

EL PASO ELECTRIC CO /TX/
Form 8-K
August 28, 2012

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

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

Date of Report (Date of earliest event reported):
August 28, 2012

El Paso Electric Company
(Exact name of registrant as specified in its charter)

Texas (State or other jurisdiction of incorporation)	001-14206 (Commission File Number)	74-0607870 (I.R.S. Employer Identification No.)
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Stanton Tower, 100 North Stanton, El Paso, Texas (Address of principal executive offices)	79901 (Zip Code)
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(915) 543-5711
(Registrant's telephone number, including area code)

N/A
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- .. Written communication pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- .. Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

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.. Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

.. Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 8.01 Other Events.

On August 28, 2012, El Paso Electric Company (the “Company”) completed refinancing transactions related to an aggregate principal amount of \$92,535,000 in pollution control indebtedness.

Maricopa County, Arizona Pollution Control Corporation Pollution Control Refunding Revenue Bonds, 2012 Series A (El Paso Electric Company Palo Verde Project)

On August 28, 2012, the Company completed a refunding transaction related to an aggregate principal amount of \$59,235,000 in pollution control indebtedness. As part of the refunding, the Maricopa County, Arizona Pollution Control Corporation (the “Issuer”) issued and sold \$59,235,000 principal amount of Pollution Control Refunding Revenue Bonds, 2012 Series A (El Paso Electric Company Palo Verde Project) (the “Maricopa Bonds”) pursuant to an Indenture of Trust dated August 1, 2012 (the “Indenture”) between the Issuer and Union Bank, N.A., as trustee (the “Trustee”). The Maricopa Bonds (i) bear interest at an annual rate of 4.50%, (ii) will mature on August 1, 2042, (iii) are unsecured obligations, and (iv) are not supported by any credit enhancement facility. The Maricopa Bonds are subject to optional redemption, in whole or in part on any business day on or after August 1, 2022 at a redemption price equal to the principal amount being redeemed together with the accrued interest on such principal amount to the date fixed for redemption.

The Maricopa Bonds were issued to provide funds, together with other moneys available from the Company, necessary to redeem and refund the Issuer's Pollution Control Refunding Revenue Bonds, 2005 Series A (El Paso Electric Company Palo Verde Project) in the aggregate principal amount of \$59,235,000 (the “Prior Maricopa Bonds”). The Issuer will be obligated to pay the principal of, premium, if any, and interest on the Maricopa Bonds solely out of moneys held in trust under the Indenture and the receipts and revenues of the Issuer under the Loan Agreement, dated as of August 1, 2012 between the Company and the Issuer (the “Loan Agreement”). Under the Indenture, the receipts and revenues from the Company pursuant to the Loan Agreement have been pledged to the Trustee as security, equally and ratably, for the payment of the Maricopa Bonds. The payments required to be made by the Company pursuant to the Loan Agreement are sufficient, together with other funds available for such purpose, to pay the principal of, premium, if any, and interest on the Maricopa Bonds. The obligations of the Company to make payments under the Loan Agreement will not be secured by any facilities or a pledge of any securities or any other property of the Company.

The Loan Agreement contains standard representations, covenants and events of default for facilities of this type, including acceleration of indebtedness upon certain events of default. Events of default under the Loan Agreement include (i) a failure by the Company to make when due any payment under the Loan Agreement, which failure results in an event of default by the Issuer related to a payment of principal or interest when due under the Indenture; (ii) a failure by the Company to pay when due any other payment required under the Loan Agreement or to observe and perform any other covenant, condition or agreement, subject to certain conditions; (iii) certain bankruptcy or insolvency-related conditions relating to the Company; and (iv) the occurrence and continuance of an event of default under the Indenture.

City of Farmington, New Mexico Pollution Control Revenue Refunding Bonds, 2012 Series A (El Paso Electric Company Four Corners Project)

On August 28, 2012, the Company also completed a remarketing transaction related to an aggregate principal amount of \$33,300,000 in pollution control indebtedness (the “Remarketing”). As previously disclosed in the Company's Current Report on Form 8-K filed on August 2, 2012, the City of Farmington, New Mexico (the “City”) issued and sold \$33,300,000 principal amount of Pollution Control Revenue Refunding Bonds, 2012 Series A (El Paso Electric Company Four Corners Project) (the “Farmington Bonds”) pursuant to an Ordinance adopted by the City on June 12, 2012 (the “Ordinance”) between the City and the Trustee. The Bonds were issued to provide funds, together with other moneys available from the Company, necessary to redeem and refund the City's Pollution Control Revenue Refunding Bonds, 2002 Series A (El Paso Electric Company Four Corners Project). The Company purchased the Farmington Bonds on August 1, 2012. The Farmington Bonds initially bore interest at a weekly interest rate as determined pursuant to the provisions of the Ordinance. As part of the remarketing, the Company sold the Farmington Bonds through U.S. Bancorp Investments, Inc., which served as remarketing agent for the Farmington Bonds. The

Farmington Bonds (i) bear interest at an annual rate of 1.875%, (ii) mature on June 1, 2032, (iii) are unsecured obligations, and (iv) are not supported by any credit enhancement facility. The Farmington Bonds are subject to mandatory tender for purchase on September 1, 2017 at a purchase price equal to 100% of the principal amount thereof plus accrued interest with no right of election to retain such Farmington Bonds and the holders of such Farmington Bonds will be required to tender such Farmington Bonds for mandatory purchase.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

EL PASO ELECTRIC COMPANY
(Registrant)

Date: August 28, 2012

By: /s/ David G. Carpenter

Name: David G. Carpenter

Title: Senior Vice President - Chief Financial Officer