



City Reaches Resolution That Cuts El Paso Electric Request in Half

SUMMARY

Public Utility Commission Docket 35856

Petition of El Paso Electric Company for Authority to Increase Fuel Factor, For Fuel Surcharge and For Related Good-Cause Exception.

- Case Filed July 8, 2008 as a semi annual filing.
- EPE requested an increase in the “fuel factor” the fuel portion of the bill from approximately \$.0332 per kWh (residential) to \$.0461.
- EPE also requested an increase in the surcharge for fuel under-collection from \$.0037 per kWh to \$.0104, an increase of \$.00669 per kWh. Included in the request was a request to collect approximately \$19 million of under-collections for June and July.
- By action of the City Council on July 22, the City intervened in the case, conducted discovery met with the company and made proposals and recommendations to resolve the case.
- The agreed resolution of the case cuts the EPE request about in half.
 - The Fuel Factor for Residential Customers will be \$.038 per kWh
 - The surcharge request will be cut to be an additional \$.0046 per kWh and collected over 18 months.
- EPE agrees that it will not file for another surcharge before February 2009. (Absent dramatic increases in the price of natural gas)
- The changes will not go into effect until October 1. The differences for a typical bill (residential customer using 500kWh would be approximately as follows:

Residential	Current	As Filed	Proposal
Base Rate	\$42.97	\$42.97	\$42.97
Fuel Factor	16.60	23.05	19.20
Surcharge	1.86	5.20	4.16
	\$61.42	\$71.22	\$66.33
Increase		\$9.80	\$4.91
% Increase		15.95%	7.99%

- This case addresses the fuel portion of the bill on which EPE is not permitted to make a profit. It also is a projection of the costs. A full examination of the costs will be made when EPE files its next fuel reconciliation which should be at the end of 2009. If EPE has over collected on fuel costs, a refund or credit will be made.