

EL PASO ELECTRIC CO /TX/
Form 10-Q
August 07, 2015
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form 10-Q
(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended June 30, 2015

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission file number 001-14206

El Paso Electric Company

(Exact name of registrant as specified in its charter)

Texas

74-0607870

(State or other jurisdiction of incorporation or organization)

(I.R.S. Employer Identification No.)

Stanton Tower, 100 North Stanton, El Paso, Texas

79901

(Address of principal executive offices)

(Zip Code)

(915) 543-5711

(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past

90 days. YES NO

Indicate by check mark whether the registrant submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). YES NO

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See definitions of "large accelerated filer", "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer Accelerated filer

Non-accelerated filer Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). YES NO

As of July 31, 2015, there were 40,424,525 shares of the Company's no par value common stock outstanding.

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PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

EL PASO ELECTRIC COMPANY
BALANCE SHEETS

	June 30, 2015 (Unaudited)	December 31, 2014
ASSETS		
(In thousands)		
Utility plant:		
Electric plant in service	\$3,557,941	\$3,229,255
Less accumulated depreciation and amortization	(1,303,188) (1,266,672)
Net plant in service	2,254,753	1,962,583
Construction work in progress	232,954	414,284
Nuclear fuel; includes fuel in process of \$31,378 and \$46,996, respectively	189,926	185,185
Less accumulated amortization	(74,877) (73,701)
Net nuclear fuel	115,049	111,484
Net utility plant	2,602,756	2,488,351
Current assets:		
Cash and cash equivalents	10,364	40,504
Accounts receivable, principally trade, net of allowance for doubtful accounts of \$1,609 and \$2,253, respectively	91,947	71,165
Accumulated deferred income taxes	23,263	13,957
Inventories, at cost	48,702	45,889
Under-collection of fuel revenues	—	10,253
Prepayments and other	16,456	12,213
Total current assets	190,732	193,981
Deferred charges and other assets:		
Decommissioning trust funds	237,608	234,286
Regulatory assets	109,186	112,086
Other	31,193	30,597
Total deferred charges and other assets	377,987	376,969
Total assets	\$3,171,475	\$3,059,301

See accompanying notes to financial statements.

Table of ContentsEL PASO ELECTRIC COMPANY
BALANCE SHEETS (Continued)

	June 30, 2015 (Unaudited)	December 31, 2014
CAPITALIZATION AND LIABILITIES		
(In thousands except for share data)		
Capitalization:		
Common stock, stated value \$1 per share, 100,000,000 shares authorized, 65,705,078 and 65,725,246 shares issued, and 137,247 and 124,297 restricted shares, respectively	\$65,842	\$65,850
Capital in excess of stated value	318,927	318,515
Retained earnings	1,033,846	1,032,537
Accumulated other comprehensive loss, net of tax	(10,564) (8,001)
	1,408,051	1,408,901
Treasury stock, 25,416,441 and 25,492,919 shares, respectively, at cost	(423,373) (424,647)
Common stock equity	984,678	984,254
Long-term debt, net of current portion	1,134,231	1,134,179
Total capitalization	2,118,909	2,118,433
Current liabilities:		
Current maturities of long-term debt	15,000	15,000
Short-term borrowings under the revolving credit facility	128,072	14,532
Accounts payable, principally trade	61,676	78,862
Taxes accrued	23,772	28,210
Interest accrued	12,865	12,758
Over-collection of fuel revenues	1,512	932
Other	27,384	24,715
Total current liabilities	270,281	175,009
Deferred credits and other liabilities:		
Accumulated deferred income taxes	491,650	474,154
Accrued pension liability	89,231	94,272
Accrued post-retirement benefit liability	62,092	59,342
Asset retirement obligation	78,003	74,577
Regulatory liabilities	24,125	26,099
Other	37,184	37,415
Total deferred credits and other liabilities	782,285	765,859
Commitments and contingencies		
Total capitalization and liabilities	\$3,171,475	\$3,059,301
See accompanying notes to financial statements.		

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EL PASO ELECTRIC COMPANY
STATEMENTS OF OPERATIONS
(Unaudited)
(In thousands except for share data)

Three Months Ended		Six Months Ended	
June 30,		June 30,	
2015	2014	2015	2014