

NOTICE OF APPLICATION FILED WITH THE PUBLIC UTILITY

COMMISSION OF TEXAS

On June 10, 2015 El Paso Electric Company (EPE or Company) filed an application with the Public Utility Commission of Texas (PUC or Commission) for findings, including accounting- and rate-related findings, concerning EPE's decisions not to continue to participate as an owner of, and instead to sell its interest in, Units 4 and 5 of the coal-fired Four Corners power plant. The docket number and style of the application are PUC Docket No. 44805, "*Application of El Paso Electric Company for Reasonableness and Public Interest Findings on the Disposition of Coal-Fired Generating Facilities in New Mexico, and Mine Closing Costs Adjustments.*"

For decades, EPE has been a minority/seven percent owner of Four Corners Units 4 and 5, which are located in northwestern New Mexico. These units entered service in 1969 and 1970, respectively. The major contracts for these generation facilities expire in July 2016. The other co-owners of Units 4 and 5 have plans to extend the operating life of Units 4 and 5 until at least 2031, or 15 additional years. EPE evaluated its alternatives and decided not to continue participating as a co-owner beyond July 2016. Instead, EPE decided to sell its interest in the two units to Arizona Public Service Company (APS), which is the operator of the facilities and has the largest ownership interest in the facilities. EPE and APS have entered into an agreement to accomplish this sale, and closing is expected to occur no later than July 6, 2016.

In its application, EPE requests that the Commission find that EPE's decisions to exit from Four Corners in July 2016 and sell its interest to APS were reasonable and consistent with the public interest; and approve the accounting and rate-related treatments concerning the sale of the facilities. No new facilities are being sought in this filing, and EPE's service area is not affected by this filing. In addition, none of EPE's certificate of convenience and necessity rights are being transferred to

APS, because APS is not an electric utility in Texas and does not serve retail customers in Texas. However, while EPE is not seeking to change a rate in this proceeding, the accounting- and rate-related findings that EPE seeks may affect the rates of customers in EPE's Texas service territory in the future.

The deadline for intervention in this proceeding is August 14, 2015 and a letter requesting intervention should be received by the Commission by that date. A request to intervene or for further information should be mailed to the Public Utility Commission of Texas, P.O. Box 13326, Austin, Texas 78711-3326. Further information may also be obtained by calling the Public Utility Commission at (512) 936-7120 or (888) 782-8477. Hearing-and speech-impaired individuals with text telephones ("TTY") may contact the Commission at (512) 936-7136 or use Relay Texas (toll-free) 1-800-735-2989. A copy of EPE's petition may be viewed on the Commission's webpage at www.puc.texas.gov. The Commission maintains an electronic copy of all filings on the "filings - interchange" section of its webpage. The control number for this proceeding on the Commission's webpage is PUC Docket No. 44805.

Persons with questions, who want more information on this petition, or who want to obtain a copy of a map that depicts the facilities may also contact EPE at 100 N. Stanton Street, El Paso, Texas 79901, or call 1-800-351-1621, a toll free number, during normal business hours. When prompted, press the number 0 to speak to an operator and request information concerning this petition.