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El Paso Electric Plans to Seek Delay of 2017 New Mexico Rate Case

EL PASO, Texas--(BUSINESS WIRE)-- El Paso Electric Company (NYSE: EE) announced today that it plans to seek a delay of its 2017 rate case filing in New Mexico.

Case No. 15-00109-UT, the docket in which the New Mexico Public Regulation Commission ("NMPRC") authorized the Company to sell its interest in the Four Corners Power Plant, requires the Company to make a general rate case filing in the second quarter of 2017 using a historical test year ended December 31, 2016. The Company has met with Staff of the NMPRC and the Office of the New Mexico Attorney General to discuss filing a motion to amend the order in Case No. 15-00109-UT to allow for the delay of a rate case filing, and the proposal will be circulated among other intervening parties in that case for their positions. Any motion would be subject to approval by the Commission.

"Our preliminary analysis indicates that the revenue deficiency in New Mexico does not justify the expense necessary to proceed with a rate case using the dates outlined in the order from the Four Corners Power Plant case," said Mary Kipp, El Paso Electric CEO. "If allowed to delay the rate increase request in New Mexico our resources can be utilized to work on other corporate initiatives and to provide enough time to fully analyze our options regarding our investments in Palo Verde Unit 3. While recovery of our significant investments like Montana Power Station Units 3 and 4 is important and will be pursued at a later time if the delay is approved, we don't expect the postponement of this rate case to significantly impact our financial performance."

El Paso Electric is a regional electric utility providing generation, transmission and distribution service to approximately 411,000 retail and wholesale customers in a 10,000 square mile area of the Rio Grande valley in west Texas and southern New Mexico. El Paso Electric's common stock trades on the New York Stock Exchange under the symbol EE.

Safe Harbor

This news release includes statements that may constitute forward-looking statements made pursuant to the safe harbor provisions of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. This information often involves risks and uncertainties that could cause actual results to differ materially from such forward-looking statements. Factors that could cause or contribute to such differences, include, but are not limited to: (i) increased prices for fuel and purchased power and the possibility that regulators may not permit the Company to pass through all such increased costs to customers or to recover previously incurred fuel costs in rates; (ii) full and timely recovery of capital investments and operating costs through rates in Texas and New Mexico; and (iii) other factors detailed by the Company in its public filings with the U.S. Securities and Exchange Commission (the "SEC"). The Company's SEC filings are available from the SEC or may be obtained through the Company's website, <http://www.epelectric.com>. Although the Company believes that the expectations reflected in these forward-looking statements are reasonable, no assurances can be given that these expectations will prove to be correct. Any such forward-looking statement is qualified by reference to these risks and factors. The Company cautions that these risks and factors are not exclusive. The Company does not undertake to update any forward-looking statement that may be made from time to time by or on behalf of the Company except as required by law.

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