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City Council Votes to Deny El Paso Electric Rate Case

EL PASO, Texas—Today, the El Paso City Council voted to deny El Paso Electric's (EPE) proposed \$93 million rate increase for its Texas retail customers, following months of evaluation, public outreach, and formal hearings.

The proposed increase, submitted in early 2025, sought to raise rates by approximately \$22.39 per month for the average residential customer—a 23 percent jump in the typical monthly bill. The request included an \$85.7 million general rate increase and an additional \$7.3 million for a "retiring plant rider" to recover costs associated with decommissioned power plants.

The City Council unanimously suspended the rate increase in February 2025 to allow time for a thorough review. Since then, City staff, legal counsel, and industry experts have examined the proposal, and EPE conducted six community meetings throughout April to provide information and gather public input.

The City will next engage in settlement discussions with EPE and other intervenors if a settlement is not reached the case will go before the Public Utility Commission of Texas for a hearing in August and a decision by January 2026.

"This vote reflects the City's commitment to ensuring El Paso families are not asked to shoulder rate increases that haven't been fully justified," said City Attorney Karla Nieman. "Council took a thoughtful, measured approach and ultimately stood in defense of transparency, accountability, and fairness. Protecting residents from undue financial burden remains a top priority."

The City of El Paso has a longstanding history of advocating on behalf of ratepayers. Through its intervention in prior cases, the City has helped save approximately \$189 million in utility costs for local residents and businesses. This latest decision reflects the City's continued efforts to balance affordability and service reliability.

In addition to this rate case, the City continues to intervene in five other EPE filings that could impact customer bills, including:

- 1. Amended Generation Cost Recovery Rider (Texas Solar One) where EPE seeks to raise rates by approximately \$2.11 per month for the average residential customer on top of the increase requested in the rate case
- 2. Fuel Reconciliation
- 3. Newman Buffer Certificate of Convenience and Necessity
- 4. Macho Springs Reallocation
- 5. Energy Efficiency Cost Recovery Factor

The City will remain actively engaged in these proceedings to safeguard the interests of El Paso's utility customers.

For more information about utility rate cases or future updates, please visit <u>EIPasoTexas.gov</u>.

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