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El Paso Electric Files Unopposed Settlement in Texas Rate Case Docket No. 46831

EL PASO, Texas--(BUSINESS WIRE)-- El Paso Electric Company ("EPE") (NYSE: EE) filed an unopposed settlement agreement (the "Unopposed Settlement") today for EPE's rate case (Docket No. 46831) pending before the Public Utility Commission of Texas ("PUCT"). The Unopposed Settlement was filed with the Administrative Law Judges ("ALJs") assigned to oversee EPE's Texas rate case and includes a request for the ALJs to return the settled case to the PUCT for final approval. If approved by the PUCT, the Unopposed Settlement would resolve EPE's Texas rate case.

"Today's filing is an important milestone in the rate case process," said Mary Kipp, El Paso Electric's President and Chief Executive Officer. "We are pleased with the terms of the unopposed settlement and how the parties involved worked together to find common ground on many issues. El Paso Electric will continue to focus on the future energy needs of our growing region."

It is anticipated that the PUCT will issue a final order in the case during the fourth quarter of 2017 and new rates are expected to be implemented in January 2018. The new rates will relate back to consumption on or after July 18, 2017. The revenues pertaining to the relate back period that would have been collected during the period will be surcharged to customers over a period not to exceed eighteen months.

A copy of the Unopposed Settlement can be found on EPE's website at www.epelectric.com and will also be publicly available from the PUCT at <https://interchange.puc.texas.gov>.

El Paso Electric Company is a regional electric utility providing generation, transmission and distribution service to approximately 417,000 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) the Unopposed Settlement is not approved by the PUCT or is approved with modification; (ii) the PUCT's final order in EPE's Texas rate case is not approved in the fourth quarter of 2017 and new rates are not implemented in January 2018; (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; (v) the impact of U.S. tax reform legislation; and (vi) 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. The forward-looking statements are subject to and involve risks, uncertainties and assumptions and you should not place undue reliance on these forward-looking statements. 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. If EPE does update one or more forward-looking statements, there should be no inference that EPE will make additional updates with respect to these or other forward-looking statements.

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