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**Kelly A. Tomblin, El Paso Electric President and CEO, issues a statement regarding the 2020 Rate Case Order issued today by the New Mexico Public Regulation Commission:**

*"We are very disappointed with the order issued today by the New Mexico Public Regulation Commission (PRC) regarding our rate case proceeding filed in 2020 that was supposed to review New Mexico's responsibility for \$1.2 billion in total investments made by EPE since 2015. After a proceeding extending over more than a year, the PRC issued a decision which is not in the best interests of our customers.*

*There are three major decisions we find disconcerting in this order. First, with New Mexico recently implementing some of the most aggressive clean energy goals in the country, it is troubling that the PRC is not allowing EPE to utilize and recover on an existing carbon-free generation asset to serve our New Mexico customers. Second, the order does not allow EPE to recover the full cost of salaries and benefits for our employees, which is inconsistent with standard regulatory framework, including prior rate cases in New Mexico. Finally, the PRC's order lowers EPE's allowed return on equity, resulting in one of the lowest amongst all utilities in the United States, severely limiting the extent to which EPE can reasonably invest its capital in New Mexico.*

*This PRC order leaves EPE with no choice but to immediately appeal the decision to the New Mexico Supreme Court and may require EPE to file another rate case next year, a costly and administrative burden which will also delay EPE's plans for investment in New Mexico. It is unfortunate that we need to take action that extends this case even longer, but it is necessary that EPE receives fair regulatory treatment in order to promote investment in the clean and reliable service our New Mexico customers deserve."*

**About El Paso Electric**

El Paso Electric is a regional electric utility providing generation, transmission, and distribution service to approximately 444,300 retail and wholesale customers in a 10,000-square mile area of the Rio Grande valley in west Texas and southern New Mexico.

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