

BEFORE THE NEW MEXICO PUBLIC REGULATION COMMISSION

**IN THE MATTER OF EL PASO ELECTRIC)
 COMPANY'S GENERAL RATE CASE,)
)
 EL PASO ELECTRIC COMPANY,)
 Applicant.)**

Case No. 06-00258-UT

FINAL ORDER

THIS MATTER comes before the New Mexico Public Regulation Commission (“Commission”) upon the Certification of Stipulation of the Hearing Examiner (“Certification of Stipulation”) issued by Elizabeth C. Hurst on June 8, 2007. Having considered the Certification of Stipulation (which is attached hereto as Exhibit 1 and incorporated herein by reference), and the record in this case, and being fully informed in the premises,

THE COMMISSION FINDS AND CONCLUDES:

1. Staff and the parties have waived exceptions to the Certification of Stipulation, and the Certification of Stipulation is otherwise uncontested.
2. Pursuant to the Public Utility Act, NMSA 1978, § 62-1-1, *et seq.*, and, in particular, to NMSA 1978, § 62-8-7, the Commission has jurisdiction over the parties and the subject matter of this case.
3. The totality of the Stipulation is in the public interest, but the Commission expresses its strong concerns about the 25:75 division of ratepayer-funded assets and the use of fuel clause methodology that could remove all fuel risk from the entity with the ability to manage that risk – *i.e.*, El Paso Electric Company.
4. The Commission accepts and adopts the Hearing Examiner’s Statement of the Case through the time of the issuance of the Certification of Stipulation.

5. The Commission accepts and adopts the Hearing Examiner's Discussion as the Discussion of the Commission.

6. The Commission accepts and adopts the Hearing Examiner's Findings and Conclusions as the Findings and Conclusions of the Commission.

7. The Certification of Stipulation is well taken and should be adopted by the Commission.

IT IS THEREFORE ORDERED:

A. The Orders recommended by the Hearing Examiner, as set forth in Exhibit 1 attached hereto, are ADOPTED, APPROVED, and ACCEPTED as Orders of the Commission.

B. The Certification of Stipulation is ADOPTED, APPROVED and ACCEPTED in its entirety.

C. The Commission's approval of the Certification of Stipulation is not to be taken as a waiver of the Commission's ability to promulgate rules that may affect rates.

D. This Order is effective immediately.

E. Copies of this Order shall be sent to all persons listed on the attached Certificate of Service.

F. This Docket is closed.

ISSUED under the Seal of the Commission at Santa Fe, New Mexico, this 3rd day of July, 2007.

NEW MEXICO PUBLIC REGULATION COMMISSION

Ben R. Lujan

BEN R. LUJAN, CHAIRMAN

Jason Marks

JASON MARKS, VICE CHAIRMAN



Telephonically Approved

DAVID W. KING, COMMISSIONER

Excused

CAROL K. SLOAN, COMMISSIONER

Sandy Jones

SANDY JONES, COMMISSIONER