corners					
4	Coal Severance surtax assesment	300,000		253	300,000	
5						
6	Miscellaneous	83	2,103	various	83	2,103
7						
8	Reimbursable Transmission &					
9	Distribution Projects	174,051	1,852,380	131	1,797,595	228,836
10						
11	El Paso Water Utilities Land					
12	Lease	1,467,752	361,408	507	455,056	1,374,104
13						
14	Palo Verde					
15	Water Agreement Deposit	3,946,443		519	119,327	3,827,116
16	Pooled Inventory Management		429,203			429,203
17						
18						
19						
20						
21						
22						
23						
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25						
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41						
42						
43						
44						
45						
46						
47	Misc Work in Progress	151,320				42,891
48	Deferred Regulatory Comm Expenses (See pages 350 - 351)					
49	TOTAL	5,900,411				5,632,375

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 2016/Q4
FOOTNOTE DATA			

Schedule Page: 233 Line No.: 12 Column: c
Annual cash payment for land leased adjacent to our Newman Power Plant.
Schedule Page: 233 Line No.: 15 Column: a
In May 2010, Palo Verde entered into a 40 year Municipal Effluent Purchase and Sale Agreement with the Sub-regional Operating Group (City of Phoenix, City of Mesa, City of Scottsdale and the City of Glendale).
Schedule Page: 233 Line No.: 47 Column: a
Represents miscellaneous charges pending final classification.

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 2016/Q4
ACCUMULATED DEFERRED INCOME TAXES (Account 190)				
1 Report the information called for below concerning the respondent's accounting for deferred income taxes 2 At Other (Specify), include deferrals relating to other income and deductions				
Line No	Description and Location (a)	Balance of Beginning of Year (b)	Balance at End of Year (c)	
1	Electric			
2		243,022,861	251,005,671	
3				
4				
5				
6				
7	Other			
8	TOTAL Electric (Enter Total of lines 2 thru 7)	243,022,861	251,005,671	
9	Gas			
10				
11				
12				
13				
14				
15	Other			
16	TOTAL Gas (Enter Total of lines 10 thru 15)			
17	Other (Specify)	612,755	432,989	
18	TOTAL (Acct 190) (Total of lines 8, 16 and 17)	243,635,616	251,438,660	
Notes				

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			2016/Q4
FOOTNOTE DATA			

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

El Paso Electric Company
Account 190 - FERC ONLY
For the Year Ended December 31, 2016

< Page 234 Line 2 Column (a) >

	Balance at Beginning of Year	Balance at End of Year
ELECTRIC		
Deferred tax assets		
Plant, principally due to capitalized costs	62,573,195	58,612,835
Benefit of tax loss carryforwards	35,503,109	61,293,291
Pensions and benefits	58,912,208	57,698,350
Alternative minimum tax credit carryforward	16,619,874	16,619,874
Regulatory liabilities related to income taxes	11,344,606	6,120,102
Asset retirement obligation	29,741,359	30,461,545
Deferred fuel	1,408,005	(246,827)
Debt	6,632,567	6,649,405
Other	20,287,938	13,797,096
Net deferred tax assets	243,022,861	251,005,671

< Page 234 Line 17 Column (a) >

	Balance at Beginning of Year	Balance at End of Year
OTHER (Specify)		
Deferred tax assets		
Other capitalized costs	0	0
Decommissioning costs	612,755	432,989
Net deferred tax assets	612,755	432,989
Total Account 190	243,635,616	251,438,660

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 2016/Q4
CAPITAL STOCKS (Account 201 and 204)					
<p>1 Report below the particulars (details) called for concerning common and preferred stock at end of year, distinguishing separate series of any general class. Show separate totals for common and preferred stock. If information to meet the stock exchange reporting requirement outlined in column (a) is available from the SEC 10-K Report Form filing, a specific reference to report form (i.e., year and company title) may be reported in column (a) provided the fiscal years for both the 10-K report and this report are compatible.</p> <p>2 Entries in column (b) should represent the number of shares authorized by the articles of incorporation as amended to end of year.</p>					
Line No	Class and Series of Stock and Name of Stock Series (a)	Number of shares Authorized by Charter (b)	Par or Stated Value per share (c)	Call Price at End of Year (d)	
1	201				
2	Common Stock (1)				
3	New York Stock Exchange (NYSE)	100,000,000	1.00		
4	Total Common Stock (2)	100,000,000			
5					
6	204				
7	Preferred Stock	2,000,000			
8	Total Preferred Stock	2,000,000			
9					
10					
11	(1) As of December 31, 2016, 1,421,342				
12	unissued shares of Common Stock of the				
13	Company were reserved for future				
14	allocations under the 2007 Amended and				
15	Restated Long-Term Incentive Plan				
16					
17					
18					
19					
20					
21					
22					
23					
24					
25					
26					
27					
28	Note For additional information see the				
29	El Paso Electric Company 2016 Form 10-K				
30	filed with the SEC February 24, 2017				
31					
32					
33					
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41					
42					

Name of Respondent El Paso Electric Company		This Report Is (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) / /		Year/Period of Report End of 2016/Q4	
CAPITAL STOCKS (Account 201 and 204) (Continued)							
<p>3 Give particulars (details) concerning shares of any class and series of stock authorized to be issued by a regulatory commission which have not yet been issued</p> <p>4 The identification of each class of preferred stock should show the dividend rate and whether the dividends are cumulative or non-cumulative</p> <p>5 State in a footnote if any capital stock which has been nominally issued is nominally outstanding at end of year</p> <p>Give particulars (details) in column (a) of any nominally issued capital stock, reacquired stock, or stock in sinking and other funds which is pledged, stating name of pledgee and purposes of pledge</p>							
OUTSTANDING PER BALANCE SHEET (Total amount outstanding without reduction for amounts held by respondent)		HELD BY RESPONDENT				Line No	
		AS REACQUIRED STOCK (Account 217)		IN SINKING AND OTHER FUNDS			
Shares (e)	Amount (f)	Shares (g)	Cost (h)	Shares (i)	Amount (j)		
						1	
						2	
65,822,632	65,824,151	25,304,914	421,514,793			3	
65,822,632	65,824,151	25,304,914	421,514,793			4	
						5	
						6	
						7	
						8	
						9	
						10	
						11	
						12	
						13	
						14	
						15	
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						41	
						42	

Name of Respondent El Paso Electric Company		This Report Is (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2016/Q4
OTHER PAID-IN CAPITAL (Accounts 208-211, inc)					
<p>Report below the balance at the end of the year and the information specified below for the respective other paid-in capital accounts. Provide a subheading for each account and show a total for the account, as well as total of all accounts for reconciliation with balance sheet, Page 112. Add more columns for any account if deemed necessary. Explain changes made in any account during the year and give the accounting entries effecting such change.</p> <p>(a) Donations Received from Stockholders (Account 208)-State amount and give brief explanation of the origin and purpose of each donation (b) Reduction in Par or Stated value of Capital Stock (Account 209) State amount and give brief explanation of the capital change which gave rise to amounts reported under this caption including identification with the class and series of stock to which related (c) Gain on Resale or Cancellation of Reacquired Capital Stock (Account 210) Report balance at beginning of year, credits, debits, and balance at end of year with a designation of the nature of each credit and debit identified by the class and series of stock to which related (d) Miscellaneous Paid-in Capital (Account 211)-Classify amounts included in this account according to captions which, together with brief explanations, disclose the general nature of the transactions which gave rise to the reported amounts</p>					
Line No	Item (a)				Amount (b)
1	211 Other Paid-in Capital				
2	Deferred Compensation				
3	Performance Awards				2,448,606
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
18					
19					
20					
21					
22					
23					
24					
25					
26					
27					
28					
29					
30					
31					
32					
33					
34					
35					
36					
37					
38					
39					
40	TOTAL				2,448,606

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 2016/Q4
FOOTNOTE DATA			

Schedule Page: 253 Line No.: 3 Column: b
Represents deferred compensation related to grants of performance share awards to certain officers in 2014, 2015, and 2016 under the Company's existing long-term incentive plans, which provide for the issuance of Company stock based on the achievement of certain performance criteria over a three-year period.

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 2016/Q4
CAPITAL STOCK EXPENSE (Account 214)			
<p>1 Report the balance at end of the year of discount on capital stock for each class and series of capital stock</p> <p>2 If any change occurred during the year in the balance in respect to any class or series of stock, attach a statement giving particulars (details) of the change State the reason for any charge-off of capital stock expense and specify the account charged</p>			
Line No	Class and Series of Stock (a)	Balance at End of Year (b)	
1	214 Capital Stock Expense	340,939	
2			
3			
4			
5			
6			
7			
8			
9			
10			
11			
12			
13			
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16			
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20			
21			
22	TOTAL	340,939	

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 2016/Q4
LONG-TERM DEBT (Account 221, 222, 223 and 224)			
<p>1 Report by balance sheet account the particulars (details) concerning long-term debt included in Accounts 221, Bonds, 222, Reacquired Bonds, 223, Advances from Associated Companies, and 224, Other long-Term Debt</p> <p>2 In column (a), for new issues, give Commission authorization numbers and dates</p> <p>3 For bonds assumed by the respondent, include in column (a) the name of the issuing company as well as a description of the bonds</p> <p>4 For advances from Associated Companies, report separately advances on notes and advances on open accounts. Designate demand notes as such. Include in column (a) names of associated companies from which advances were received</p> <p>5 For receivers, certificates, show in column (a) the name of the court -and date of court order under which such certificates were issued</p> <p>6 In column (b) show the principal amount of bonds or other long-term debt originally issued</p> <p>7 In column (c) show the expense, premium or discount with respect to the amount of bonds or other long-term debt originally issued</p> <p>8 For column (c) the total expenses should be listed first for each issuance, then the amount of premium (in parentheses) or discount. Indicate the premium or discount with a notation, such as (P) or (D). The expenses, premium or discount should not be netted</p> <p>9 Furnish in a footnote particulars (details) regarding the treatment of unamortized debt expense, premium or discount associated with issues redeemed during the year. Also, give in a footnote the date of the Commission's authorization of treatment other than as specified by the Uniform System of Accounts</p>			
Line No	Class and Series of Obligation, Coupon Rate (For new issue, give commission Authorization numbers and dates) (a)	Principal Amount Of Debt issued (b)	Total expense, Premium or Discount (c)
1	Account 221		
2			
3	2009 Series A Palo Verde Pollution Control Bonds	63,500,000	1,168,950
4	2009 Series B Palo Verde Pollution Control Bonds	37,100,000	811,106
5	2012 Series A Palo Verde Pollution Control Bonds	59,235,000	896,854
6	2012 Series A Four Corners Pollution Control Bonds	33,300,000	912,545
7			
8	Subtotal	193,135,000	3,789,455
9			
10	Account 222		
11			
12	Subtotal		
13			
14	Account 224		
15			
16	2005 Senior Notes	400,000,000	5,239,886
17			2,312,000 D
18	2008 Senior Notes	150,000,000	1,714,035
19			1,281,000 D
20	2012 Senior Notes	150,000,000	1,338,657
21			318,000 D
22	2014 Senior Notes	150,000,000	1,787,396
23			532,500 D
24	2016 Senior Notes	150,000,000	1,762,201
25			-7,051,500 P
26	Treasury Rate Lock Agreements		
27	Subtotal	1,000,000,000	9,234,175
28			
29	Interest on obligations under capital lease (Rio Grande Resources Trust)		
30	\$95 million RGRT Senior Notes		
31	Revolving Credit Facility		
32			
33	TOTAL	1,193,135,000	13,023,630

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 2016/Q4			
LONG-TERM DEBT (Account 221, 222, 223 and 224) (Continued)						
<p>10 Identify separate undisposed amounts applicable to issues which were redeemed in prior years</p> <p>11 Explain any debits and credits other than debited to Account 428, Amortization and Expense, or credited to Account 429, Premium on Debt - Credit</p> <p>12 In a footnote, give explanatory (details) for Accounts 223 and 224 of net changes during the year With respect to long-term advances, show for each company (a) principal advanced during year, (b) interest added to principal amount, and (c) principle repaid during year Give Commission authorization numbers and dates</p> <p>13 If the respondent has pledged any of its long-term debt securities give particulars (details) in a footnote including name of pledgee and purpose of the pledge</p> <p>14 If the respondent has any long-term debt securities which have been nominally issued and are nominally outstanding at end of year, describe such securities in a footnote</p> <p>15 If interest expense was incurred during the year on any obligations retired or reacquired before end of year, include such interest expense in column (i) Explain in a footnote any difference between the total of column (i) and the total of Account 427, interest on Long-Term Debt and Account 430, Interest on Debt to Associated Companies</p> <p>16 Give particulars (details) concerning any long-term debt authorized by a regulatory commission but not yet issued</p>						
Nominal Date of Issue (d)	Date of Maturity (e)	AMORTIZATION PERIOD		Outstanding (Total amount outstanding without reduction for amounts held by respondent) (h)	Interest for Year Amount (i)	Line No
		Date From (f)	Date To (g)			
						1
						2
03/26/09	02/01/40	03/26/09	02/01/40	63,500,000	4,603,750	3
03/26/09	04/01/40	03/26/09	04/01/40	37,100,000	2,689,750	4
08/28/12	08/01/42	08/28/12	08/01/42	59,235,000	2,665,575	5
08/28/12	06/01/32	08/28/12	06/01/32	33,300,000	624,375	6
						7
				193,135,000	10,583,450	8
						9
						10
						11
						12
						13
						14
						15
05/17/05	05/15/35	05/17/05	05/15/35	400,000,000	24,000,000	16
						17
06/03/08	03/15/38	06/03/08	03/15/38	150,000,000	11,250,000	18
						19
12/06/12	12/15/22	12/06/12	12/15/22	150,000,000	4,950,000	20
						21
12/01/14	12/01/44	12/01/14	12/01/44	150,000,000	7,500,000	22
						23
03/24/16	12/01/44	03/24/16	12/01/44	150,000,000	5,770,833	24
						25
					498,647	26
				1,000,000,000	53,969,480	27
						28
						29
					4,503,000	30
					611,642	31
						32
				1,193,135,000	69,667,572	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 2016/Q4
FOOTNOTE DATA			

Schedule Page: 256 Line No.: 29 Column: a
Rio Grande Resources Trust is a trust through which the Company finances its portion of nuclear fuel for Palo Verde.

Schedule Page: 256 Line No.: 30 Column: b
Obligations under capital lease-noncurrent are recorded in FERC account 227.

Schedule Page: 256 Line No.: 31 Column: b
Obligations under capital lease-current are recorded in FERC account 243.

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 2016/Q4
RECONCILIATION OF REPORTED NET INCOME WITH TAXABLE INCOME FOR FEDERAL INCOME TAXES					
<p>1 Report the reconciliation of reported net income for the year with taxable income used in computing Federal income tax accruals and show computation of such tax accruals. Include in the reconciliation, as far as practicable, the same detail as furnished on Schedule M-1 of the tax return for the year. Submit a reconciliation even though there is no taxable income for the year. Indicate clearly the nature of each reconciling amount.</p> <p>2 If the utility is a member of a group which files a consolidated Federal tax return, reconcile reported net income with taxable net income as if a separate return were to be filed, indicating, however, intercompany amounts to be eliminated in such a consolidated return. State names of group member, tax assigned to each group member, and basis of allocation, assignment, or sharing of the consolidated tax among the group members.</p> <p>3 A substitute page, designed to meet a particular need of a company, may be used as long as the data is consistent and meets the requirements of the above instructions. For electronic reporting purposes complete Line 27 and provide the substitute Page in the context of a footnote.</p>					
Line No	Particulars (Details) (a)				Amount (b)
1	Net Income for the Year (Page 117)				97,956,132
2					
3					
4	Taxable Income Not Reported on Books				
5	(see page 261 footnote)				9,140,425
6					
7					
8					
9	Deductions Recorded on Books Not Deducted for Return				
10	(see page 261 footnote)				4,363,502
11					
12					
13					
14	Income Recorded on Books Not Included in Return				
15	(see page 261 footnote)				19,114,202
16					
17					
18					
19	Deductions on Return Not Charged Against Book Income				
20	(see page 261 footnote)				-237,461,718
21					
22					
23					
24	Federal Income Taxes (detail below)				48,094,269
25					
26					
27	Federal Tax Net Income				-58,793,188
28	Show Computation of Tax				
29					
30					
31	Tax Computed at Statutory Rate				52,818,275
32	ITC Amortization Net of Deferred Taxes				-1,009,432
33	Amortization of Excess Deferred Taxes				848,989
34	Permanent Differences				-2,292,139
35	State Income Taxes (Federal Effect)				-1,700,626
36	Amortization of Regulatory Assets				-543,540
37	Allowance for Equity Funds Used During Construction				-314,265
38	Other				287,007
39					
40					
41					
42	Total Federal Income Tax Expense (Benefit)				48,094,269
43					
44					

Name of Respondent	This Report is (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2016/Q4
El Paso Electric Company			
FOOTNOTE DATA			

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

Taxable Income Not Reported on Books

< Page 261, Line 5, Column b >

Contributions in aid of construction	1,842,067
Capitalized Construction Interest and Capitalized Costs	4,054,322
Unbilled Revenue	3,244,036
Taxable Income Not Reported on Books	<u>9,140,425</u>

Deductions Recorded on Books not Deducted for Return

< Page 261, Line 10, Column b >

Meals and Entertainment	113,048
Lobbying	771,808
Debt Issuance Costs	957,151
Employee Benefits	1,179,494
Taxes Other Than Federal	1,342,001
Deductions Recorded on Books Not Deducted for Return	<u>4,363,502</u>

Income Recorded on Books Not Deducted for Return

< Page 261, Line 15, Column b >

Decommissioning Trust Interest Net of Fees	(1,485,376)
AFUDC	19,892,716
Other	706,862
Income Reported on Books Not Included in Return	<u>19,114,202</u>

Deductions on Return Not Charged Against Book Income

< Page 261, Line 20, Column b >

Depreciation and Amortization Differences	(185,711,060)
Coal Reclamation	(21,652,560)
Deferred Fuel	(14,890,819)
Section 174 R&D	(2,251,805)
SFAS 143 Asset Retirement Obligation	(1,409,025)
Legal Expense Accrual	(139,055)
Decommissioning Costs	(8,814,997)
Repair Allowance	(6,226,709)
State Income Taxes	3,634,312
Deductions on Return not Charged Against Book Income	<u>(237,461,718)</u>

Tax Computed at Statutory Rate

< Page 261, Line 31, Column b >

Net Income	97,956,132
Federal and State Income Tax Expense	<u>52,953,225</u>
Pre-Tax Income	150,909,357
Tax Rate	35%
Tax Computed at Statutory Rate	<u>52,818,275</u>

Name of Respondent El Paso Electric Company		This Report Is (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2016/Q4	
TAXES ACCRUED, PREPAID AND CHARGED DURING YEAR						
<p>1 Give particulars (details) of the combined prepaid and accrued tax accounts and show the total taxes charged to operations and other accounts during the year. Do not include gasoline and other sales taxes which have been charged to the accounts to which the taxed material was charged. If the actual, or estimated amounts of such taxes are known, show the amounts in a footnote and designate whether estimated or actual amounts.</p> <p>2 Include on this page, taxes paid during the year and charged direct to final accounts, (not charged to prepaid or accrued taxes.) Enter the amounts in both columns (d) and (e). The balancing of this page is not affected by the inclusion of these taxes.</p> <p>3 Include in column (d) taxes charged during the year, taxes charged to operations and other accounts through (a) accruals credited to taxes accrued, (b) amounts credited to proportions of prepaid taxes chargeable to current year, and (c) taxes paid and charged direct to operations or accounts other than accrued and prepaid tax accounts.</p> <p>4 List the aggregate of each kind of tax in such manner that the total tax for each State and subdivision can readily be ascertained.</p>						
Line No	Kind of Tax (See instruction 5) (a)	BALANCE AT BEGINNING OF YEAR Taxes Accrued (Account 236) (b)	Prepaid Taxes (Include in Account 165) (c)	Taxes Charged During Year (d)	Taxes Paid During Year (e)	Adjust- ments (f)
1	FEDERAL					
2	Current FIT Payable	482,265		2,116,705	2,091,000	482,265
3	Prior Years	2,600,563		166,428	66,000	-482,265
4	FUTA			49,914	49,914	
5	Insurance Contributions			7,129,477	7,129,477	
6	Subtotal	3,082,828		9,462,524	9,336,391	
7						
8	State County & Local - TX					
9	Ad Valorem	10,620,105	-2	11,776,577	10,644,823	
10	Gross Receipts	2,242,442		10,718,907	10,547,420	
11	Unemployment			50,070	50,070	
12	Franchise Tax / Margin Tax	-1,656,771		1,272,230	695,471	
13	Use Tax	540,119	2	6,110,195	6,100,527	
14	Regulatory Commission	552,529	2	1,026,323	986,256	
15	Franchise Fees (OSR)	4,651,481	11,791	20,992,546	20,702,886	
16	Subtotal	16,949,905	11,793	51,946,848	49,727,453	
17						
18	State County & Local - NM					
19	Ad Valorem	2,356,750	1,622	4,523,469	4,211,437	
20	Income	1,205	524,411	51	-524,311	
21	Unemployment			21,936	21,936	
22	Compensating	70,974	633,515	682,262	63,289	
23	Regulatory Commission	954,110	-1	947,080	942,530	
24	Franchise Fees (OSR)	459,057	97	3,878,356	4,143,786	
25	L C Fran , Pumping Facility					
26	Payroll Taxes			111,550	111,550	
27	Worker's Comp Fee					
28						
29						
30	Other Taxes	-2	1	3		
31	Subtotal	3,842,094	1,159,645	10,164,707	8,970,217	
32						
33						
34	State County & Local - AZ					
35	Ad Valorem	4,123,936		7,320,294	7,736,551	
36	Income	-1,541,095	794,833	398,254		
37	Palo Verde Payroll Taxes			2,964,138	2,964,138	
38	Sales & Use Taxes	124		-124		
39	Subtotal	2,582,965	794,833	10,682,562	10,700,689	
40						
41	TOTAL	26,457,792	1,966,271	82,256,641	78,734,750	

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 2016/Q4	
TAXES ACCRUED, PREPAID AND CHARGED DURING YEAR (Continued)						
<p>5 If any tax (exclude Federal and State income taxes)- covers more then one year, show the required information separately for each tax year, identifying the year in column (a)</p> <p>6 Enter all adjustments of the accrued and prepaid tax accounts in column (f) and explain each adjustment in a foot- note Designate debit adjustments by parentheses</p> <p>7 Do not include on this page entries with respect to deferred income taxes or taxes collected through payroll deductions or otherwise pending transmittal of such taxes to the taxing authority</p> <p>8 Report in columns (i) through (l) how the taxes were distributed Report in column (i) only the amounts charged to Accounts 408 1 and 409 1 pertaining to electric operations Report in column (l) the amounts charged to Accounts 408 1 and 109 1 pertaining to other utility departments and amounts charged to Accounts 408 2 and 409 2 Also shown in column (l) the taxes charged to utility plant or other balance sheet accounts</p> <p>9 For any tax apportioned to more than one utility department or account, state in a footnote the basis (necessity) of apportioning such tax</p>						
BALANCE AT END OF YEAR		DISTRIBUTION OF TAXES CHARGED				Line
(Taxes accrued Account 236) (g)	Prepaid Taxes (Incl in Account 165) (h)	Electric (Account 408 1, 409 1) (i)	Extraordinary Items (Account 409 3) (j)	Adjustments to Ret Earnings (Account 439) (k)	Other (l)	No
						1
25,705		-6,601,332			8,718,037	2
3,183,256		-1,332,057			1,498,485	3
		39,814			10,100	4
		5,686,873			1,442,604	5
3,208,961		-2,206,702			11,669,226	6
						7
						8
11,751,861		11,082,832			693,745	9
2,413,929		10,718,908			-1	10
		39,939			10,131	11
-1,080,012		1,215,258			56,972	12
549,785		55,084			6,055,111	13
592,594		1,026,319			4	14
4,940,203	10,853	20,992,547			-1	15
19,168,360	10,853	45,130,887			6,815,961	16
						17
						18
2,668,782	1,622	4,430,921			92,548	19
1,206	50	-310,848			310,899	20
		17,497			4,439	21
56,432		9,691			672,571	22
958,661		947,082			-2	23
223,825	30,295	104,180			3,774,176	24
						25
		111,550				26
						27
						28
						29
		-14,987			14,990	30
3,908,906	31,967	5,295,086			4,869,621	31
						32
						33
						34
3,707,679		7,320,294				35
-1,217,208	720,466	-129,332			527,586	36
		2,964,138				37
					-124	38
2,490,471	720,466	10,155,100			527,462	39
						40
28,776,698	763,286	58,374,371			23,882,270	41

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 2016/Q4	
ACCUMULATED DEFERRED INVESTMENT TAX CREDITS (Account 255)							
Report below information applicable to Account 255 Where appropriate, segregate the balances and transactions by utility and nonutility operations Explain by footnote any correction adjustments to the account balance shown in column (g) Include in column (i) the average period over which the tax credits are amortized							
Line No	Account Subdivisions (a)	Balance at Beginning of Year (b)	Deferred for Year		Allocations to Current Year's Income		Adjustments (g)
			Account No (c)	Amount (d)	Account No (e)	Amount (f)	
1	Electric Utility						
2	3%						
3	4%						
4	7%						
5	10%	20,725,592	411 4		411 4/420	1,506,211	
6	30%	599,855			411 4	46,761	
7							
8	TOTAL	21,325,447				1,552,972	
9	Other (List separately and show 3%, 4%, 7%, 10% and TOTAL)						
10			411 4		411 4	1,552,972	
11					420		
12							
13							
14							
15							
16							
17							
18							
19							
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46							
47							
48							

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 2016/Q4
ACCUMULATED DEFERRED INVESTMENT TAX CREDITS (Account 255) (continued)					
Balance at End of Year (h)	Average Period of Allocation to Income (i)	ADJUSTMENT EXPLANATION			Line No
					1
					2
					3
					4
19,219,381	25 Years				5
553,094	25 Years				6
					7
19,772,475					8
					9
-1,552,972					10
					11
					12
					13
					14
					15
					16
					17
					18
					19
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					46
					47
					48

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 2016/Q4	
OTHER DEFERRED CREDITS (Account 253)						
1 Report below the particulars (details) called for concerning other deferred credits						
2 For any deferred credit being amortized, show the period of amortization						
3 Minor items (5% of the Balance End of Year for Account 253 or amounts less than \$100,000, whichever is greater) may be grouped by classes						
Line No	Description and Other Deferred Credits (a)	Balance at Beginning of Year (b)	DEBITS		Credits (e)	Balance at End of Year (f)
			Contra Account (c)	Amount (d)		
1	Four Corners					
2	Coal Reclamation	19,293,851	131	19,546,856	253,005	
3	Rents and Benefits Accruals	623,609	131	1,043,229	419,620	
4	Coal Severance Surtax Assessment	300,000	131/186	300,000		
5						
6	Environmental Accrual	494,000	131/514	294,231		199,769
7						
8	Texas Docket 23530 Settlement	953,308	131	640,000	762	314,070
9						
10	Contribution in Aid of Construct	330,587	416	456,849	611,630	485,368
11						
12	Other	588,372	131	25,573	60,808	623,607
13						
14						
15						
16						
17						
18						
19						
20						
21						
22						
23						
24						
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32						
33						
34						
35						
36						
37						
38						
39						
40						
41						
42						
43						
44						
45						
46						
47	TOTAL	22,583,727		22,306,738	1,345,825	1,622,814

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			2016/Q4
FOOTNOTE DATA			

Schedule Page: 269 Line No.: 2 Column: a

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 was adjusted downward to reflect the assumption by APS's affiliate of the Company's obligation to pay for future mine reclamation expenses. The Four Corners transaction closed on July 6, 2016.

Schedule Page: 269 Line No.: 3 Column: a

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 was adjusted downward to reflect the assumption by APS's affiliate of the Company's obligation to pay for future rents and benefits expenses. The Four Corners transaction closed on July 6, 2016.

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 2016/Q4
ACCUMULATED DEFERRED INCOME TAXES - OTHER PROPERTY (Account 282)					
1 Report the information called for below concerning the respondent's accounting for deferred income taxes rating to property not subject to accelerated amortization					
2 For other (Specify), include deferrals relating to other income and deductions					
Line No	Account (a)	Balance at Beginning of Year (b)	CHANGES DURING YEAR		
			Amounts Debited to Account 410 1 (c)	Amounts Credited to Account 411 1 (d)	
1	Account 282				
2	Electric	657,029,391	136,511,348	38,963,162	
3	Gas				
4					
5	TOTAL (Enter Total of lines 2 thru 4)	657,029,391	136,511,348	38,963,162	
6					
7					
8					
9	TOTAL Account 282 (Enter Total of lines 5 thru 8)	657,029,391	136,511,348	38,963,162	
10	Classification of TOTAL				
11	Federal Income Tax	657,029,391	136,511,348	38,963,162	
12	State Income Tax				
13	Local Income Tax				
<div style="text-align: center;">NOTES</div>					

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 2016/Q4	
ACCUMULATED DEFERRED INCOME TAXES - OTHER PROPERTY (Account 282) (Continued)							
3 Use footnotes as required							
CHANGES DURING YEAR		ADJUSTMENTS				Balance at End of Year (k)	Line No
Amounts Debited to Account 410 2 (e)	Amounts Credited to Account 411 2 (f)	Debits Account Credited (g)	Amount (h)	Credits Account Debited (i)	Amount (j)		
							1
18,845,729	888,653			various	122,488	772,657,141	2
							3
							4
18,845,729	888,653				122,488	772,657,141	5
							6
							7
							8
18,845,729	888,653				122,488	772,657,141	9
							10
18,845,729	888,653				122,488	772,657,141	11
							12
							13
NOTES (Continued)							

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 2016/Q4
FOOTNOTE DATA			

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

**El Paso Electric Company
Account 282 - FERC ONLY
For the Year Ended December 31, 2016**

	Balance at Beginning of Year	Balance at End of Year
Electric		
Plant, principally due to depreciation and basis differences	\$ 580,763,795	\$ 664,228,278
Regulatory assets related to income taxes	43,696,920	71,494,784
Decommissioning	32,568,676	36,934,079
Total - Electric Other	<u>\$ 657,029,391</u>	<u>\$ 772,657,141</u>

Name of Respondent El Paso Electric Company		This Report Is (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2016/Q4
ACCUMULATED DEFERRED INCOME TAXES - OTHER (Account 283)					
1 Report the information called for below concerning the respondent's accounting for deferred income taxes relating to amounts recorded in Account 283					
2 For other (Specify), include deferrals relating to other income and deductions					
Line No	Account (a)	Balance at Beginning of Year (b)	CHANGES DURING YEAR		
			Amounts Debited to Account 410 1 (c)	Amounts Credited to Account 411 1 (d)	
1	Account 283				
2	Electric				
3	Deferred Tax	26,950,743	18,727,298	33,366,851	
4					
5	Deferred State Tax	36,581,999	15,134,061	51,716,060	
6	Excess ADSIT		9,740,917	112,549	
7	FIT on SIT	16,411,519			
8	Other - Debt	16		16	
9	TOTAL Electric (Total of lines 3 thru 8)	79,944,277	43,602,276	85,195,476	
10	Gas				
11					
12					
13					
14					
15					
16					
17	TOTAL Gas (Total of lines 11 thru 16)				
18					
19	TOTAL (Acct 283) (Enter Total of lines 9, 17 and 18)	79,944,277	43,602,276	85,195,476	
20	Classification of TOTAL				
21	Federal Income Tax	43,362,278	18,727,298	33,366,867	
22	State Income Tax	36,581,999	24,874,978	51,828,609	
23	Local Income Tax				
NOTES					

Name of Respondent El Paso Electric Company		This Report Is (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) / /		Year/Period of Report End of 2016/Q4	
ACCUMULATED DEFERRED INCOME TAXES - OTHER (Account 283) (Continued)							
3 Provide in the space below explanations for Page 276 and 277 Include amounts relating to insignificant items listed under Other							
4 Use footnotes as required							
CHANGES DURING YEAR		ADJUSTMENTS				Balance at End of Year (k)	Line No
Amounts Debited to Account 410 2 (e)	Amounts Credited to Account 411 2 (f)	Debits		Credits			
		Account Credited (g)	Amount (h)	Account Debited (i)	Amount (j)		
							1
							2
		254 3		182 3		12,311,190	3
							4
		254 3		182 3			5
1,024	58,362					9,571,030	6
118,691	16,530,210	254 3		182 3			7
		254 3		182 3			8
119,715	16,588,572					21,882,220	9
							10
							11
							12
							13
							14
							15
							16
							17
							18
119,715	16,588,572					21,882,220	19
							20
118,691	16,530,210					12,311,190	21
1,024	58,362					9,571,030	22
							23

NOTES (Continued)

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 2016/Q4	
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	47,835,766	various	13,192,406	543,541	35,186,901
2						
3	Net Overcollection of Fuel Revenues					
4	Texas	94,283	440s	94,283		
5	New Mexico	3,826,599	440s	3,575,167		251,432
6	FERC	101,994	440s	98,526		3,468
7						
8	New Mexico Energy Efficiency Program	2,238,256	131	4,636,270	4,557,345	2,159,331
9						
10	Texas Energy Efficiency Program		131	4,344,650	5,632,929	1,288,279
11						
12	Texas Military Base Discount and Recovery	787,787	142	2,665,854	2,061,986	183,919
13						
14	New Mexico Gain on Sale of Assets		407 4	65,310	893,302	827,992
15						
16						
17						
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27						
28						
29						
30						
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32						
33						
34						
35						
36						
37						
38						
39						
40						
41	TOTAL	54,884,685		28,672,466	13,689,103	39,901,322

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 2016/Q4
El Paso Electric Company			
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 customers choice is not available. In accordance with the Final Order in Docket No. 37690, the Military Base Discount Recovery Factor allows the Company to recover the total base rate discount provided to military base facilities from non-military base customers through a recovery factor. The rate is updated annually.

Schedule Page: 278 Line No.: 14 Column: a

In accordance with the Final Order in Case No. 15-00127-UT, effective in July 2016, the Company is sharing its three-year average gains on the sales of assets with its New Mexico customers over a three-year period.

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 2016/Q4
ELECTRIC OPERATING REVENUES (Account 400)				
<p>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</p> <p>2 Report below operating revenues for each prescribed account, and manufactured gas revenues in total</p> <p>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</p> <p>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</p> <p>5 Disclose amounts of \$250,000 or greater in a footnote for accounts 451, 456, and 457 2</p>				
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	351,261,931	314,305,430	
3	(442) Commercial and Industrial Sales			
4	Small (or Comm) (See Instr 4)	255,423,792	244,443,490	
5	Large (or Ind) (See Instr 4)	61,987,823	62,798,642	
6	(444) Public Street and Highway Lighting	5,298,948	4,778,932	
7	(445) Other Sales to Public Authorities	130,898,094	124,237,707	
8	(446) Sales to Railroads and Railways			
9	(448) Interdepartmental Sales			
10	TOTAL Sales to Ultimate Consumers	804,870,588	750,564,201	
11	(447) Sales for Resale	49,474,578	68,614,530	
12	TOTAL Sales of Electricity	854,345,166	819,178,731	
13	(Less) (449 1) Provision for Rate Refunds			
14	TOTAL Revenues Net of Prov for Refunds	854,345,166	819,178,731	
15	Other Operating Revenues			
16	(450) Forfeited Discounts	1,458,772	1,457,873	
17	(451) Miscellaneous Service Revenues	5,592,725	4,801,966	
18	(453) Sales of Water and Water Power			
19	(454) Rent from Electric Property	3,026,052	3,058,650	
20	(455) Interdepartmental Rents			
21	(456) Other Electric Revenues	547,429	369,397	
22	(456 1) Revenues from Transmission of Electricity of Others	21,966,186	21,002,179	
23	(457 1) Regional Control Service Revenues			
24	(457 2) Miscellaneous Revenues			
25				
26	TOTAL Other Operating Revenues	32,591,164	30,690,065	
27	TOTAL Electric Operating Revenues	886,936,330	849,868,796	

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 2016/Q4
ELECTRIC OPERATING REVENUES (Account 400)			
<p>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)</p> <p>7 See pages 108-109, Important Changes During Period, for important new territory added and important rate increase or decreases</p> <p>8 For Lines 2,4,5,and 6, see Page 304 for amounts relating to unbilled revenue by accounts</p> <p>9 Include unmetered sales Provide details of such Sales in a footnote</p>			
MEGAWATT HOURS SOLD		AVG NO CUSTOMERS PER MONTH	
Year to Date Quarterly/Annual (d)	Amount Previous year (no Quarterly) (e)	Current Year (no Quarterly) (f)	Previous Year (no Quarterly) (g)
2,805,789	2,771,138	362,138	356,969
2,403,447	2,384,514	41,014	40,250
1,030,745	1,062,662	49	49
38,750	38,905	192	189
1,533,760	1,546,663	5,111	5,061
7,812,491	7,803,882	408,504	402,518
2,786,020	3,111,719	25	25
10,598,511	10,915,601	408,529	402,543
10,598,511	10,915,601	408,529	402,543
<p>Line 12, column (b) includes \$ -709,000 of unbilled revenues</p> <p>Line 12, column (d) includes -27,723 MWH relating to unbilled revenues</p>			

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			2016/Q4
FOOTNOTE DATA			

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

Includes 796,426 MWhs related to the Company's Power Purchase and Sales Agreement with Freeport-McMoRan dated December 16, 2005.

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

Includes 547,425 MWhs related to the Company's Power Purchase and Sales Agreement with Freeport-McMoran dated December 16, 2005.

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

Includes 796,426 MWhs related to the Company's Power Purchase and Sales Agreement with Freeport-McMoRan dated December 16, 2005.

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

Includes 547,425 MWhs related to the Company's Power Purchase and Sales Agreement with Freeport-McMoran dated December 16, 2005.

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

Includes 796,426 MWhs related to the Company's Power Purchase and Sales Agreement with Freeport-McMoRan dated December 16, 2005.

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

Includes 547,425 MWhs related to the Company's Power Purchase and Sales Agreement with Freeport-McMoran dated December 16, 2005.

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

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

	<u>December 2016</u>
Non Pay Reconnect Charges	1,814,875
Name Change/Cut in Charge	2,203,397
New Service Charges	339,516
Overhead/Underground Connection Charges	395,296
Texas Energy Efficiency Bonus	512,545
Misc Other	327,096
Total	<u>5,592,725</u>

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

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

	<u>December 2015</u>
Non Pay Reconnect Charges	1,604,475
Name Change/Cut in Charge	1,102,195
New Service Charges	306,910
Overhead/Underground Connection Charges	210,162
Texas Energy Efficiency Bonus	1,317,499
Misc Other	260,725
Total	<u>4,801,966</u>

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

Includes \$462,517 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 \$368,690 related to the Company's 15.8% share of Palo Verde other electric revenues from APS.

Schedule Page: 300 Line No.: 27 Column: b

Includes the effect of rate increases approved by the PUCT in its Final Order in Docket No. 44941 on August 25, 2016 and the NMPRC in its Final Order in Case No. 15-00127-UT on June 8, 2016.

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 2016/Q4	
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SALES OF ELECTRICITY BY RATE SCHEDULES

1 Report below for each rate schedule in effect during the year the MWh of electricity sold, revenue, average number of customer, average Kwh per customer, and average revenue per Kwh, excluding date for Sales for Resale which is reported on Pages 310-311

2 Provide a subheading and total for each prescribed operating revenue account in the sequence followed in "Electric Operating Revenues," Page 300-301 If the sales under any rate schedule are classified in more than one revenue account, List the rate schedule and sales data under each applicable revenue account subheading

3 Where the same customers are served under more than one rate schedule in the same revenue account classification (such as a general residential schedule and an off peak water heating schedule), the entries in column (d) for the special schedule should denote the duplication in number of reported customers

4 The average number of customers should be the number of bills rendered during the year divided by the number of billing periods during the year (12 if all billings are made monthly)

5 For any rate schedule having a fuel adjustment clause state in a footnote the estimated additional revenue billed pursuant thereto

6 Report amount of unbilled revenue as of end of year for each applicable revenue account subheading

Line No	Number and Title of Rate schedule (a)	MWh Sold (b)	Revenue (c)	Average Number of Customers (d)	KWh of Sales Per Customer (e)	Revenue Per KWh Sold (f)
1	(440)					
2	RESIDENTIAL SALES-TX					
3	01 Residential Service	2,126,567	257,493,954	276,936	7,679	0 1211
4	28 Private Area Lighting Service	1,909	303,901	227	8,410	0 1592
5	TXVRE-R Voluntary Renewable		24,022			
6	Deferred Fuel		4,513,220			
7	Unbilled Revenue	-8,336	227,000			-0 0272
8	Renewable Energy Credit		-21,600			
9	Power Factor Adjustment		9,203			
10	Relate back revenue		5,939,159			
11						
12	RESIDENTIAL SALES-NM					
13	01 Residential Service	686,668	81,003,276	84,673	8,110	0 1180
14	12 Private Area Lighting Service	2,506	576,310	302	8,298	0 2300
15	Deferred Fuel		1,428,546			
16	Unbilled Revenue	-3,525	-228,000			0 0647
17	Renewable Energy Credit		-7,060			
18						
19	Total (440)	2,805,789	351,261,931	362,138	7,748	0 1252
20						
21						
22	(442)					
23	C & I SALES SMALL-TX					
24	02 Small Commercial Service	266,871	37,531,729	24,129	11,060	0 1406
25	07 Outdoor Recreational Lighting	327	38,395	14	23,357	0 1174
26	22 Irrigation Service	3,269	405,455	124	26,363	0 1240
27	24 General Service	1,387,186	134,428,963	6,243	222,199	0 0969
28	25 Large Power Service	224,440	18,205,758	56	4,007,857	0 0811
29	28 Private Area Lighting Service	15,218	1,880,020	444	34,275	0 1235
30	34 Cotton Gin Service	1,698	160,981	2	849,000	0 0948
31	TXVRE-C Voluntary Renewable		671			
32	Deferred Fuel		3,426,683			
33	Unbilled Revenue	-5,277	-123,000			0 0233
34	Renewable Energy Credit		-603			
35	Power Factor Adjustment		-5,246			
36	Relate back revenue		799,380			
37						
38	C & I SALES SMALL-NM					
39	03 Small Commercial Service	156,348	21,552,799	8,511	18,370	0 1379
40	04 General Service	275,064	27,712,752	545	504,705	0 1008
41	TOTAL Billed	7,840,214	805,579,588	408,504	19,193	0 1027
42	Total Unbilled Rev (See Instr 6)	-27,723	-709,000	0	0	0 0256
43	TOTAL	7,812,491	804,870,588	408,504	19,125	0 1030

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 2016/Q4	
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SALES OF ELECTRICITY BY RATE SCHEDULES

1 Report below for each rate schedule in effect during the year the MWh of electricity sold, revenue, average number of customer, average Kwh per customer, and average revenue per Kwh, excluding date for Sales for Resale which is reported on Pages 310-311

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3 Where the same customers are served under more than one rate schedule in the same revenue account classification (such as a general residential schedule and an off peak water heating schedule), the entries in column (d) for the special schedule should denote the duplication in number of reported customers

4 The average number of customers should be the number of bills rendered during the year divided by the number of billing periods during the year (12 if all billings are made monthly)

5 For any rate schedule having a fuel adjustment clause state in a footnote the estimated additional revenue billed pursuant thereto

6 Report amount of unbilled revenue as of end of year for each applicable revenue account subheading

Line No	Number and Title of Rate schedule (a)	MWh Sold (b)	Revenue (c)	Average Number of Customers (d)	KWh of Sales Per Customer (e)	Revenue Per KWh Sold (f)
1	05 Irrigation Service	46,288	5,019,109	785	58,966	0 1084
2	08 Municipal Water Pumping	1,936	177,920	23	84,174	0 0919
3	09 Large Power Service	21,114	1,843,659	4	5,278,500	0 0873
4	12 Private Area Lighting Service	2,102	468,023	89	23,618	0 2227
5	19 Seasonal Agr Processing Svc	6,173	814,129	37	166,838	0 1319
6	25 Outdoor Recreational Lighting	101	13,400	7	14,429	0 1327
7	29 Interrupt Svc for Lg Power	2,191	111,252	1	2,191,000	0 0508
8	Deferred Fuel		1,094,895			
9	Unbilled Revenue	-1,602	-130,000			0 0811
10	Renewable Energy Credit		-3,332			
11						
12	C & I SALES LARGE-TX					
13	15 Electrolytic Refining	57,558	3,509,782	1	57,558,000	0 0610
14	25 Large Power Service	284,965	22,897,609	33	8,635,303	0 0804
15	26 Petroleum Refinery Service	346,523	19,378,586	1	346,523,000	0 0559
16	28 Private Area Lighting Service	201	22,863			0 1137
17	30 Electric Furnace	17,397	1,633,302	1	17,397,000	0 0939
18	38 Interrupt Svc for Lg Power	258,328	7,932,389	4	64,582,000	0 0307
19	Deferred Fuel		1,321,380			
20	Unbilled Revenue	-3,499	-231,000			0 0660
21	Power Factor Adjustment		-5,769			
22	Relate back revenue		-443,149			
23						
24	C & I SALES LARGE-NM					
25	09 Large Power Service	61,249	5,390,292	7	8,749,857	0 0880
26	29 Interrupt Svc for Lg Power	8,107	417,303	2	4,053,500	0 0515
27	Deferred Fuel		182,235			
28	Unbilled Revenue	-84	-18,000			0 2143
29						
30	Total (442)	3,434,192	317,411,615	41,063	83,632	0 0924
31						
32	(444)					
33	PUBLIC ST & HIGHWAY LIGHT-TX					
34	08 Gov't Street Lights and Signal	35,820	4,575,171	173	207,052	0 1277
35	Deferred Fuel		41,482			
36	Unbilled Revenue	-182	6,000			-0 0330
37	Power Factor Adjustment		184			
38	Relate back revenue		138,048			
39						
40						
41	TOTAL Billed	7,840,214	805,579,588	408,504	19,193	0 1027
42	Total Unbilled Rev (See Instr 6)	-27,723	-709,000	0	0	0 0256
43	TOTAL	7,812,491	804,870,588	408,504	19,125	0 1030

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 2016/Q4	
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SALES OF ELECTRICITY BY RATE SCHEDULES

1 Report below for each rate schedule in effect during the year the MWh of electricity sold, revenue, average number of customer, average Kwh per customer, and average revenue per Kwh, excluding date for Sales for Resale which is reported on Pages 310-311

2 Provide a subheading and total for each prescribed operating revenue account in the sequence followed in "Electric Operating Revenues," Page 300-301 If the sales under any rate schedule are classified in more than one revenue account, List the rate schedule and sales data under each applicable revenue account subheading

3 Where the same customers are served under more than one rate schedule in the same revenue account classification (such as a general residential schedule and an off peak water heating schedule), the entries in column (d) for the special schedule should denote the duplication in number of reported customers

4 The average number of customers should be the number of bills rendered during the year divided by the number of billing periods during the year (12 if all billings are made monthly)

5 For any rate schedule having a fuel adjustment clause state in a footnote the estimated additional revenue billed pursuant thereto

6 Report amount of unbilled revenue as of end of year for each applicable revenue account subheading

Line No	Number and Title of Rate schedule (a)	MWh Sold (b)	Revenue (c)	Average Number of Customers (d)	KWh of Sales Per Customer (e)	Revenue Per KWh Sold (f)
1	PUBLIC ST & HIGHWAY LIGHT-NM					
2	11 Municipal St Lighting and Sig	3,130	531,895	19	164,737	0 1699
3	Deferred Fuel		8,168			
4	Unbilled Revenue	-18	-2,000			0 1111
5						
6	Total (444)	38,750	5,298,948	192	201,823	0 1367
7						
8	(445)					
9	OTHER SALES PUB AUTH-TX					
10	01 Residential Service	380	57,578	192	1,979	0 1515
11	02 Small Commercial Service	10,928	1,556,695	1,249	8,749	0 1425
12	07 Outdoor Recreational Lighting	5,037	580,282	179	28,140	0 1152
13	11 Municipal Pumping Service	160,719	12,239,780	424	379,054	0 0762
14	22 Irrigation	2,000	234,578	18	111,111	0 1173
15	24 General Service	156,124	15,258,894	481	324,582	0 0977
16	25 Large Power Service	125,544	9,826,790	16	7,846,500	0 0783
17	28 Private Area Lighting	9,753	1,112,881	132	73,886	0 1141
18	31 Military Reservation Service	265,207	18,064,237	1	265,207,000	0 0681
19	38 Interruptible Service Large Po	90,871	2,675,334	1	90,871,000	0 0294
20	41 City and County Service	292,639	30,590,947	980	298,611	0 1045
21	43 University Service	12,764	784,226			0 0614
22	45 Supplemental Power	26,715	1,813,803	1	26,715,000	0 0679
23	Deferred Fuel		1,917,038			
24	Unbilled Revenue	-4,425	-68,000			0 0154
25	University Discount		-908,393			
26	Power Factor Adjustment		1,627			
27	Relate back revenue		1,251,662			
28						
29	OTHER SALES PUB AUTH-NM					
30	01 Residential Service	118	16,107	42	2,810	0 1365
31	03 Small Commercial Service	7,808	1,093,660	332	23,518	0 1401
32	04 General Service	34,850	3,492,697	63	553,175	0 1002
33	05 Irrigation Service	147	16,355	4	36,750	0 1113
34	07 City and County Service	69,890	7,909,122	793	88,134	0 1132
35	08 Municipal Pumping Service	30,640	2,720,894	137	223,650	0 0888
36	09 Large Power Service	59,917	4,930,598	6	9,986,167	0 0823
37	10 Military Research & Dev Power	144,711	10,516,306	2	72,355,500	0 0727
38	12 Private Area Lighting	387	82,749	34	11,382	0 2138
39	25 Outdoor Recreational Lighting	472	60,629	23	20,522	0 1285
40	26 State University Service	31,339	2,365,187	1	31,339,000	0 0755
41	TOTAL Billed	7,840,214	805,579,588	408,504	19,193	0 1027
42	Total Unbilled Rev (See Instr 6)	-27,723	-709,000	0	0	0 0256
43	TOTAL	7,812,491	804,870,588	408,504	19,125	0 1030

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 2016/Q4
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SALES OF ELECTRICITY BY RATE SCHEDULES

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

Line No	Number and Title of Rate schedule (a)	MWh Sold (b)	Revenue (c)	Average Number of Customers (d)	KWh of Sales Per Customer (e)	Revenue Per KWh Sold (f)
1	Deferred Fuel		861,323			
2	Unbilled Revenue	-775	-142,000			0 1832
3	Renewable Energy Credit		-15,492			
4						
5	Total (445)	1,533,760	130,898,094	5,111	300,090	0 0853
6						
7						
8						
9						
10						
11						
12						
13						
14						
15						
16						
17						
18						
19						
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26						
27						
28						
29						
30						
31						
32						
33						
34						
35						
36						
37						
38						
39						
40						
41	TOTAL Billed	7,840,214	805,579,588	408,504	19,193	0 1027
42	Total Unbilled Rev (See Instr 6)	-27,723	-709,000	0	0	0 0256
43	TOTAL	7,812,491	804,870,588	408,504	19,125	0 1030

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			2016/Q4
FOOTNOTE DATA			

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

Estimated Fuel Clause Revenues by Rate Schedule

(440) RESIDENTIAL SALES

TEXAS

01 Residential Service	\$	43,744,184
28 Private Area Lighting Service		39,244
Power Factor Adjustment		9,203
Deferred Fuel		4,513,220
Total - Texas		<u>48,305,851</u>

NEW MEXICO

01 Residential Service		9,257,025
12 Private Area Lighting Service		26,842
Deferred Fuel		1,428,546
Total - New Mexico		<u>10,712,413</u>

Total (440) \$ 59,018,264

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

There were less than 1,235 duplicate customers for all rates schedules combined in 2016.

Schedule Page: 304 Line No.: 22 Column: c

Estimated Fuel Clause Revenues by Rate Schedule

(442) COMMERCIAL AND INDUSTRIAL SALES

SMALL - TEXAS

02 Small Commercial Service	\$	5,489,556
07 Outdoor Recreational Lighting		6,734
22 Irrigation Service		67,236
24 General Service		28,520,980
25 Large Power Service		4,607,755
28 Private Area Lighting Service		313,004
34 Cotton Gin Service		34,934
Power Factor Adjustment		7,316
Deferred Fuel		<u>3,426,683</u>
Total - Texas		<u>42,474,198</u>

SMALL - NEW MEXICO

03 Small Commercial Service		2,060,619
04 General Service		3,439,516
05 Irrigation Service		575,996
08 Municipal Water Pumping		20,623
09 Large Power Service		270,867
12 Private Area Lighting Service		22,735
19 Seasonal Agr. Processing Svc.		129,339
25 Outdoor Recreational Lighting		1,372
29 Interrup. Svc for Lg Power		38,192
Deferred Fuel		<u>1,094,895</u>
Total - New Mexico		<u>7,654,154</u>

Name of Respondent	This Report is (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report
El Paso Electric Company			2016/Q4
FOOTNOTE DATA			

LARGE - TEXAS

15 Electrolytic refining	1,128,361
25 Large Power Service	5,825,407
26 Petroleum Refinery Service	6,793,225
28 Private Area Lighting Service	4,138
30 Electric Furnace	341,051
38 Interruptible Svc for Large Power	5,070,132
Power Factor Adjustment	4,059
Deferred Fuel	<u>1,321,380</u>
Total - Texas	<u>20,487,753</u>

LARGE - NEW MEXICO

09 Large Power Service	698,508
29 Interruptible Service Large Power	116,864
Deferred Fuel	<u>182,235</u>
Total - New Mexico	<u>997,607</u>

Total (442) \$ 71,613,712

Schedule Page: 304.1 Line No.: 32 Column: c

Estimated Fuel Clause Revenues by Rate Schedule

(444) PUBLIC STREET AND HIGHWAY LIGHTING

TEXAS

08 Municipal St. Lights & Signals	\$ 736,815
Power Factor Adjustment	184
Deferred Fuel	<u>41,482</u>
Total - Texas	<u>778,481</u>

NEW MEXICO

11 Municipal St. Lights & Signals	33,761
Deferred Fuel	<u>8,168</u>
Total - New Mexico	<u>41,929</u>

Total (444) \$ 820,410

Schedule Page: 304.2 Line No.: 8 Column: c

Estimated Fuel Clause Revenues by Rate Schedule

(445) OTHER SALES TO PUBLIC AUTHORITIES

TEXAS

01 Residential Service	\$ 7,816
02 Small Commercial Service	224,779
07 Outdoor Rec. Lighting Service	103,560
11 Municipal Pumping Service	3,286,098
22 Irrigation	41,130
24 General Service	3,209,767
25 Large Power Service	2,548,240
28 Private Area Lighting	200,624
31 Military Reservation Service	5,199,109
38 Interruptible Service for Large	1,798,013
41 City and County Service	5,997,951
43 University Service	257,301

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El Paso Electric Company			2016/Q4
FOOTNOTE DATA			

45 Supplemental Power	536,952
Power Factor Adjustment	4,487
Deferred Fuel	<u>1,917,038</u>
Total - Texas	<u>25,332,865</u>

NEW MEXICO

01 Residential Service	1,416
03 Small Commercial Service	95,031
04 General Service	457,279
05 Irrigation Service	2,166
07 City and County Service	909,235
08 Municipal Pumping	383,836
09 Large Power Service	871,356
10 Military Research & Dev. Power	1,122,139
12 Private Area Lighting	4,221
25 Outdoor Rec. Lighting Service	6,501
26 State University Service	423,956
Deferred Fuel	<u>861,323</u>
Total - New Mexico	<u>5,138,459</u>
Total (445)	\$ <u>30,471,324</u>

Page 310

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 2016/Q4
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SALES FOR RESALE (Account 447) (Continued)

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

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

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

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

6 For requirements RQ sales and any type of-service involving demand charges imposed on a monthly (or Longer) basis, enter the average monthly billing demand in column (d), the average monthly non-coincident peak (NCP) demand in column (e), and the average monthly coincident peak (CP) demand in column (f) For all other types of service, enter NA in columns (d), (e) and (f) Monthly NCP demand is the maximum metered hourly (60-minute integration) demand in a month Monthly CP demand is the metered demand during the hour (60-minute integration) in which the supplier's system reaches its monthly peak Demand reported in columns (e) and (f) must be in megawatts Footnote any demand not stated on a megawatt basis and explain

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

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

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

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

MegaWatt Hours Sold (g)	REVENUE			Total (\$) (h+i+j) (k)	Line No
	Demand Charges (\$) (h)	Energy Charges (\$) (i)	Other Charges (\$) (j)		
62,086	2,121,059	1,553,069	98,524	3,772,652	1
32,742		541,936		541,936	2
2,565		32,785		32,785	3
2,021		55,078		55,078	4
37,107		725,975		725,975	5
292,428		7,765,691		7,765,691	6
6,486		121,976		121,976	7
1,650		47,550		47,550	8
800		18,200		18,200	9
7,190		171,806		171,806	10
4,311		96,515		96,515	11
796,426		1,435,000		1,435,000	12
214		7,052		7,052	13
11,118		259,440		259,440	14
62,086	2,121,059	1,553,069	98,524	3,772,652	
2,723,934	0	45,674,671	27,255	45,701,926	
2,786,020	2,121,059	47,227,740	125,779	49,474,578	

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 2016/Q4	
SALES FOR RESALE (Account 447)						
<p>1 Report all sales for resale (i.e., sales to purchasers other than ultimate consumers) transacted on a settlement basis other than power exchanges during the year. Do not report exchanges of electricity (i.e., transactions involving a balancing of debits and credits for energy, capacity, etc.) and any settlements for imbalanced exchanges on this schedule. Power exchanges must be reported on the Purchased Power schedule (Page 326-327)</p> <p>2 Enter the name of the purchaser in column (a). Do not abbreviate or truncate the name or use acronyms. Explain in a footnote any ownership interest or affiliation the respondent has with the purchaser.</p> <p>3 In column (b), enter a Statistical Classification Code based on the original contractual terms and conditions of the service as follows: RQ - for requirements service. Requirements service is service which the supplier plans to provide on an ongoing basis (i.e., the supplier includes projected load for this service in its system resource planning). In addition, the reliability of requirements service must be the same as, or second only to, the supplier's service to its own ultimate consumers. LF - for long-term service. "Long-term" means five years or longer and "firm" means that service cannot be interrupted for economic reasons and is intended to remain reliable even under adverse conditions (e.g., the supplier must attempt to buy emergency energy from third parties to maintain deliveries of LF service). This category should not be used for Long-term firm service which meets the definition of RQ service. For all transactions identified as LF, provide in a footnote the termination date of the contract defined as the earliest date that either buyer or seller can unilaterally get out of the contract. IF - for intermediate-term firm service. The same as LF service except that "intermediate-term" means longer than one year but less than five years. SF - for short-term firm service. Use this category for all firm services where the duration of each period of commitment for service is one year or less. LU - for Long-term service from a designated generating unit. "Long-term" means five years or longer. The availability and reliability of service, aside from transmission constraints, must match the availability and reliability of designated unit. IU - for intermediate-term service from a designated generating unit. The same as LU service except that "intermediate-term" means longer than one year but less than five years.</p>						
Line No	Name of Company or Public Authority (Footnote Affiliations) (a)	Statistical Classification (b)	FERC Rate Schedule or Tariff Number (c)	Average Monthly Billing Demand (MW) (d)	Actual Demand (MW)	
					Average Monthly NCP Demand (e)	Average Monthly CP Demand (f)
1	Los Alamos County	SF	MBR	NA	NA	NA
2	Los Angeles Dept of Water & Power	SF	MBR	NA	NA	NA
3	Macquarie Energy, LLC	SF	MBR	NA	NA	NA
4	Morgan Stanley Capital Group, Inc	SF	MBR	NA	NA	NA
5	PacifiCorp	SF	MBR	NA	NA	NA
6	Powerex Corp	SF	MBR	NA	NA	NA
7	Public Service Company of Colorado	SF	MBR	NA	NA	NA
8	Public Service Company of New Mexico	OS	MBR	NA	NA	NA
9	Public Service Company of New Mexico	SF	MBR	NA	NA	NA
10	Rainbow Energy Marketing Corp	SF	MBR	NA	NA	NA
11	Salt River Project Agricultural Improv	SF	MBR	NA	NA	NA
12	Sempra Gas & Power Marketing, LLC	SF	MBR	NA	NA	NA
13	Sempra Generation, LLC	SF	MBR	NA	NA	NA
14	Shell Energy North America (U S), L P	SF	MBR	NA	NA	NA
	Subtotal RQ			0	0	0
	Subtotal non-RQ			0	0	0
	Total			0	0	0

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 2016/Q4
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SALES FOR RESALE (Account 447) (Continued)

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

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

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

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

6 For requirements RQ sales and any type of-service involving demand charges imposed on a monthly (or Longer) basis, enter the average monthly billing demand in column (d), the average monthly non-coincident peak (NCP) demand in column (e), and the average monthly coincident peak (CP) demand in column (f) For all other types of service, enter NA in columns (d), (e) and (f) Monthly NCP demand is the maximum metered hourly (60-minute integration) demand in a month Monthly CP demand is the metered demand during the hour (60-minute integration) in which the supplier's system reaches its monthly peak Demand reported in columns (e) and (f) must be in megawatts Footnote any demand not stated on a megawatt basis and explain

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

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

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

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

MegaWatt Hours Sold (g)	REVENUE			Total (\$) (h+i+j) (k)	Line No
	Demand Charges (\$) (h)	Energy Charges (\$) (i)	Other Charges (\$) (j)		
4,373		111,271		111,271	1
800		15,280		15,280	2
112,589		2,401,426		2,401,426	3
103,556		2,119,298		2,119,298	4
9,503		185,484		185,484	5
4,379		48,724		48,724	6
6,419		145,514		145,514	7
			5,370	5,370	8
11,094		229,800		229,800	9
18,275		345,412		345,412	10
264,003		7,137,083		7,137,083	11
75		2,250		2,250	12
9,069		196,207	4,671	200,878	13
182,282		3,764,923		3,764,923	14
62,086	2,121,059	1,553,069	98,524	3,772,652	
2,723,934	0	45,674,671	27,255	45,701,926	
2,786,020	2,121,059	47,227,740	125,779	49,474,578	

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 2016/Q4	
SALES FOR RESALE (Account 447)						
<p>1 Report all sales for resale (i.e., sales to purchasers other than ultimate consumers) transacted on a settlement basis other than power exchanges during the year. Do not report exchanges of electricity (i.e., transactions involving a balancing of debits and credits for energy, capacity, etc.) and any settlements for imbalanced exchanges on this schedule. Power exchanges must be reported on the Purchased Power schedule (Page 326-327)</p> <p>2 Enter the name of the purchaser in column (a). Do not abbreviate or truncate the name or use acronyms. Explain in a footnote any ownership interest or affiliation the respondent has with the purchaser.</p> <p>3 In column (b), enter a Statistical Classification Code based on the original contractual terms and conditions of the service as follows: RQ - for requirements service. Requirements service is service which the supplier plans to provide on an ongoing basis (i.e., the supplier includes projected load for this service in its system resource planning). In addition, the reliability of requirements service must be the same as, or second only to, the supplier's service to its own ultimate consumers. LF - for long-term service. "Long-term" means five years or longer and "firm" means that service cannot be interrupted for economic reasons and is intended to remain reliable even under adverse conditions (e.g., the supplier must attempt to buy emergency energy from third parties to maintain deliveries of LF service). This category should not be used for Long-term firm service which meets the definition of RQ service. For all transactions identified as LF, provide in a footnote the termination date of the contract defined as the earliest date that either buyer or seller can unilaterally get out of the contract. IF - for intermediate-term firm service. The same as LF service except that "intermediate-term" means longer than one year but less than five years. SF - for short-term firm service. Use this category for all firm services where the duration of each period of commitment for service is one year or less. LU - for Long-term service from a designated generating unit. "Long-term" means five years or longer. The availability and reliability of service, aside from transmission constraints, must match the availability and reliability of designated unit. IU - for intermediate-term service from a designated generating unit. The same as LU service except that "intermediate-term" means longer than one year but less than five years.</p>						
Line No	Name of Company or Public Authority (Footnote Affiliations) (a)	Statistical Classification (b)	FERC Rate Schedule or Tariff Number (c)	Average Monthly Billing Demand (MW) (d)	Actual Demand (MW)	
					Average Monthly NCP Demand (e)	Average Monthly CP Demand (f)
1	Southern California Edison Co	SF	MBR	NA	NA	NA
2	Tenaska Power Services Co	OS	MBR	NA	NA	NA
3	Tenaska Power Services Co	SF	MBR	NA	NA	NA
4	TransAlta Energy Marketing (U.S.) Inc	SF	MBR	NA	NA	NA
5	TransCanada Energy Sales Ltd	SF	MBR	NA	NA	NA
6	Tri-State G & T Association Inc	OS	MBR	NA	NA	NA
7	Tri-State G & T Association Inc	SF	MBR	NA	NA	NA
8	Tucson Electric Power Co	OS	MBR	NA	NA	NA
9	Tucson Electric Power Co	SF	MBR	NA	NA	NA
10	UNS Electric Inc	SF	MBR	NA	NA	NA
11	Westar Energy, Inc	SF	MBR	NA	NA	NA
12	Arizona Electric Power Cooperative, Inc	SF	SRSG	NA	NA	NA
13	Arizona Public Service Company	SF	SRSG	NA	NA	NA
14	Public Service Company of New Mexico	SF	SRSG	NA	NA	NA
	Subtotal RQ			0	0	0
	Subtotal non-RQ			0	0	0
	Total			0	0	0

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 2016/Q4
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SALES FOR RESALE (Account 447) (Continued)

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

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

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

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

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

MegaWatt Hours Sold (g)	REVENUE			Total (\$) (h+i+j) (k)	Line No
	Demand Charges (\$) (h)	Energy Charges (\$) (i)	Other Charges (\$) (j)		
2,600		60,350		60,350	1
23,850		444,044		444,044	2
477,476		10,646,859	2,080	10,648,939	3
241,273		5,466,464		5,466,464	4
800		20,900		20,900	5
			3,560	3,560	6
10,251		196,969		196,969	7
			11,574	11,574	8
37,327		686,622		686,622	9
4,635		85,795		85,795	10
1,400		26,600		26,600	11
385		7,408		7,408	12
278		5,908		5,908	13
962		19,577		19,577	14
62,086	2,121,059	1,553,069	98,524	3,772,652	
2,723,934	0	45,674,671	27,255	45,701,926	
2,786,020	2,121,059	47,227,740	125,779	49,474,578	

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 2016/Q4
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SALES FOR RESALE (Account 447) (Continued)

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

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

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

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

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

MegaWatt Hours Sold (g)	REVENUE			Total (\$) (h+i+j) (k)	Line No
	Demand Charges (\$) (h)	Energy Charges (\$) (i)	Other Charges (\$) (j)		
1,061		22,207		22,207	1
161		3,292		3,292	2
					3
					4
					5
					6
					7
					8
					9
					10
					11
					12
					13
					14
62,086	2,121,059	1,553,069	98,524	3,772,652	
2,723,934	0	45,674,671	27,255	45,701,926	
2,786,020	2,121,059	47,227,740	125,779	49,474,578	

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 2016/Q4
FOOTNOTE DATA			

Schedule Page: 310 Line No.: 1 Column: c
Contract effective April 1, 2008.
Schedule Page: 310 Line No.: 2 Column: c
MBR = Market-Based Rate Tariff.
Schedule Page: 310.1 Line No.: 8 Column: b
Spinning reserves.
Schedule Page: 310.1 Line No.: 8 Column: j
Spinning reserves.
Schedule Page: 310.1 Line No.: 13 Column: j
Short-term transmission charged to wholesale customers.
Schedule Page: 310.2 Line No.: 2 Column: b
Non-firm energy sale.
Schedule Page: 310.2 Line No.: 3 Column: j
Short-term transmission charged to wholesale customers.
Schedule Page: 310.2 Line No.: 6 Column: b
Spinning reserves.
Schedule Page: 310.2 Line No.: 6 Column: j
Spinning reserves.
Schedule Page: 310.2 Line No.: 8 Column: b
Spinning reserves.
Schedule Page: 310.2 Line No.: 8 Column: j
Spinning reserves.
Schedule Page: 310.2 Line No.: 12 Column: c
SRSRG = Southwest Reserve Sharing Group Participation Agreement.

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 2016/Q4
ELECTRIC OPERATION AND MAINTENANCE EXPENSES				
If the amount for previous year is not derived from previously reported figures, explain in footnote				
Line No	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)	
1	1 POWER PRODUCTION EXPENSES			
2	A Steam Power Generation			
3	Operation			
4	(500) Operation Supervision and Engineering	2,773,817	2,874,988	
5	(501) Fuel	97,244,691	129,977,104	
6	(502) Steam Expenses	3,493,470	4,467,289	
7	(503) Steam from Other Sources			
8	(Less) (504) Steam Transferred-Cr			
9	(505) Electric Expenses	3,047,225	3,194,614	
10	(506) Miscellaneous Steam Power Expenses	4,111,121	4,051,323	
11	(507) Rents	965,023	1,547,639	
12	(509) Allowances	17,887	178,950	
13	TOTAL Operation (Enter Total of Lines 4 thru 12)	111,653,234	146,291,907	
14	Maintenance			
15	(510) Maintenance Supervision and Engineering	2,198,898	2,267,383	
16	(511) Maintenance of Structures	1,228,545	1,509,679	
17	(512) Maintenance of Boiler Plant	8,514,761	8,330,705	
18	(513) Maintenance of Electric Plant	10,059,147	9,025,649	
19	(514) Maintenance of Miscellaneous Steam Plant	2,768,382	3,206,654	
20	TOTAL Maintenance (Enter Total of Lines 15 thru 19)	24,769,733	24,340,070	
21	TOTAL Power Production Expenses-Steam Power (Entr Tot lines 13 & 20)	136,422,967	170,631,977	
22	B Nuclear Power Generation			
23	Operation			
24	(517) Operation Supervision and Engineering	14,243,113	14,022,475	
25	(518) Fuel	44,031,189	40,344,956	
26	(519) Coolants and Water	7,029,684	7,092,872	
27	(520) Steam Expenses	6,386,999	6,535,820	
28	(521) Steam from Other Sources			
29	(Less) (522) Steam Transferred-Cr			
30	(523) Electric Expenses	4,533,306	4,571,889	
31	(524) Miscellaneous Nuclear Power Expenses	22,224,589	21,824,231	
32	(525) Rents			
33	TOTAL Operation (Enter Total of Lines 24 thru 32)	98,448,880	94,392,243	
34	Maintenance			
35	(528) Maintenance Supervision and Engineering	3,383,142	3,262,585	
36	(529) Maintenance of Structures	1,362,010	1,178,941	
37	(530) Maintenance of Reactor Plant Equipment	7,766,157	7,743,125	
38	(531) Maintenance of Electric Plant	7,940,162	8,873,180	
39	(532) Maintenance of Miscellaneous Nuclear Plant	2,108,837	1,784,461	
40	TOTAL Maintenance (Enter Total of lines 35 thru 39)	22,560,308	22,842,292	
41	TOTAL Power Production Expenses-Nuc Power (Entr tot lines 33 & 40)	121,009,188	117,234,535	
42	C Hydraulic Power Generation			
43	Operation			
44	(535) Operation Supervision and Engineering			
45	(536) Water for Power			
46	(537) Hydraulic Expenses			
47	(538) Electric Expenses			
48	(539) Miscellaneous Hydraulic Power Generation Expenses			
49	(540) Rents			
50	TOTAL Operation (Enter Total of Lines 44 thru 49)			
51	C Hydraulic Power Generation (Continued)			
52	Maintenance			
53	(541) Maintenance Supervision and Engineering			
54	(542) Maintenance of Structures			
55	(543) Maintenance of Reservoirs, Dams, and Waterways			
56	(544) Maintenance of Electric Plant			
57	(545) Maintenance of Miscellaneous Hydraulic Plant			
58	TOTAL Maintenance (Enter Total of lines 53 thru 57)			
59	TOTAL Power Production Expenses-Hydraulic Power (tot of lines 50 & 58)			

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ELECTRIC OPERATION AND MAINTENANCE EXPENSES (Continued)				
If the amount for previous year is not derived from previously reported figures, explain in footnote				
Line No	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)	
60	D Other Power Generation			
61	Operation			
62	(546) Operation Supervision and Engineering	380,254	293,824	
63	(547) Fuel	32,715,926	18,296,645	
64	(548) Generation Expenses	695,028	323,492	
65	(549) Miscellaneous Other Power Generation Expenses	1,399,769	1,305,026	
66	(550) Rents	43,058	25,187	
67	TOTAL Operation (Enter Total of lines 62 thru 66)	35,234,035	20,244,174	
68	Maintenance			
69	(551) Maintenance Supervision and Engineering	521	5,819	
70	(552) Maintenance of Structures	38,123	83,874	
71	(553) Maintenance of Generating and Electric Plant	2,706,044	1,703,890	
72	(554) Maintenance of Miscellaneous Other Power Generation Plant	353,336	350,917	
73	TOTAL Maintenance (Enter Total of lines 69 thru 72)	3,098,024	2,144,500	
74	TOTAL Power Production Expenses-Other Power (Enter Tot of 67 & 73)	38,332,059	22,388,674	
75	E Other Power Supply Expenses			
76	(555) Purchased Power	59,727,142	53,545,204	
77	(556) System Control and Load Dispatching	1,098,379	1,314,423	
78	(557) Other Expenses	85,500	117,960	
79	TOTAL Other Power Supply Exp (Enter Total of lines 76 thru 78)	60,911,021	54,977,587	
80	TOTAL Power Production Expenses (Total of lines 21, 41, 59, 74 & 79)	356,675,235	365,232,773	
81	2 TRANSMISSION EXPENSES			
82	Operation			
83	(560) Operation Supervision and Engineering	1,641,654	1,629,572	
84				
85	(561 1) Load Dispatch-Reliability	76,925	85,902	
86	(561 2) Load Dispatch-Monitor and Operate Transmission System	770,296	757,504	
87	(561 3) Load Dispatch-Transmission Service and Scheduling	771,095	711,321	
88	(561 4) Scheduling, System Control and Dispatch Services	628,585	870,605	
89	(561 5) Reliability, Planning and Standards Development	975,328	889,453	
90	(561 6) Transmission Service Studies			
91	(561 7) Generation Interconnection Studies			
92	(561 8) Reliability, Planning and Standards Development Services			
93	(562) Station Expenses	312,087	409,908	
94	(563) Overhead Lines Expenses	305,124	266,072	
95	(564) Underground Lines Expenses			
96	(565) Transmission of Electricity by Others	6,274,714	6,052,064	
97	(566) Miscellaneous Transmission Expenses	6,277,658	5,015,429	
98	(567) Rents	299,485	272,691	
99	TOTAL Operation (Enter Total of lines 83 thru 98)	18,332,951	16,960,521	
100	Maintenance			
101	(568) Maintenance Supervision and Engineering	75,245	87,681	
102	(569) Maintenance of Structures	14,182	16,750	
103	(569 1) Maintenance of Computer Hardware			
104	(569 2) Maintenance of Computer Software			
105	(569 3) Maintenance of Communication Equipment			
106	(569 4) Maintenance of Miscellaneous Regional Transmission Plant			
107	(570) Maintenance of Station Equipment	584,272	461,801	
108	(571) Maintenance of Overhead Lines	1,286,512	1,573,894	
109	(572) Maintenance of Underground Lines			
110	(573) Maintenance of Miscellaneous Transmission Plant	50,467	18,972	
111	TOTAL Maintenance (Total of lines 101 thru 110)	2,010,678	2,159,098	
112	TOTAL Transmission Expenses (Total of lines 99 and 111)	20,343,629	19,119,619	

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ELECTRIC OPERATION AND MAINTENANCE EXPENSES (Continued)				
If the amount for previous year is not derived from previously reported figures, explain in footnote				
Line No	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)	
113	3 REGIONAL MARKET EXPENSES			
114	Operation			
115	(575 1) Operation Supervision			
116	(575 2) Day-Ahead and Real-Time Market Facilitation			
117	(575 3) Transmission Rights Market Facilitation			
118	(575 4) Capacity Market Facilitation			
119	(575 5) Ancillary Services Market Facilitation			
120	(575 6) Market Monitoring and Compliance			
121	(575 7) Market Facilitation, Monitoring and Compliance Services			
122	(575 8) Rents			
123	Total Operation (Lines 115 thru 122)			
124	Maintenance			
125	(576 1) Maintenance of Structures and Improvements			
126	(576 2) Maintenance of Computer Hardware			
127	(576 3) Maintenance of Computer Software			
128	(576 4) Maintenance of Communication Equipment			
129	(576 5) Maintenance of Miscellaneous Market Operation Plant			
130	Total Maintenance (Lines 125 thru 129)			
131	TOTAL Regional Transmission and Market Op Exps (Total 123 and 130)			
132	4 DISTRIBUTION EXPENSES			
133	Operation			
134	(580) Operation Supervision and Engineering	647,365	711,114	
135	(581) Load Dispatching			
136	(582) Station Expenses	1,161,023	1,347,020	
137	(583) Overhead Line Expenses	578,990	554,929	
138	(584) Underground Line Expenses	563,115	497,696	
139	(585) Street Lighting and Signal System Expenses	10,149	240,681	
140	(586) Meter Expenses	2,195,953	2,093,552	
141	(587) Customer Installations Expenses	545,599	530,201	
142	(588) Miscellaneous Expenses	8,913,829	9,244,593	
143	(589) Rents	178,335	108,785	
144	TOTAL Operation (Enter Total of lines 134 thru 143)	14,794,358	15,328,571	
145	Maintenance			
146	(590) Maintenance Supervision and Engineering	64	4	
147	(591) Maintenance of Structures	1,525	113	
148	(592) Maintenance of Station Equipment	1,035,161	845,607	
149	(593) Maintenance of Overhead Lines	5,283,036	5,324,313	
150	(594) Maintenance of Underground Lines	578,357	521,946	
151	(595) Maintenance of Line Transformers	14,105	6,826	
152	(596) Maintenance of Street Lighting and Signal Systems	207,137	388,684	
153	(597) Maintenance of Meters	298,084	205,373	
154	(598) Maintenance of Miscellaneous Distribution Plant	456,795	259,990	
155	TOTAL Maintenance (Total of lines 146 thru 154)	7,874,264	7,552,856	
156	TOTAL Distribution Expenses (Total of lines 144 and 155)	22,668,622	22,881,427	
157	5 CUSTOMER ACCOUNTS EXPENSES			
158	Operation			
159	(901) Supervision		111	
160	(902) Meter Reading Expenses	2,523,572	2,578,425	
161	(903) Customer Records and Collection Expenses	13,389,220	14,137,531	
162	(904) Uncollectible Accounts	2,426,488	1,876,782	
163	(905) Miscellaneous Customer Accounts Expenses	514,170	555,086	
164	TOTAL Customer Accounts Expenses (Total of lines 159 thru 163)	18,853,450	19,147,935	

[illegible]