



El Paso Electric Co. – Application of EPE to Change Rates

Public Utility Commission of Texas (PUC) – Docket No. 57568
Matter No. HQ Utility - 60

Matt Marquez – Asst. City Attorney
Robert Aguinaga – Asst. City Attorney
Oscar Gomez – Asst. City Attorney

June 24, 2025

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Purpose

- Discussion on request to increase rates.
- Follow up to EPE's presentation from March 17, 2025.
- Recommendation & Action.
- Next steps in case going forward at state level (PUC).

Rate Increase Request

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- EPE claiming revenue deficiency.
- \$93 M – overall increase to annual revenue requirement.
- 10.7% - based on requested rate of return on equity (“ROE”).
- \$1.55 B – new plant investment from Jan. 2021 – Sept. 2024.
 - Increases in Generation, Transmission, & Distribution.
- Most customer classes will see rate increase.
- Different effects on different customer classes.
- Significant changes to rate design.

Recent EPE Rate Cases

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Year Filed	Requested Increase	Outcome – Increase
<u>2025</u>	\$93.0 M	-
<u>2021</u>	\$41.8 M	\$7.5 M
<u>2017</u>	\$42.5 M	\$14.5 M
<u>2015</u>	\$71.4 M	\$37.0 M

EP TX Rate Increase by Customer Class

EPE Texas Proposed Base Rate Increase				
Retail Customer Class	Change in Base Revenue (\$)	Average Change of Base Charges in Bill (%) ¹	Change in Total Charges (\$)	Average Change of Total Charges in Bill (%) ²
Schedule 01 - Residential Service	\$ 79,068,697	25.01%	\$ 83,794,440	23.67%
Schedule 02 - Small General Service	1,832,332	3.67%	3,025,949	5.37%
Schedule 07 - Outdoor Recreational Lighting Service	12,980	1.47%	23,606	2.41%
Schedule 08 - Government Street Lighting Service	(798,288)	-18.40%	(794,336)	-16.91%
Schedule 09 - Traffic Signal Service	(2,078)	-2.00%	(262)	-0.21%
Schedule 11 - Municipal Pumping Service	97,512	0.95%	147,198	1.23%
Schedule 15 - Electrolytic Refining Service	450,935	22.35%	465,598	17.70%
Schedule 22 - Irrigation Service	800	0.20%	7,683	1.78%
Schedule 24 - General Service	(4,347,461)	-3.12%	(3,374,662)	-2.16%
Schedule 25 - Large Power Service	4,737,097	11.69%	5,019,700	10.59%
Schedule 26 - Petroleum Refinery Service	843,511	5.12%	935,695	4.68%
Schedule 28 - Area Lighting Service	549,313	19.45%	555,943	18.45%
Schedule 30 - Electric Furnace Schedule	436,301	32.15%	447,697	16.57%
Schedule 31 - Military Reservation Service	1,357,564	9.11%	1,169,283	8.12%
Schedule 34 - Cotton Gin Service	(2,596)	-1.83%	(2,353)	-1.54%
Schedule 41 - City and County Service	914,553	3.87%	1,110,145	4.20%
Rider WH - Water Heating Service	39,564	7.89%	40,489	7.52%
Texas Jurisdictional Service	\$ 85,190,735	13.65%	\$ 92,571,813	13.18%
Schedule 38 - Noticed Interruptible (Non-Firm)	479,603	13.53%	481,737	13.53%
Texas Jurisdictional Service	\$ 85,670,339	13.65%	\$ 93,053,550	13.18%

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EP TX Residential Bill Impact

Residential Class *

Total kWh	Current Bill	Proposed Bill	Difference	
	Total	Total	Total	Total %
-	\$11.33	\$16.49	\$5.16	45.54%
100	\$24.16	\$31.85	\$7.69	31.83%
200	\$36.96	\$47.18	\$10.22	27.65%
300	\$49.78	\$62.53	\$12.75	25.61%
400	\$62.64	\$77.97	\$15.33	24.47%
500	\$75.68	\$93.72	\$18.04	23.84%
600	\$88.76	\$109.57	\$20.81	23.45%
Average 658	\$96.37	\$118.76	\$22.39	23.23%
700	\$101.87	\$125.41	\$23.54	23.11%
800	\$115.01	\$141.25	\$26.24	22.82%
900	\$128.16	\$157.11	\$28.95	22.59%
1,000	\$141.33	\$172.97	\$31.64	22.39%
1,500	\$207.08	\$252.19	\$45.11	21.78%
2,000	\$272.86	\$331.43	\$58.57	21.47%
2,500	\$338.63	\$410.66	\$72.03	21.27%
3,000	\$404.40	\$489.90	\$85.50	21.14%

* Schedule No. 01 - Residential Service, Standard Service Rate Option

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Timeline - Actions Taken & Path Forward

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Jan. 27, 2025
EPE Filed Case



Mar. 17, 2025
EPE Presentation to City Council



Mar. – May 2025
EPE Community Meetings



June 4, 2025
City & Intervenor Filed Testimony w/ PUC

June 24, 2025
Public Hearing & City Action (deadline July 1st)

Late 2025/
Early 2026
PUC Hearing, Negotiations, Final Order

- EPE filed rate review w/ Texas regulators – PUC & local municipalities.
- City has limited time to review & act under Tex. Util. Code.
- Rebuttal/Cross-Rebuttal Testimony will be filed.
- August 7th – 15th – Hearing on the Merits w/ Admin. Law Judge.

City Case Consolidated w/ PUC Case

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Jan. 27, 2025
Filed w/ City
(Original Jurisdiction)

Jan. 27, 2025
Filed w/ PUC
(City & Other
Intervenors)



PUC Case
Proceed w/ EPE &
Intervenors

Intervenors – Parties in PUC Case

Govt.

- City
- PUC Staff
- Office Public Utility Counsel (OPUC)
- Univ. Texas El Paso (UTEP)
- Dept. of Defense (DOD)/Ft. Bliss

Commercial/Industrial & Other

- Wal-Mart
- Freeport-McMoran
- Vinton Steel
- W. Silver Inc.
- Tex. Industrial Energy Consumers (TEIC)
- Int. Brotherhood of Electrical Workers (IBEW)
- Tex. Cotton Ginners Assoc.
- Solar Energy Industries Assoc.
- Solar Joint Adv.

Rate 41 Group

- El Paso County
- El Paso Community College District (EPCC)
- Region 19 Edu. Serv. Center
- ISDs:
 - Anthony
 - Clint
 - El Paso
 - Fabens
 - San Elizario
 - Socorro
 - Tornillo
 - Yselta

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City's Involvement

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- Exercised City's Original Jurisdiction
 - Analyzing details & presenting evidence to ensure rate changes are reasonable & in compliance w/ state law.
- Engaged Attorneys
- Engaged Expert Consultants
 - Accountants, Engineers, & Economists
- Sent written discovery requests to EPE – 20 sets.
- Reviewed responses to City's & Other Intervenor requests.

Main Issues of Concern Under Review

- Overall Rate Increase
- Return on Equity (“ROE”)
- Newman Unit 6
 - Construction cost overruns.
- FERC Wholesale Transmission Revenues
- Depreciation Expense

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Main Issues of Concern Under Review

- Solar – Distributed Generation (“DG”)
 - Elimination of minimum bill – but switch to demand charge.
- Residential Rate Design
 - \$13.71 monthly customer charge (\$9.25 current).
- Monthly Fuel Charge Formula
- Other Additional Issues
 - Transmission pole replacement.

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Recommendation

- Deny the amount of EPE's rate increase request & rate design proposals – as currently filed.

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Mission

Deliver exceptional services to support a high quality of life and place for our community



Values

Integrity, **R**espect, **E**xcellence,
Accountability, **P**eople

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Vision

Develop a vibrant regional economy, safe and beautiful neighborhoods and exceptional recreational, cultural and educational opportunities powered by a high performing government

