



MAYOR
Renard U. Johnson

CITY MANAGER
Dionne Mack

CITY COUNCIL

District 1
Alejandra Chávez

District 2
Dr. Josh Acevedo

District 3
Deanna M. Rocha

District 4
Cynthia Boyar Trejo

District 5
Ivan Niño

District 6
Art Fierro

District 7
Lily Limón

District 8
Chris Canales

**NEWS
RELEASE**

02/03/2025

City Council Votes to Intervene and Suspend El Paso Electric's \$93 Million Rate Case Increase City Committed to Reducing Financial Impact to Residents

EL PASO, Texas—In a unanimous decision, the El Paso City Council has voted to intervene in El Paso Electric's (EPE) proposed \$93 million rate increase, effectively pausing the hike for 90 days to safeguard residents from an immediate financial burden. The intervention allows the City to actively advocate for fair and reasonable rates during a thorough review process.

The requested \$93 million rate increase consists of two components: the \$85.7 million increase for general rates and an additional \$7.3 million for a retiring plant rider, which EPE requested separately in the rate case. However, the combined impact of both figures represents the true total increase facing ratepayers. The retiring plant rider is designed to allow the utility to recover costs associated with older power plants that are no longer in use or are being decommissioned.

By intervening, the City aims to ensure ratepayers understand the full scope of the increase and that the final approved rates are equitable.

The City will participate in Public Utility Commission of Texas (PUCT) proceedings regarding EPE's request, with the majority of the increase affecting residential customers, EPE's largest customer class.

Under the proposed rate increase, the typical residential customer would see an average monthly residential increase of \$22.39, representing a 23 percent increase to their monthly bill. Given the significant financial impact on residents, the City Council voted to intervene and suspend the proposed rate increase for 90 days.

Under state statute, the suspension allows the City time to review the comprehensive proposal and determine if the proposed increase is reasonable, while still allowing the utility to recover investments in its infrastructure to ensure reliable service.

"The City is taking immediate steps to protect ratepayers and prevent unnecessary costs by carefully examining this case and ensuring that any approved increase is fair and justified," said City Attorney Karla Nieman. "Our proactive approach, combined with expert input, aims to minimize the financial impact on residents while securing the best outcomes for all El Pasoans."

CITY'S TRACK RECORD OF ADVOCACY: \$189 MILLION SAVINGS FOR RESIDENTS

El Paso has a long record of fighting for its residents in utility rate cases, saving nearly \$189 million in past negotiations. Under Texas law and the City's local code, El Paso has the authority to help set electric rates within city limits and represent ratepayers during rate hearings.

"Historically, the City has been a strong advocate for its residents and that advocacy has yielded positive results for EPE's Texas service area customers," said City Attorney Karla Nieman. "In the last six rate cases filed by EPE since 1994, the City's proactive interventions and the City's leadership in settlement negotiations have resulted in approximately \$189 million in savings for ratepayers."

—more—



Promoting **Transparent & Consistent Communication**
Among All Members of the Community

Media Contact: Laura Cruz-Acosta
Strategic Communications Director
Cruz-AcostaLA@elpasotexas.gov
915.212.1071



MAYOR
Renard U. Johnson

CITY MANAGER
Dionne Mack

CITY COUNCIL

District 1
Alejandra Chávez

District 2
Dr. Josh Acevedo

District 3
Deanna M. Rocha

District 4
Cynthia Boyar Trejo

District 5
Ivan Niño

District 6
Art Fierro

District 7
Lily Limón

District 8
Chris Canales

PROTECTING EL PASO RESIDENTS

The City has authorized the engagement of outside counsel and technical experts specializing in regulatory accounting, cost allocation, rate design, and other areas crucial to assessing utility rates. These experts will review over 5,400 pages of testimony submitted by EPE.

“As we have done in previous rate cases, we will pursue every available avenue to reduce the financial impact on ratepayers while ensuring reliable utility service,” added Nieman.

The City anticipates various other public entities and commercial/industrial entities will also intervene in EPE’s rate case with the PUCT.

BACKGROUND ON RATE REQUEST

By state statute, EPE is required to file its comprehensive base rate case every four years. EPE’s request includes a total \$3.6 billion rate base, and they claim that the increase is necessary to recover \$1.5 billion in investments made from January 2021 to September 2024; growing residential demand; and infrastructure upgrades, including new substations and aging power plant improvements. The City’s analysis will focus on ensuring that only reasonable and necessary costs are passed on to ratepayers.

Additionally, the City will evaluate the impact on different customer classes to ensure fair allocation of any increase, as well as assess the proposed rate of return tied to EPE’s capital structure.

NEXT STEPS

- **March 3, 2025:** EPE’s proposed effective date for new rates
- **June 1, 2025:** Deadline for the City to take action on the proposed EPE rate case
- **July 31, 2025:** Current PUC deadline to approve order setting rates

The projected timeline is set by State statute; however, the dates may be adjusted to a schedule agreed upon by all parties.

Residents are encouraged to stay informed and participate when possible. More details on the schedule and opportunities for public comment will be provided as they become available.

###



Promoting **Transparent & Consistent Communication**
Among All Members of the Community

Media Contact: Laura Cruz-Acosta
Strategic Communications Director
Cruz-AcostaLA@elpasotexas.gov
915.212.1071