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### 1. Purpose

It is the policy of El Paso Electric Company (“EPE” or the “Company”) that all employees and directors comply with the requirements of Regulation FD. Employees and directors are not permitted to make any disclosure of material nonpublic information about EPE to any person or entity outside EPE, unless disclosure of the information:

- is approved by the Disclosure Committee or appropriate persons (see below) and
- is made simultaneously to the public, through a means of public disclosure (as determined by the Disclosure Committee).

This prohibition does not include disclosure to a person or entity who:

- owes a duty of trust to EPE (such as its outside counsel, independent accountants or investment bankers) or
- has expressly agreed with EPE to keep the information confidential.

Information is “material” if its disclosure would be likely to have an impact on the price of a security or if reasonable investors would want to know the information before making an investment decision. In other words, information is material if it would

significantly alter the total mix of information currently available regarding the security (AIMR Standards of Practice Handbook – Seventh Edition (1996)). Material information includes information that has not previously been disclosed to the general public by means of a press release, filings with the Securities and Exchange Commission (SEC), other governmental entities or the media for broad public access.

## 2. Scope

This policy covers all officers and employees of EPE and its Board of Directors. The following is a (nonexhaustive) list of some of the areas covered by this policy: news and earnings releases and related conference calls, earnings guidance, letters to shareholders, speeches and other presentations by management, responses to market rumors, and information contained in EPE's web site. This policy also covers oral statements made in either group or individual meetings with analysts, broker/dealers, investment advisors, institutional investment managers, investment companies (or any person associated or affiliated with any of them) and shareholders (collectively, the "investment community"), phone calls with the investment community, site visits and inspection tours, and interviews and press conferences with the media.

## 3. Policy

### 3.1. Requirements of Regulation FD

Under Regulation FD, no Covered Person may make an intentional disclosure of material nonpublic information about EPE to Regulation FD Persons unless public disclosure of such information is made simultaneously. Covered Persons may not avoid the prohibitions of Regulations FD by directing others, including lower level employees, to make a disclosure. Unintentional disclosure of material nonpublic information about EPE to Regulation FD Persons will trigger a required public disclosure of such information promptly thereafter.

- "Covered Persons" means all members of the Board of Directors of EPE, all executive officers of EPE and all other officers, employees and agents of EPE who regularly communicate with analysts or actual or potential investors in EPE's securities, and anyone else who may be authorized to make any public disclosure on behalf of EPE.
- A selective disclosure of material nonpublic information is "intentional" when the person making the disclosure either knows, or is reckless in not knowing, that the information he or she is communicating is both material and nonpublic.
- "Promptly" means as soon as reasonably practicable (but in no event after the later of 24 hours or the commencement of the next day's trading on

the New York Stock Exchange) after a Covered Person learns that there has been an unintentional disclosure of material nonpublic information.

- “Public disclosure” of information about EPE may be made in one of two methods: (1) filing with or furnishing to the SEC a Current Report on Form 8-K (or another public filing, such as an annual report on Form 10-K or a quarterly report on Form 10-Q) disclosing that information; or (2) disseminating the information through another method (or combination of methods) of disclosure that is reasonably designed to provide broad, non-exclusionary distribution of the information to the public. Public dissemination of information under clause (2) will generally be satisfied by the distribution of a press release through widely circulated news and wire services or through other media which EPE has previously notified the investment community will be used for Regulation FD communications. Disclosure of information on an “open access” conference call the details of which have been made adequately known to the public may also constitute public disclosure.

“Regulation FD Persons” means, generally, (1) brokers or dealers, or persons associated with a broker or dealer (which includes buy-side or sell-side analysts); (2) investment advisers, investment managers or persons associated with an investment adviser or investment managers; (3) investment companies (including mutual funds) and certain entities that would be investment companies but for certain exceptions, or an affiliated person of any such entity; and (4) holders of any of EPE’s securities; provided that in the case of this clause (4) it is reasonably foreseeable that such holder will purchase or sell EPE securities on the basis of selectively disclosed information. Given the potentially serious consequences of violations of Regulation FD, when in doubt assume that the audience for the disclosure includes Regulation FD Persons and promptly consult the Chief Executive Officer (CEO), Chief Financial Officer (CFO) and/or the Senior Vice President, General Counsel and Chief Compliance Officer (CCO).

### **3.2. Exceptions to Regulation FD Prohibitions on Disclosures**

Regulation FD permits disclosures of material nonpublic information about EPE by Covered Persons to selected groups who are not reasonably expected to trade on the information, such as:

- persons who owe a duty of trust or confidence to EPE (e.g., attorneys, investment bankers or accountants or those who have expressly agreed to maintain the disclosed information in confidence and not trade on the basis of such information),
- rating agencies, in connection with developing a publicly available credit rating, and

- broad-based electronic, print, television and other media.

In addition, there is a general exception for disclosures made in connection with most securities offerings registered with the SEC.

### **3.3. Audit Committee**

The Board of Directors of EPE has created an Audit Committee consisting of Board members who are independent of management. Among other things, the Audit Committee is responsible for reviewing EPE's internal controls and policies with respect to public disclosures of financial information in earnings releases, earnings guidance and other presentations to analysts and rating agencies. All of the disclosure policies and procedures set forth in this Regulation FD Disclosure Policy are subject to review and oversight by the Audit Committee.

### **3.4. Disclosure Committee**

EPE has established a Disclosure Committee, comprised of certain officers and supervisory-level employees, to provide assurances that all disclosures made by EPE to its shareholders and the public are accurate and complete, fairly represent EPE's financial condition and results of operations in all material respects, and made on a timely basis as required by applicable laws and regulations. The Disclosure Committee will review the Company's SEC filings and other public statements to determine whether any revisions are necessary prior to its dissemination.

### **3.5. Authorized Financial Spokespersons**

The CEO, CFO and Treasurer are the financial spokespersons for EPE when communicating with the investment community and financial media. Others may from time to time be designated by the CEO or CFO to speak on behalf of EPE or to respond to specific inquiries from the investment community. No other employee is authorized to communicate material non-public information about EPE except for valid business purposes under a non-disclosure agreement. Authorized spokespersons, senior management and other key employees will be trained periodically to comply with the requirements of Regulation FD, and to recognize potential violations in order to pursue the proper remedial action; and will consult with the EPE legal department as necessary.

### **3.6. Earnings Guidance**

After review and approval by the Audit and Disclosure Committees, the CEO, CFO, Treasurer, or such other financial spokespersons as may be designated from time to time may provide earnings guidance in a publicly accessible forum, such as earnings conference calls and subsequent webcast analyst presentations

(which will be made available on the EPE website). However, spokespersons shall refrain from updating or making forward-looking projections during one-on-one and other meetings with the investment community. Subsequent iteration of earnings guidance during that quarter is a confirmation of such guidance and shall not be given. Even implicit confirmation that the Company is, or remains, comfortable with analysts' consensus on earnings or other components of the Company's expected performance or results may be a violation of Regulation FD, unless simultaneous public disclosure is made. Forward-looking statements made by EPE will be identified as such and must be accompanied with meaningful cautionary language that warns investors that there is a risk that the statement could change materially and that EPE does not undertake to update any forward-looking statements.

### **3.7. Earnings Release and Conference Calls**

After review and approval by the Audit and Disclosure Committees, the CEO, CFO, Treasurer, or such other financial spokespersons as may be designated from time to time may issue periodic earnings releases. Prior to an earnings release date, EPE will observe a quiet period, during which management will not discuss with analysts or comment on expected financial results. The quiet period will begin on the 10th calendar day after the end of each quarter and continue until the Company's earnings conference call. Management, however, in consultation with, and with the approval of EPE's General Counsel and the Chairman of the Audit Committee, may elect to make an exception to the quiet period policy in order to discuss matters of material importance to the Company's business, except that in no event shall EPE comment on its financial results or outlook during the quiet period. A conference call and webcast will be scheduled to discuss quarterly earnings results on or about the day of the earnings release. A scripted outline of the earnings release shall be used which includes cautionary, safe harbor language. Conference calls shall be made available to all members of the investment community, other interested parties, and the general public. Conference playback will be available for at least one week after the call. The conference call will also be web cast live and should remain accessible via the Internet for a period of at least one week but may be dated and archived on the website for research purposes for up to one year.

### **3.8. Review of Analyst Reports**

It is EPE's policy to review, upon request, analyst models and reports for factual information only. EPE will not confirm or comment on the accuracy of the analysts' conclusions, earnings estimates, or express an opinion regarding the subjective information included in the model or report. Any review of analyst reports must be completed within seven days after an earnings call. Confirmation of factual accuracy of assumptions is provided to the extent that the assumptions can be

found in a publicly available document, such as documents filed with the SEC or documents filed with the public regulatory commissions in Texas and New Mexico. Earnings guidance, other than that publicly disclosed in the manner discussed above, shall not be provided to analysts.

### **3.9. Distribution of Analyst Reports**

EPE does not distribute analysts' reports to investors nor comment on the conclusions drawn by analysts.

### **3.10. "One-on-One" Shareholder and Analyst Meetings**

Authorized spokespersons of EPE may from time to time meet with its shareholders on a "one-to-one" basis to provide them with information on the status of the Company but shall comment only on historical information and events that previously have been publicly disclosed. Spokespersons shall refrain from updating or making forward-looking projections during one-on-one and other meetings with the investment community.

"One-on-one" meetings may only be conducted by two or more authorized spokespersons. A statement that forward-looking information may be discussed during the course of the meeting and referral to appropriate cautionary statements contained in publicly available documents pursuant to the Safe Harbor Act will be made at all such meetings, whether group or individual.

The CEO, CFO, Treasurer, or such other financial spokespersons as may be designated from time to time may represent EPE at analyst meetings. New, non-public, material information may not be disclosed at such meetings. Meetings will be monitored for inadvertent disclosure of material information and appropriate remedies will be taken as described below in "Inadvertent Disclosure of Information."

### **3.11. Speeches, Interviews, and Conferences with Investment Professionals**

Any participation by EPE employees, officers, or directors in a speech, interview or conference in a forum where shareholders or investment professionals may be in attendance must have the script and/or presentation materials containing material information for such event reviewed and approved by the appropriate persons or one or more members of the Disclosure Committee prior to participation in the event and made public prior to or simultaneously with the disclosure of such information at the event. EPE participants should adhere to the script and not disclose any material nonpublic information about EPE during any "break out" or question-and-answer sessions.

- The CEO, CFO or CCO must approve any participation in these events at

any time outside of EPE's open trading window.

- EPE employees, officers, or directors will only participate in securities firm-sponsored events or other investment conferences if they are webcast and adequate prior public notice is provided, unless otherwise approved by the CEO, CFO or CCO. EPE will issue a press release, which may also be furnished on a Form 8-K to the SEC, in conjunction with such participations.

### **3.12. Company Website and Use of Social Media**

EPE's website currently includes contact information, financial documents previously filed with the SEC, links to the SEC EDGAR site and the New York Stock Exchange (NYSE) site, and may include stock and debt repurchase data, climate and sales data, schedules of upcoming events, financial news releases, EPE's Annual Report, presentations, and a "frequently asked questions" section. In accordance with the recent guidance from the SEC, the Company will notify the investment community in its periodic filings under the Securities Exchange Act of 1934 that it may use the "Investor Relations" section of the website, as well as Facebook, LinkedIn, Twitter, YouTube and other non-traditional means of communication, to communicate with investors about the Company and that it is possible that financial and other information posted there could be deemed to be material information. No postings of material information may be made without the approval of the CEO, CFO or CCO or review by the Disclosure Committee.

### **3.13. Responding to Market Rumors**

EPE spokespersons currently do not respond to market rumors or speculation. EPE may respond to rumors if requested to do so by the NYSE if the rumor is believed to be the source of market volatility. In such event, EPE may issue a press release within the time required under the rules of the NYSE, stating its position with regard to the rumor and to correct misinformation. The executive officers shall consider developing a standard press release to be used in such instances.

### **3.14. Site Visits or Inspections**

Site visits and inspection tours by shareholders or investment professionals should be approved by the CEO, CFO or CCO. In addition, an authorized spokesperson should generally accompany the tour. All disclosures during these visits and tours will be subject to the procedures set forth in this policy.

### **3.15. Inadvertent Disclosure of Information**

If any director, officer or employee believes that a disclosure of material nonpublic information about EPE may have occurred, such person shall

immediately notify the CEO, the CFO and/or the CCO. If the executive officers determine that such information is material and nonpublic, EPE shall file a Form 8-K with the SEC disclosing that information. Such filing shall be made no later than 24 hours after the inadvertent disclosure or the commencement of the next day's trading on the NYSE.

Violations of Regulation FD are subject to SEC enforcement actions, which may include an administrative action seeking a cease-and-desist order, a civil action against the Company or an individual seeking an injunction and/or civil monetary penalties. Violations of this policy may constitute grounds for disciplinary action, including dismissal. Employees are encouraged to report possible violations of this policy either to the General Counsel or through EPE's confidential whistleblower hotline.

#### 4. Revision and Approval History

Revision History			Approvers	
Effective Date	Revision Number	Description of Change	Owner	Executive Sponsor
04/16/2010	1.0	New Policy – No Reference Section	Office of the General Counsel	Mary E. Kipp
11/18/2011	1.1	<u>Earnings Release and Conference Calls</u> – added “and with the approval of EPE’s General Counsel and”	Office of the General Counsel	David G. Carpenter and Mary E. Kipp
11/21/2013	1.2	<u>Earnings Release and Conference Calls</u> – added quiet Period beginning date. Also, reflects recent developments in securities law practice as well as updates to the roles and oversight responsibilities of management and the Disclosure Committee in order to continue to ensure compliance with all applicable federal, state, local, stock exchange, and other requirements related to the disclosure of material information.	Office of the General Counsel	Mary E. Kipp
05/29/2014	1.3	<u>Earnings Release and Conference Calls</u> – lengthening of quiet period, which will begin on the 10 <sup>th</sup> calendar day after the end of each quarter and continue until the Company’s earnings conference call.	Office of the General Counsel	Mary E. Kipp
05/29/2014	1.4	There were no content changes. Policy converted to new template.	Office of the General Counsel	Adrian J. Rodriguez