

EL PASO ELECTRIC CO /TX/
Form DEF 14A
April 13, 2018
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SCHEDULE 14A

(Rule 14a-101)
INFORMATION REQUIRED IN PROXY STATEMENT

SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of the
Securities Exchange Act of 1934 (Amendment No.)

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Soliciting Material Under Rule 14a-12
- Confidential, For Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
- Definitive Proxy Statement
- Definitive Additional Materials

EL PASO ELECTRIC COMPANY
(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if Other Than the Registrant)

Payment of Filing Fee (Check the appropriate box):

No fee required.

Fee computed on table below per Exchange Act Rules 14a-6(i)(4) and 0-11.

- 1) Title of each class of securities to which transaction applies:
- 2) Aggregate number of securities to which transaction applies:
- 3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):
- 4) Proposed maximum aggregate value of transaction:

5) Total fee paid:

Fee paid previously with preliminary materials:

Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the form or schedule and the date of its filing.

1) Amount previously paid:

2) Form, Schedule or Registration Statement No.:

3) Filing Party:

4) Date Filed:

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EL PASO ELECTRIC COMPANY

100 N. Stanton Street
El Paso, Texas 79901
(915) 543-5711

April 13, 2018

Dear Shareholders:

We are pleased to invite you to the Annual Meeting of Shareholders (the Annual Meeting) of El Paso Electric Company (the Company) to be held at the Stanton Tower Building, located at 100 N. Stanton Street, El Paso, Texas 79901, on May 24, 2018, at 10:00 a.m., Mountain Daylight Time.

As explained in the enclosed Proxy Statement, the purpose of the Annual Meeting is to give shareholders an opportunity (i) to vote on the election of the Company s Class III Directors; (ii) to consider and act upon the recommendation of the Board of Directors of the Company (the Board) to ratify the selection of KPMG LLP as the Company s independent registered public accounting firm for the fiscal year ending December 31, 2018; and (iii) to approve, by a non-binding advisory vote, the Company s executive compensation, commonly referred to as a say-on-pay vote.

Information concerning these matters is set forth in the accompanying Notice of the Meeting and Proxy Statement. The Board recommends that you vote FOR proposals one, two, and three as explained in the enclosed Proxy Statement.

Your vote is important to us. To ensure your representation, even if you cannot attend the Annual Meeting, please mark, sign, date, and return the enclosed proxy card promptly.

Thank you for your continued interest in El Paso Electric Company.

Sincerely,

Mary E. Kipp
President and Chief Executive Officer

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EL PASO ELECTRIC COMPANY

**100 N. Stanton Street
El Paso, Texas 79901**

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

Dear Shareholders:

You are cordially invited to attend the 2018 Annual Meeting of Shareholders of El Paso Electric Company. This is your notice for the Annual Meeting.

DATE AND TIME

May 24, 2018, at 10:00 a.m., Mountain Daylight Time

PLACE

The Stanton Tower Building, located at 100 N. Stanton Street, El Paso, Texas 79901

ITEMS OF BUSINESS

- (1) elect the Company's Class III Directors;
- (2) ratify the appointment of KPMG LLP as the Company's independent registered public accounting firm for the fiscal year ending December 31, 2018;
- (3) conduct an advisory vote on executive compensation; and
- (4) conduct other business if properly raised.

The Board knows of no matter, other than those set forth above (which are discussed at greater length in the accompanying Proxy Statement), that will be presented for consideration at the Annual Meeting.

RECORD DATE

Shareholders of record at the close of business on March 26, 2018, are entitled to vote.

PROXY VOTING

Each outstanding share of the Company's common stock entitles the holder to one vote. You may vote either by attending the Annual Meeting or by proxy. For specific voting information, please see the information beginning on page 1 of the enclosed Proxy Statement. **Even if you plan to attend the Annual Meeting, please sign, date, and return the enclosed proxy card or submit your proxy using the Internet or telephone procedures described on the proxy card.**

On behalf of the Board, thank you for your participation in this important annual process.

By Order of the Board of Directors,

Jessica Goldman
Corporate Secretary

April 13, 2018

**YOUR VOTE IS IMPORTANT
PLEASE MARK, SIGN, DATE, AND
RETURN YOUR PROXY CARD PROMPTLY OR VOTE BY INTERNET OR TELEPHONE.
THANK YOU.**

El Paso Electric Company 2018 Proxy Statement

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EL PASO ELECTRIC COMPANY

**PROXY STATEMENT
FOR THE
ANNUAL MEETING OF SHAREHOLDERS
TO BE HELD ON MAY 24, 2018**

Proxy Summary

		Board Vote Recommendation	Page Reference (for more detail)
Voting Matters and Board Recommendations:			
Proposal No. 1	Election of Directors	FOR each nominee	Page <u>5</u>
Proposal No. 2	Ratification of the Appointment of KPMG LLP as the Company's Independent Registered Public Accounting Firm for 2018	FOR	Page <u>17</u>
Proposal No. 3	Advisory Vote on Executive Compensation	FOR	Page <u>19</u>
How to Vote			

If you held shares of El Paso Electric Company common stock as of the close of business on the record date (March 26, 2018), you are entitled to vote at the Annual Meeting.

- **By Internet** – Go to the website at www.proxyvote.com, 24 hours a day, seven days a week. You will need the control number that appears on your proxy card or on your Notice of Internet Availability of Proxy Materials.
- **By Telephone** – Call 1-800-690-6903, 24 hours a day, seven days a week. You will need the control number that appears on your proxy card.
- **By Mail** – If you received a full paper set of proxy materials, date and sign your proxy card exactly as your name appears on your proxy card and mail it in the enclosed, postage-paid envelope. If you received a Notice of Internet Availability of Proxy Materials, you may request a proxy card by following the instructions in your Notice. You do not need to mail the proxy card if you are voting by Internet or telephone.

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The following table provides summary information about each director nominee and continuing director.

Name	Age	Director Since	Principal Occupation	Independent	AC	CC	EC	EREC	NCG	PPCR	SC	Qualifications & Skills
NOMINEES FOR CLASS III DIRECTORS (TERM EXPIRING IN 2021)												
Raymond Palacios, Jr.	57	2017	President, Bravo Cadillac, El Paso, Texas and Bravo Chevrolet Cadillac, Las Cruces, New Mexico									<ul style="list-style-type: none"> • consumer retail and marketing • financial controls and auditing • knowledge of Texas communities • knowledge of New Mexico communities
Stephen N. Wertheimer	67	1996	Managing Director and Founding Partner, W Capital Partners									<ul style="list-style-type: none"> • corporate finance and accounting • regulated financial • environmental/ alternative energy/solar • corporate governance • consumer retail and marketing • strategic planning • technology strategy
Charles A. Yamarone	59	1996	Chief Corporate Governance and Compliance Officer, Houlihan Lokey Chairman of the Board, El Paso Electric Company									<ul style="list-style-type: none"> • corporate finance and accounting • regulated financial • legal • corporate governance • financial controls and auditing
CLASS I DIRECTORS (TERM EXPIRING IN 2019)												
Paul M. Barbas	61	2017	Director of Vistra Energy Corp. (successor to Dynegey Inc.) Retired									<ul style="list-style-type: none"> • regulated utility • environmental/ alternative energy/solar • utility operations • technology strategy • strategic planning

			President and Chief Executive Officer, DPL Inc. and its principal subsidiary, The Dayton Power and Light Company	
James W. Cicconi	65	1997	Retired Senior Executive Vice President for External and Legislative Affairs, AT&T Services, Inc.	<ul style="list-style-type: none"> • governmental affairs and compliance • legal • telecommunications • technology strategy
Mary E. Kipp	50	2015	President and Chief Executive Officer, El Paso Electric Company	<ul style="list-style-type: none"> • regulated financial • knowledge of Texas communities • governmental affairs and compliance • legal • regulated utility • utility operations • environmental/alternative energy/solar • corporate governance • knowledge of New Mexico communities • strategic planning
CLASS II DIRECTORS (TERM EXPIRING IN 2020)				
Catherine A. Allen	71	2009	Founder, Chairman and CEO, The Santa Fe Group	<ul style="list-style-type: none"> • regulated financial • governmental affairs and compliance • strategic planning • corporate governance • knowledge of New Mexico communities • technology strategy
Edward Escudero	47	2012	President and CEO, High Desert Capital LLC Vice Chairman of	

the Board,
El Paso
Electric
Company