

2015 Annual Meeting of Shareholders



Safe Harbor Statement

This presentation includes statements that may constitute forward-looking statements made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. This information may involve 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:

- Increased prices for fuel and purchased power and the possibility that regulators may not permit EE to pass through all such increased costs to customers or to recover previously incurred fuel costs in rates
- Recovery of capital investments and operating costs through rates in Texas and New Mexico
- Uncertainties and instability in the general economy and the resulting impact on EE's sales and profitability
- Changes in customers' demand for electricity as a result of energy efficiency initiatives and emerging competing services and technologies
- Unanticipated increased costs associated with scheduled and unscheduled outages of generating plant
- The size of our construction program and our ability to complete construction on budget
- Potential delays in our construction schedule due to legal challenges or other reasons
- Costs at Palo Verde
- Deregulation and competition in the electric utility industry
- Possible increased costs of compliance with environmental or other laws, regulations and policies
- Possible income tax and interest payments as a result of audit adjustments proposed by the IRS or state taxing authorities
- Uncertainties and instability in the financial markets and the resulting impact on EE's ability to access the capital and credit markets
- Possible physical or cyber attacks, intrusions or other catastrophic events
- Other factors detailed by EE in its public filings with the Securities and Exchange Commission. EE's filings are available from the Securities and Exchange Commission or may be obtained through EE's website, <http://www.epelectric.com>



Reflection on Milestones

- Completed major construction projects to meet the needs of our growing service territory
- Expanded focus on solar generation
- Negotiated sale of EE's interest in the Four Corners Plant
- Strengthened relationships with local leaders
- Supported regional economic development programs
- Supported workforce planning with high school and college internship programs
- Maintained excellence in customer service
- Increased the dividend by 27% (2012 – 2014)
- Implemented leadership succession plan



Leadership Changes

- Michael Parks resigned Chairmanship and from the Board
 - We would like to thank Michael for his guidance and leadership throughout his tenure as Chairman and Director
- Charles Yamarone elected new Chairman of the Board
 - Possesses a wealth of knowledge as a senior investment banker and experience in Board leadership at the national level
- Edward Escudero elected Vice-Chairman
 - A local El Pasoan with strong ties to the community and has served as a director since 2012
- Mary Kipp appointed as President



Recent Accomplishments

- Began commercial operation of Montana Power Station Units 1&2
- Began construction of MPS Units 3&4
- More than doubled utility scale solar from 47 MW to 107 MW
- Surpassed the 400,000 retail customer milestone
- Completed the Eastside Operations Center
- Palo Verde Nuclear Generation Station was the nation's largest power producer for the 23rd consecutive year
- Continued to be ranked favorably in Texas for reliability
- Entered into a Purchase and Sale Agreement with Arizona Public Service Company to sell our interest in Four Corners Units 4&5



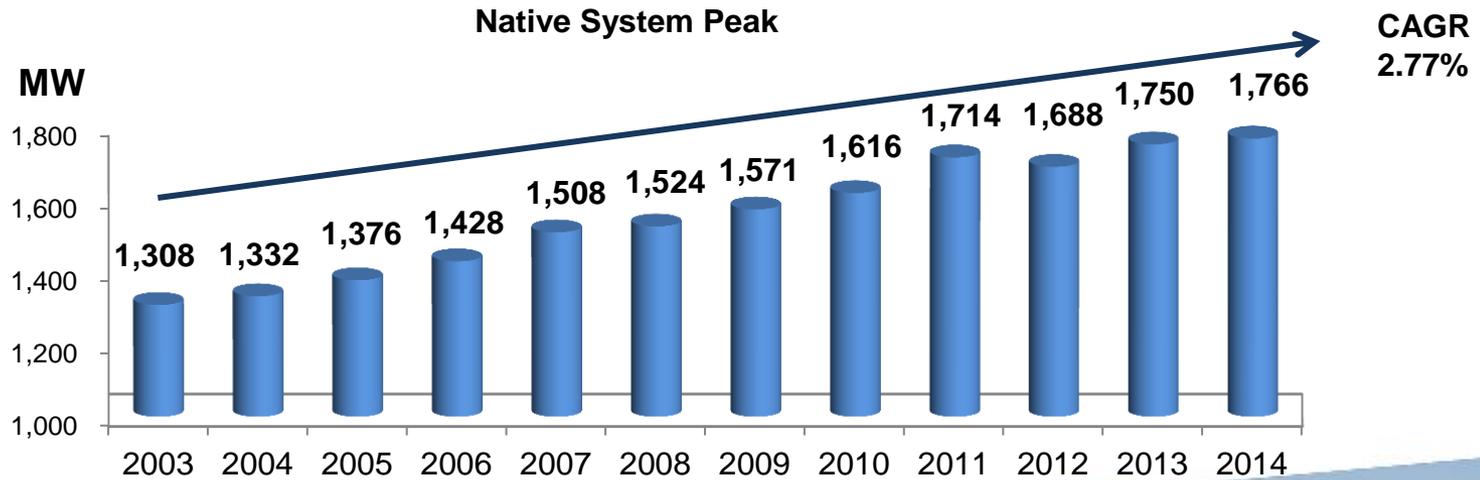
Financial Highlights

- Paid over \$44 million in dividends in 2014
- Issued \$150 million in long-term debt to fund construction program
- 2014 net income of \$91.4 million or \$2.27 per share



Service Territory Growth

- Set a new Native Peak record of 1,766 MW in June 2014
- Several corporate expansion announcements made in 2014
- El Paso's unemployment rate at lowest level since 2008



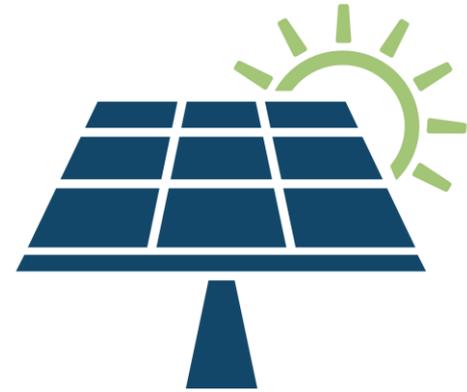
Construction Program

- Placed into service approximately \$1.3 billion in new assets over the last 6 years
- 5 year CAPEX plan will add approximately \$1.1 billion through 2019



Renewable Energy Projects

- Filed for Certificate of Convenience and Necessity in Texas and New Mexico for 20 MW solar facility to be built at Fort Bliss
- Anticipate filing for approval for additional solar facilities to be located at City of Las Cruces, Holloman Air Force Base and Montana Power Station



Rate Case Updates

- Filed a General Rate Case in New Mexico on May 11, 2015
 - Non-Fuel base rate increase of \$8.6 million or 7.1%
 - Forecasted base fuel decrease of \$15.4 million or 21.5%
 - Anticipate new rates will become effective by early 2nd quarter 2016
- Will file a General Rate Case in Texas in July or August 2015
 - Anticipate new rates will become effective by early 2nd quarter 2016



El Paso Electric Workforce

- Employees are committed to delivering safe, reliable, and cost effective power
- 2014 annual customer satisfaction survey results were the highest level achieved in the past six years
- Employees contributed over 13,000 hours in 2014 to various volunteer organizations through the Volunteers in Action Program
- Combined employee/company contributions to the United Way Campaign totaled more than \$350,000
- Over 100 organizations and activities benefited from EE contributions in 2014



Q & A

