



El Paso Electric Files Required Base Rate Review in New Mexico to Comply with NMPRC Order

5/29/2020

NEW MEXICO--(BUSINESS WIRE)-- As required by the New Mexico Public Regulation Commission (NMPRC) in connection with an order in 2016, El Paso Electric (EPE) (NYSE: EE) today filed a base rate review with the NMPRC. The timing for the review and the deadline for filing today was set in January 2020 and approved by the NMPRC in March 2020.

"The timing of this filing is required to comply with an order originally issued in 2016 from the NMPRC. We are sensitive to the timing of this rate review, and as a regulated electric utility, we respect the process and the policies and procedures set forth by all of our regulators, including the NMPRC," stated EPE interim CEO Adrian J. Rodriguez. "We are committed to providing affordable, reliable energy to our customers, and this commitment is unwavering, especially in light of the financial challenges that COVID-19 has created for so many in our community. We will be working closely with the NMPRC and all interested parties in this case."

Consistent with the NMPRC Order, the review will consider \$1.2 billion of investments EPE has made since 2015, the year the last rate review was filed in New Mexico, in infrastructure upgrades and modernization to enhance the resiliency of its electrical infrastructure and grid to safely and cost-effectively serve its southern New Mexican customers, in a cleaner and more efficient way. The review will also consider EPE's proposed expanded pricing options to promote efficient use of energy for all customers.

The regulatory process can take anywhere from 9 months to a year to reach a final approved decision. The next step in the process will be for the NMPRC to assign a Hearing Examiner and establish a procedural schedule in the next few months.

The NMPRC last approved a rate change for EPE in 2016. The proposal currently contemplates (i) a rate decrease for small-to-medium commercial customers (ii) a total rate increase of \$6.879 million or \$8.79 increase per month, on average, for a residential electric customer in the summer and \$5.30 increase per month on average in the winter

and (iii) the removal of the coal-fired Four Corners Power Plant from rates which EPE no longer owns and the addition of Montana Power Station Units 3 and 4 into rate base (EPE brought these power plants online in 2016). EPE will work closely with the NMPRC and any intervenors throughout this process.

About El Paso Electric

El Paso Electric is a regional electric utility providing generation, transmission and distribution service to approximately 435,000 retail and wholesale customers in a 10,000 square mile area of the Rio Grande valley in west Texas and southern New Mexico.

View source version on **businesswire.com**: <https://www.businesswire.com/news/home/20200529005672/en/>

El Paso Electric:

Media Contact

George De La Torre | 915.493.5608
george.delatorre@epelectric.com

Investor Relations Contact

Lisa Budtke | 915.543.5947
lisa.budtke@epelectric.com

Source: El Paso Electric