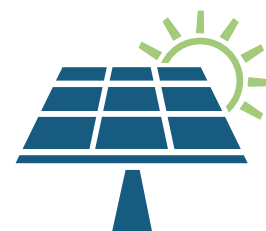




# El Paso Electric

NYSE Symbol: EE

## POWER ON.



**Our Vision** - El Paso Electric will provide safe, clean, affordable and reliable energy through superior production, acquisition and delivery.

**Our Mission** - To attain its Vision, El Paso Electric will build on its past, prepare for the future and be accountable to its key stakeholders:

- **Customers** - Provide safe, efficient and reliable service at a reasonable cost;
- **Regulators** - Provide timely and accurate data to regulators, while working in an honest and collaborative manner to resolve any customer issue;
- **Employees** - Maintain a dynamic, creative work environment that fosters safety, professional development, mutual respect, commitment and integrity; and
- **Shareholders** - Provide a fair return to shareholders commensurate with risks and in the top quartile of the electric utility industry.

## Second Quarter Highlights

Three Months Ended June 30,	2014	2015
Net Income (\$000)	\$ 30,096	\$ 21,072
Diluted Earnings Per Share	\$ 0.75	\$ 0.52
Weighted Average number of shares and dilutive potential shares outstanding (\$000)	40,212	40,303

## Financial Highlights

Financial (\$000)	12 ME Dec 2013	12 ME Dec 2014	12 ME Jun 2015
Retail Non-Fuel Base Revenues	\$ 556,498	\$ 551,064	\$ 549,883
Deregulated Palo Verde Unit 3 Revenues	\$ 11,423	\$ 15,012	\$ 12,059
Retained Off-System Margins	\$ 1,549	\$ 2,147	\$ 1,543
Net Income	\$ 88,583	\$ 91,428	\$ 81,247
Total Assets	\$ 2,786,288	\$ 3,059,301	\$ 3,171,475

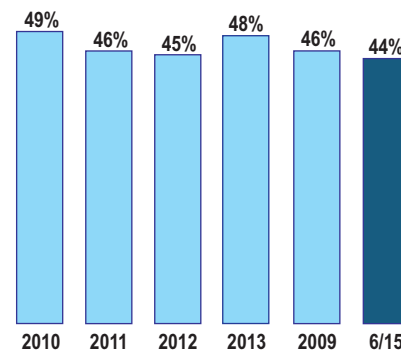
### Common Stock Data

Earnings Per Share (diluted)	\$ 2.20	\$ 2.27	\$ 2.01
Market Price Per Share (end of period)	\$ 35.11	\$ 40.06	\$ 34.66
Book Value Per Share	\$ 23.44	\$ 24.39	\$ 24.36
Dividends Per Share (end of period annualized)	\$ 1.06	\$ 1.12	\$ 1.18
Dividend Yield	3.02%	2.80%	3.40%
52-Week Trading Range Ending 6/30/15	\$34.00 - \$42.13		

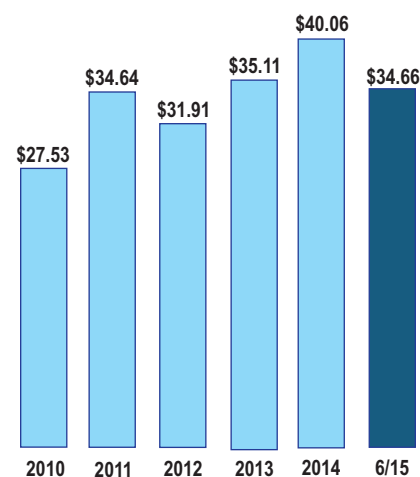
### 2015 Earnings Guidance

On August 5, 2015, EE revised its 2015 earnings guidance range of \$1.75 - \$2.15 per share to \$1.75 - \$2.05. Earnings are expected to decline from 2014 due to regulatory lag.

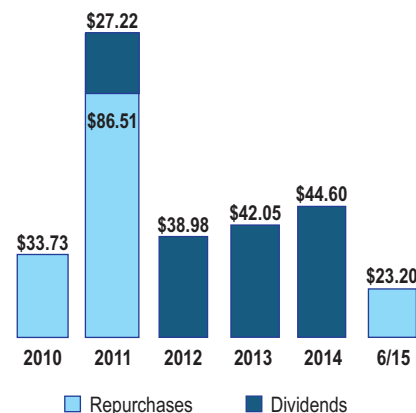
**Common Stock Equity**  
(Percent of capitalization)



**Market Price Per Share**  
(end of period)

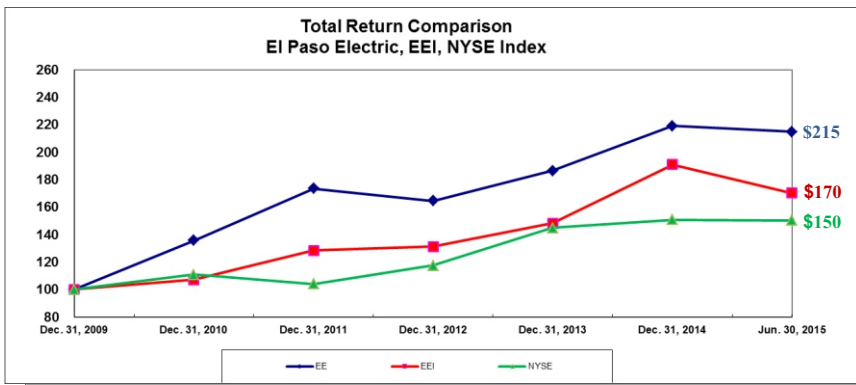


**Annual Value of Share Repurchases and Dividends**  
(in millions)



Statements on this document, other than statements of historical fact, are forward-looking statements made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. For a detailed discussion of these risks and other uncertainties, please refer to EE's latest 10-Q, Annual Report and Other 1934 Act filings.

*In June of 2011, EE began paying a quarterly cash dividend on common stock.*



This graph compares the performance of EE to the EEI & NYSE indices and indicates the value returned at the end of 2014 for a \$100 investment in 2009.

## Operational Highlights

Operational	12 ME Dec 2013	12 ME Dec 2014	12 ME Jun 2015
Retail GW Sold	7,746	7,626	8,224
Native Peak (MW)	1,750	1,766	1,787**
Number of Customers (end of period)	393,886	398,989	402,635
Employees at End of Period	1,005	1,028	1,074

Plant	2015 Net Dependable Generating Capability	Fuel Source	2014 Energy Mix
Palo Verde	633 MW	Nuclear Fuel	47%
Four Corners	108 MW	Coal	5%
Montana Power Station	176 MW	Purchased Power*	13%
Newman	752 MW	Natural Gas	35%
Rio Grande	276 MW	Natural Gas	
Copper	64 MW	Natural Gas	
Renewables	1 MW		
<b>Total</b>	<b>2,010 MW</b>		<b>100%</b>

\* Includes 107 MW of solar resources purchased by EE  
 \*\* Native peak record set on June 22, 2015

## Regulatory Summary

### Texas

**2015 Texas Rate Case Filing.** On August 10, 2015, the Company filed with the PUCT Docket No. 44941. The company is requesting an annual increase in non-fuel base rates of approximately \$71.5 million. The rate case involves the review of all invested capital subsequent to the test year ended June 30, 2009. Based on the standard procedural schedule, the Company expects new rates to go into effect early in the second quarter of 2016.

On June 10, 2015, the Company filed an application requesting reasonableness and public interest findings and certain rate- and accounting- related findings regarding EPE's decision not to extend participation in the Four Corners Power Plant beyond July 2016. EPE has signed a contract to sell its interest to Arizona Public Service Company (APS), which is the plant operator and co-owner. The anticipated closing date of the sale transaction is July 6, 2016 pending regulatory approval. The case was assigned Docket No. 44805.

### New Mexico

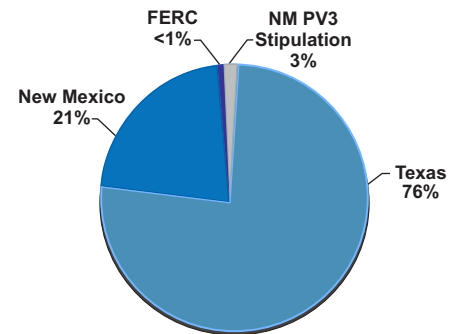
**2015 New Mexico Rate Case Filing.** On May 11, 2015, the Company filed with the NMPRC Case No. 15-00127-UT. The company is requesting an annual increase in non-fuel base rates of approximately \$8.6 million. The filing also requests an annual reduction of \$15.4 million, or 21.5%, for fuel and purchased power costs recovered in base rates. Based on the standard procedural schedule, the Company expects new rates to go into effect early in the second quarter of 2016.

On April 27, 2015, the Company filed an application for approval of abandonment and sale of its ownership interest in Four Corners to APS pursuant to a Purchase and Sale Agreement executed February 17, 2015. The anticipated closing date of the sale transaction is July 6, 2016 pending regulatory approval. This case was assigned NMPRC Case No. 15-00109-UT.

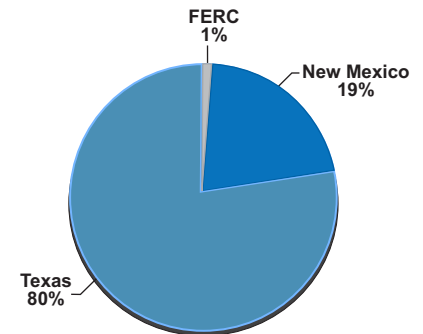
**El Paso Electric** is an investor-owned utility providing electric energy to approximately 403,000 retail customers in a 10,000 square mile area of the Rio Grande Valley in west Texas and southern New Mexico. The Company has a net dependable generating capability of approximately 2,010 MW.



12-Months Ended 6/30/15 Operating Revenues, Net of Energy Expenses



12-Months Ended 6/30/15 MWh Sales



## Key Strengths . . .

- Vertically integrated electric utility; connected to WECC
- Significant rate base investment for next several years
- Low carbon emissions, coal free in July 2016
- Investment grade debt ratings:
  - Standard & Poor's: BBB
  - Moody's: Baa1

Please see the web site at <http://www.epelectric.com> for the most recent customer growth, MWh sales and climate data. This data is located on the "Investor Relations" portion of the web site.