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**NEWS
RELEASE**

12/ 15/ 2025

City Presses for More Reasonable Outcome in El Paso Electric Rate Case

EL PASO, Texas—The City of El Paso continues to advocate for a more reasonable outcome as the El Paso Electric rate case moves forward.

Administrative Law Judges have issued a Proposal for Decision that would scale back key parts of the utility's request, if adopted by the Public Utility Commission of Texas (PUCT).

El Paso Electric (EPE) is asking for a \$93 million increase to its annual revenue requirement. If approved as originally filed, the City has estimated the typical residential bill would rise about \$22.39 per month (about 23%).

Because EPE declined to negotiate, the City took the case through a contested hearing before the Administrative Law Judges for the first time in more than 30 years. The Proposal for Decision reflects the evidence presented in that process.

"This recommended decision shows the request is being closely examined, and it reinforces why the City has pushed for a careful, evidence-based review from the start," said City Attorney Karla Nieman. "Our priority is straightforward. We remain committed to protecting customers and supporting rates that are fair, justified, and transparent."

The Proposal for Decision recommends:

- **Lower profit allowance:** 9.4% return on equity instead of 10.7%
- **No rooftop solar minimum bill changes:** keep the current minimum bill in place pending further review
- **Cost sharing of Newman 6 power plant:** EPE requested Texas ratepayers pay the full \$217 million costs; the recommendation is that New Mexico rate payers share some of the costs

The recommendations reduce major drivers of the proposed increase and move the case closer to a more reasonable outcome for customers.

What's next

The recommendation is not final. The City is reviewing it with technical experts and will continue participating in the remaining steps before the PUCT issues its final order.

The Mayor and City Council have remained engaged throughout the rate case, including receiving briefings and discussing the litigation strategy in Executive Session as allowed under the Texas Open Meetings Act.

The City's work in utility cases has helped deliver approximately \$189 million in rate relief over the last six cases, and the City remains focused on protecting El Paso ratepayers in this proceeding.

—more—



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Background

- **January 2025:** El Paso Electric filed its request at the PUCT seeking a \$93 million increase to its annual revenue requirement for Texas retail customers.
- **Spring 2025:** The City intervened and participated in the regulatory process, including expert review and public updates on potential bill impacts.
- **June 24, 2025:** El Paso City Council voted to deny the proposed increase for Texas retail customers at the local level and directed continued advocacy through the state process.
- **August 2025:** The case proceeded to the PUCT hearing phase, where parties presented testimony and evidence.
- **December 2025:** Administrative law judges issued a Proposal for Decision, which now moves to the PUCT for consideration and a final ruling.

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