



August 24, 2017

## **Administrative Law Judges Issue Order to Abate Hearing in El Paso Electric Company's Texas Rate Case**

EL PASO, Texas--(BUSINESS WIRE)-- On August 24, 2017, the Administrative Law Judges (ALJs) in El Paso Electric Company's (EPE) (NYSE: EE) pending case to change its Texas retail electric rates in Public Utility Commission of Texas (PUCT) Docket No. 46831 issued an order to abate the hearing on the merits, which commenced on August 21, 2017. The hearings were abated to facilitate settlement discussions among the parties. The outcome of any hearing or settlement would be subject to review by the PUCT. EPE expects to file a status report on settlement progress with the ALJs on a weekly basis.

On February 13, 2017, EPE filed with the City of El Paso, other incorporated municipalities in its Texas service territory and the PUCT a request for an increase in non-fuel base revenues of approximately \$42.5 million. When EPE filed its rebuttal testimony in the rate case on July 21, 2017, it modified the requested increase in non-fuel base revenues to \$39.2 million primarily to reflect the separation of \$3.0 million in rate case expenses into a separate docket.

"Settlement agreements can occur at any stage in the rate case process and this suspension of the hearing allows the parties involved in this case to continue settlement discussions with the possibility of finding common ground on several issues," said Mary Kipp, El Paso Electric President and Chief Executive Officer. "While we do not know the final outcome, the action taken today will still allow rates to relate back to July 18, 2017."

El Paso Electric Company is a regional electric utility providing generation, transmission and distribution service to approximately 416,000 retail and wholesale customers in a 10,000 square mile area of the Rio Grande valley in west Texas and southern New Mexico.

### **Safe Harbor**

This news release includes statements that may constitute forward-looking statements made pursuant to the safe harbor provisions within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Forward-looking statements often involve risks and uncertainties that could cause actual results to differ materially from such forward-looking statements. Risks and factors that could cause or contribute to such differences include, but are not limited to: (i) a breakdown in settlement discussions with the parties in EPE's Texas rate case; (ii) EPE's inability to reach agreement with the intervenors in EPE's Texas rate case; (iii) increased prices for fuel and purchased power and the possibility that regulators may not permit EPE to pass through all such increased costs to customers or to recover previously incurred fuel costs in rates; (iv) full and timely recovery of capital investments and operating costs through rates in Texas and New Mexico; and (v) other factors detailed by EPE in its public filings with the Securities and Exchange Commission (SEC). EPE's filings are available from the SEC or may be obtained through EPE's website, <http://www.epelectric.com>. Although EPE believes that the expectations reflected in such 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. EPE cautions that these risks and factors are not exclusive. EPE does not undertake to update or revise any forward-looking statement that may be made from time to time by or on behalf of EPE except as required by law.

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El Paso Electric Company

**Public Relations:**

Eddie Gutierrez, 915-543-5763

[eduardo.gutierrez@epelectric.com](mailto:eduardo.gutierrez@epelectric.com)

or

**Investor Relations:**

Lisa Budtke, 915-543-5947

[lisa.budtke@epelectric.com](mailto:lisa.budtke@epelectric.com)

or

Richard Gonzalez, 915-543-2236

[richard.gonzalez@epelectric.com](mailto:richard.gonzalez@epelectric.com)

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