

**NOTICE OF APPLICATION OF EL PASO ELECTRIC COMPANY
FOR APPROVAL TO IMPLEMENT A PURCHASED POWER
CAPACITY COST RECOVERY FACTOR (PCRF)**

On June 15, 2026, El Paso Electric Company (EPE or Company) filed an Application with the Public Utility Commission of Texas (PUC or Commission) for authority to Implement a Purchased Power Capacity Cost Recovery Factor (PCRF) Tariff. The docket number assigned to this proceeding is PUC Docket No. 59889. This application was made under 16 Tex. Admin. Code (TAC) § 25.238 and, if granted, will affect all EPE Texas retail customers.

EPE's Application requests that the Public Utility Commission of Texas grant approval to establish a PCRF tariff and associated rates. EPE currently does not have a PCRF. The proposed PCRF would allow EPE to recover jurisdictional purchased power capacity costs it is currently incurring associated with the battery energy storage system ("BESS") component of the Milagro facility and the imputed capacity of both the Buena Vista and Milagro solar facility that are not currently recovered in EPE's most recent base rate proceeding, Docket No. 57568. If approved, the PCRF is expected to result in additional revenues of \$14,377,037. The typical residential customer is expected to experience an average monthly increase of \$1.72, based on average consumption of 684 kWh per month. These impacts are subject to change by the Commission based upon its findings in this case.

The PCRF is subject to final review in the next PCRF reconciliation.

EPE's complete Application and supporting documents are accessible online on EPE's website, <https://www.epelectric.com/company/public-notice> and the Commission's website <https://interchange.puc.texas.gov/> under Docket Number 59889. The Application is also available at the offices of El Paso Electric, 100 N. Stanton, El Paso, Texas 79901.

Persons with questions or who want more information on this petition may contact El Paso Electric Company at 100 N. Stanton, El Paso, Texas 79901, or call (915) 543-5970 during normal business hours and request additional information concerning the EPE PCRF filing beginning in June 15, 2026. A complete copy of the petition is also available for inspection at the address listed above.

The deadline to intervene and request a hearing on EPE's application is July 15, 2026, which is 30 days from the filing of the application as provided by the applicable Commission rule, 16 TAC §25.238(e)(1)(B).

Persons who wish to intervene in the proceeding for this application, or who wish to provide their comments concerning this application, should contact the Public Utility Commission of Texas, Customer Protection Division, P.O. Box 13326, Austin, Texas 78711-3326, or call (512) 936-7120 or toll-free at (888) 782-8477. Hearing and speech-impaired individuals may use Relay Texas (toll-free) 1-800-735-2989.