



## **NOTICE TO EPE CUSTOMERS**

El Paso Electric Company (“EPE”) has filed an Application with the New Mexico Public Regulation Commission, requesting approval of revised New Mexico retail electric base rates. EPE states that the \$70.6 million non-fuel base rate revenue deficiency shown in EPE’s proposed cost of service demonstrates the need for a 50.4% base rate base increase, which is offset by a \$0.2 million reduction in miscellaneous service revenue, for a net operating revenue increase of \$70.4 million in these New Mexico revenues. EPE is requesting an 8.35% weighted cost of capital, a return on equity of 10.7% and an equity to debt capital structure of 55.5% and 45.5%. According to EPE, the increase is required to recover costs for EPE’s \$408.44 million investment since its 2020 rate case, including investments in distribution, transmission, nuclear production, local generating plants and general plant. EPE is also proposing to include in base rates its Commission approved advanced metering system (“AMS”), and the annual capacity costs associated with Commission approved agreements for three battery energy storage facilities.

### **NO ACTION IS REQUIRED ON YOUR PART UNLESS YOU WANT TO BECOME A PARTY OR COMMENT ON THE APPLICATION**

EPE’s proposed revised rates, set forth in Advice Notice No. 317, would, if approved, affect all retail classifications. To moderate the rate impact on certain customer classes, EPE has proposed to voluntarily phase in recovery through a two-part implementation process for base rates for Rate Nos. 01 (Residential), 05 (Irrigation), 10B (Military), 12 (Private Lighting), 25 (Outdoor Lighting), and 26 (State University). EPE proposed that the first phase, expected to take effect on January 1, 2027, represents a system average increase of 26.8% for these rate classes; and the second phase, proposed to take effect on October 1, 2027, reflects an additional 18.6% increase relative to Phase 1.

EPE states that the bill impact of the proposed base rate changes will be offset by an anticipated reduction in Renewable Portfolio Standard (“RPS”) costs. The proposed increases will be to both the customer charge and the energy charge rates. For example, EPE projects that a residential customer using an average of 750 kWh during a summer month, would have a combined impact of a bill increase of 22.5% in Phase 1 followed by an additional increase of 28.2% in Phase 2, effectively totaling 57.0%. EPE’s proposed increase in non-fuel base rates represents an increase of \$24.62 in Phase 1 followed by an additional increase of \$30.38 per summer month in Phase 2, totaling \$55.00. The combined impact of the proposed base rate changes and the RPS cost reduction for a residential customer using an average of 500 kWh during a winter month will be a bill increase of 14.5% in Phase 1 followed by an additional increase of 28.6% in Phase 2, effectively totaling 47.3%. EPE’s proposed increase in non-fuel base rates represents an increase of \$10.83 in Phase 1 followed by an additional increase of \$17.13 per winter month in Phase 2, totaling \$27.96.

EPE is also proposing to implement customer rate options that include: (i) a new Low-Income Rider to qualified households in the Residential Service Rate that credits the customer charge dollar for dollar; (ii) experimental off-peak and time-of-day (“TOD”) demand rates designed to further incentivize certain commercial customers to shift load from peak hours; (iii) and a new two-year Peak Time Rebate Pilot Program intended to incentivize Residential Service Rate customers to shift to off-peak usage times by providing pilot participants the opportunity to receive a bill credit for reducing energy consumption during peak periods following a notification from EPE. EPE has also proposed new Large Load Tariff Schedules Rate No. 50 and 51.

Additionally, EPE asks the Commission to:

1. Authorize several design changes to (i) align recovery of demand energy and customer costs with how those costs are incurred, thereby minimizing intra-class subsidization, (ii) provide customers with accurate price signals that convey cost differences between seasonal and non-seasonal time periods to encourage energy conservation and potentially reduce customer contribution to EPE’s system peak, (iii) promote stability, and (iv) allow EPE the opportunity to recover the costs of providing safe and reliable service.

2. Authorize the proposed replacement of its Rule No. 8 Line Extension Policy and related revisions to its Rule 13 Increase or Decrease of Connected Load.
3. Authorize the inclusion in base rates the capacity costs already incurred under the Commission-approved Buena Vista 1 Power Purchase Agreement since that resource came online in 2023.

Listed below is a comparison of present and proposed rates for the Residential customer class under Advice Notice No. 317 proposed by EPE.

Rate No.	Rate Description	Current Rate	Phase 1 Rate	Phase 2 Rate
Rate No. 1	RESIDENTIAL SERVICE RATE - STANDARD RATE			
	Customer Charge	\$7.00	\$14.36	\$18.89
	Energy Charge (\$/kWh) - First 600 kWh - Summer	\$0.07035	\$0.09649	\$0.13045
	Energy Charge (\$/kWh) - All Other kWh - Summer	\$0.10876	\$0.14469	\$0.18118
	Energy Charge (\$/kWh) – Non-Summer	\$0.05816	\$0.07273	\$0.09793

These rate comparisons are for informational purposes only and the final rate design may vary the final rates ultimately charged to each class and for each consumption level.

EPE’s complete Application and supporting documents is accessible online on EPE’s website, <https://www.epelectric.com/company/public-notice> and the Commission’s PRCe360 Docketing System <https://e360.prc.nm.gov/portal/public/#/public/nm-prc/en/home> under Docket Number 25-00082-UT. The Application is also available at the offices of El Paso Electric, 2820 Las Vegas Ct., Las Cruces, NM 88007, Contact Ricardo F. Gonzales, Reg. VP – Government Affairs – NM.

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The major events for public participation in this matter will occur as follows:

- Deadline to file motions to intervene to become a party: June 22, 2026
- Deadline to file intervenors’ direct testimony: July 24, 2026
- Deadline to file rebuttal testimony: August 19, 2026

### **PUBLIC HEARING**

A public hearing to hear and receive testimony, exhibits, and legal argument is set for **September 21 – October 2, 2026, commencing at 9:00 a.m. each day.** The hearing will be

conducted online and can be viewed via livestream on the Commission's YouTube channel and its website, <https://www.prc.nm.gov/public-hearings/>. Please contact the Commission for confirmation of the hearing, because hearings are occasionally cancelled or rescheduled.

## **PUBLIC COMMENT**

People who are not associated with a party to this case may make written or oral comment as allowed by Rule 1.2.2.23(F) NMAC. Written comments must refer to Docket Number 25-00082-UT and be submitted before the Commission makes a final decision. Written comments and any other filings should be submitted online through PRCe360 Docketing System. Comments can also be sent via US mail to PRC Records P.O. Box 1269, Santa Fe, NM 87504.

Alternatively, oral public comment is also welcome during Commission open meetings. The open meeting schedule can be found at [www.prc.nm.gov/nmprc-open-meeting-agenda/](http://www.prc.nm.gov/nmprc-open-meeting-agenda/). Email [public.comment@prc.nm.gov](mailto:public.comment@prc.nm.gov) or call (505) 490-7910 to sign up to comment online or by phone at an open meeting. If the Commission determines a separate hearing should be set for oral comments for this matter, the date, time, and location will be announced on the Commission's website, <https://www.prc.nm.gov/>.

**Instructions to submit written public comment online, to file pleadings and other documents, and to view Commission dockets** are found at <https://e360.prc.nm.gov/portal/public/#/public/nm-prc/en/home>. All filings subject to deadlines must be submitted within regular business hours of the due date to be considered timely filed.

## **TO BECOME A PARTY**

If you wish to appear in this case as a party, you must file a motion for leave to intervene, pursuant to 1.2.2.23 NMAC, on or before **June 22, 2026**. Intervenors must become familiar with the rules regarding practicing before the Commission and all other applicable rules.

The Commission's Rules of Procedure 1.2.2 NMAC apply except as modified by order of the Commission or hearing examiners. These and other rules are available online at <https://srca.nm.gov/nmac-home/nmac-titles/>.

THE DEADLINES GIVEN ABOVE ARE NOT ALL THE DEADLINES SET FORTH IN THIS MATTER, AND PARTIES AND POTENTIAL INTERVENORS ARE ADVISED TO READ THE COMPLETE

PROCEDURAL ORDER ISSUED ON **APRIL 27, 2026**, FOUND ON THE PRCe360 DOCKETING SYSTEM.

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**This QR Code will direct you to the other customer class rate tables and other information included in EPE's Application**



**SCAN TO VIEW**

<https://www.prc.nm.gov>

PEOPLE WITH DISABILITIES WHO, IN ORDER TO ATTEND OR PARTICIPATE IN THE HEARING, REQUIRE A READER, AMPLIFIER, QUALIFIED SIGN LANGUAGE INTERPRETER, OR ANY OTHER FORM OF AUXILIARY AID OR SERVICE OR OTHER TYPE OF ACCESSIBLE FORMAT OF PUBLIC DOCUMENTS, MUST CONTACT THE DIRECTOR OF ADMINISTRATIVE SERVICES OF THE COMMISSION AT (505) 827-8019 AS SOON AS POSSIBLE PRIOR TO THE HEARING.

**Any person who desires more information about this case may contact the Commission by phone at (505) 827-4084 or 1-888-427-5772 or by email at [Ryan.Jimenez@prc.nm.gov](mailto:Ryan.Jimenez@prc.nm.gov).**