

ATTACHMENT A

BEFORE THE NEW MEXICO PUBLIC REGULATION COMMISSION

IN THE MATTER OF THE APPLICATION OF)
EL PASO ELECTRIC COMPANY FOR) Case No. 18-00006-UT
CONTINUED USE OF ITS FUEL AND)
PURCHASED POWER ADJUSTMENT CLAUSE)
_____)

NOTICE TO EL PASO ELECTRIC COMPANY CUSTOMERS

The New Mexico Public Regulation Commission ("Commission" or "NMPRC") hereby gives notice of the following:

1. On January 5, 2018, El Paso Electric Company ("EPE" or "Company") filed its request for approval of its Application for Continued Use of its Fuel and Purchased Power Cost Adjustment Clause ("FPPCAC") pursuant to NMPRC Rule 17.9.550.17 NMAC and consistent with the Commission's Final Orders in Case Nos. 13-00380-UT and 15-00127-UT. Approval of EPE's continued use of its FPPCAC would be in accordance with NMSA 1978, Section 62-8-7(E), and Sections 13, 16 and 17 of Rule 17.9.550 New Mexico Administrative Code ("NMAC") ("Rule 550").
2. EPE requested that the Commission allow EPE's FPPCAC to continue without suspension; or issue a final order granting the continuation of the FPPCAC, reconciling FPPCAC costs for the period January 1, 2015 through December 31, 2016, and such other relief as the Commission may deem necessary for the continuation of EPE's FPPCAC.
3. EPE's most recent FPPCAC continuation case was approved by the Commission in a final order in Case No. 13-00380-UT on January 8, 2014, as such, EPE's current FPPCAC authorization expired on Monday, January 8, 2018. Rule 550 sets a four-year cycle for filing electric utility applications for continuation of an approved FPPCAC. While the FPPCAC was

scheduled to expire on January 8, the Commission has stated in its January 24 Order Temporarily Suspending FPPCAC Continuation Filing and Requiring a Staff Response (at 3, ¶ C), and February 28 Order Continuing Suspension of Application and Appointing Hearing Examiner (at 3, ¶ A) that the existing FPPCAC shall remain in effect pending further Commission order.

4. On June 8, 2016, in EPE's last general rate proceeding Case No. 15-00127-UT, the Commission ordered EPE to remove all fuel and purchased power costs from base rates and instead, bill such costs entirely through the FPPCAC. EPE implemented the Case No. 15-00127 Final Order in July 2016 and EPE's requested continuation of the FPPCAC mechanism reflects this change.

5. On October 25, 2017, in EPE's 2017 Renewable Energy Act Plan Case No. 17-00090-UT, the Commission approved a Renewable Portfolio Standard ("RPS") Cost Rider for EPE to recover Commission-approved costs associated with EPE's compliance with renewable energy requirements which previously had been authorized for recovery through EPE's FPPCAC. EPE's RPS Cost Rider, Original Rate No. 38, became effective January 1, 2018 pursuant to EPE's compliance Advice Notice No. 253. EPE's requested continuation of the FPPCAC mechanism reflects this change.

6. The FPPCAC provides for use, when available, of capacity and energy from decertified and abandoned Palo Verde Nuclear Generating Station ("PVNGS") Unit 3 priced at the lowest equivalent market price for capacity and related energy available to EPE, as provided for by prior Stipulations and Commission Final Orders, including Case Nos. 09-00171-UT and 13-00380-UT, which established the current FPPCAC. In NMPRC Case No. 09-00171-UT, the parties agreed and the Commission approved the proxy pricing for PVNGS Unit 3 firm capacity and energy based upon a wholesale contract between EPE and Credit Suisse Energy, LLC. That contract expired eight (8) years ago, in 2010. EPE agreed to voluntarily use PVNGS Unit 3

capacity and energy, when available, to serve New Mexico customers during the period that the FPPCAC approved in Case No. 13-00380-UT is in effect.

7. EPE proposes no changes to its existing FPPCAC related to the continued use of PVNGS Unit 3 for New Mexico.

8. The Commission has issued Orders finding jurisdiction over this proceeding, and that the case should be assigned for a fully adjudicatory proceeding. As provided by the Commission's FPPCAC Rule 17.9.550.17(C) NMAC, pending the outcome of the formal adjudicatory proceeding, the Application should be suspended and the Company's existing FPPCAC should remain in effect until further order of the Commission.

9. This matter has been designated as NMPRC Utility Case No. 18-00006-UT and all inquiries and correspondence should refer to that number.

10. The Commission has set the schedule for hearing of this case as follows:

A. A public hearing will be held beginning at 9:30 A.M. on July 30, 2018, and continuing thereafter until concluded, at the Commission's offices, Ground Floor Hearing Room, 1120 Paseo del Peralta, Santa Fe, New Mexico for the purpose of hearing and receiving further comment, testimony, exhibits, arguments and any other appropriate matters in order to determine whether EPE's Application should be approved by the Commission.

B. Pursuant to 1.2.2.23(A) and (B) NMAC, any person desiring to become a party to this case shall file a Motion for Leave to Intervene on or before May 2, 2018.

C. The Commission Staff shall, and Intervenors may, file testimony regarding EPE's Application on or before June 12, 2018.

D. Rebuttal Testimony, if any, shall be filed on or before July 6, 2018.

11. The Commission's Rules of Practice and Procedure, 1.1.2 NMAC, *et seq.* apply to this case except as modified by Order. A copy of such Rules are available at the official site of the New Mexico Administrative Code <http://www.nmcpr.state.nm.us/nmac/>.

12. Any interested person may examine EPE's Application, testimonies, exhibits and related papers in this case at the Commission's website, Case Lookup EdoCKET tab (<http://nmcprc.state.nm.us/>) or at the EPE's office at 100 N. Stanton Street, El Paso, Texas 79960, telephone (915) 543-4187 and at 201 N. Water Street, Las Cruces, New Mexico 88001, telephone (505) 526-5551. Further information about this case may be obtained by contacting EPE at the addresses and telephone numbers provided.

13. Any interested person may appear at the time and place of hearing and make a written or oral comment at the hearing pursuant to 1.2.2.23(F) NMAC without becoming an intervenor, but the comment will not be considered as evidence in the proceeding. Written comments, which shall specifically reference Case No. 18-00006-UT, may be sent to the Commission at the following mailing address:

New Mexico Public Regulation Commission
ATTN: Records Division
PERA Building
1120 Paseo de Peralta
P.O. Box 1269
Santa Fe, NM 87504-1269

14. Anyone filing pleadings, documents or testimony in this case may file either in person or by U.S. Mail with the Commission's Records Division at the address above and shall serve copies on all parties listed in certificate of service for this case.

15. Any person whose testimony has been filed shall attend the hearing and submit to examination under oath.

16. Interested persons should contact the Commission for confirmation of the hearing dates, times and places at (505) 827-6956 because hearings are occasionally rescheduled. The

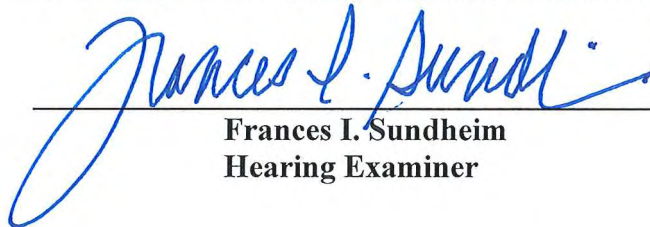
hearing date and other information regarding the case will be posted on the Commission's website

<http://nmprc.state.nm.us/>

17. Any person with a disability requiring special assistance in order to participate in this proceeding should contact the Commission at (505) 827-6956 at least 24 hours prior to the commencement of the hearing.

I S S U E D at Santa Fe, New Mexico on March 23, 2018.

NEW MEXICO PUBLIC REGULATION COMMISSION



Frances I. Sundheim
Hearing Examiner