

Cap Rock Energy Corporation to Be Acquired By Lindsay Goldberg

Midland, TX - 11/07/05

Cap Rock Energy Corporation (AMEX:RKE) (the "Company" or "Cap Rock") announced today that it has signed a definitive agreement and plan of share exchange (the "Agreement") to be acquired by a newly formed entity owned by Lindsay Goldberg and its affiliates ("LG"). Under the Agreement, issued and outstanding shares of common stock of the Company are to be exchanged for the right to receive \$21.75 per share in cash which, including the assumption of debt, values the Company at approximately \$163 million. Certain of the Company's shares which are held by certain members of management will be rolled over into shares of a new parent company controlled by LG. Following the transaction, the Company will no longer have any publicly traded shares.

"We are very excited about the opportunity to invest in Cap Rock," stated Russell Triedman of LG. "We see significant opportunity in the utility sector, and we hope to continue investing in the Company over the next several years to help build it into a larger, industry-leading diversified utility."

William West, President and CEO designate of the Company, stated "We couldn't be more pleased to have LG as a new investor in the Company. We think they will provide the Company with the capital it needs to continue delivering safe and reliable service to its customers, while also giving us the financial capacity to continue building the Company over the long-term."

According to West, all Cap Rock employees will remain in their current positions with no change in benefits and retirement plans. The existing Cap Rock management team will continue to guide the Company on a day to day basis, with the headquarters remaining in Midland, Texas. "LG recognizes that our people are our most important asset," West said, "and they want to preserve the Company's commitment to providing superior service at competitive rates."

As previously announced by the Company, Mr. David Pruitt resigned as Chief Executive Officer of the Company on June 14, 2005, effective November 12, 2005. Mr. Pruitt's resignation will now become effective after the shareholder meeting at which the transaction is considered and, at such time, he will become a consultant to the Company, serving as Senior Advisor to the board of directors and management.

In addition, upon consummation of the transaction, Mr. Kevern Joyce, former Chairman of the Board and Chief Executive Officer of Texas-New Mexico Power Company, and Mr. Coyt Webb, former COO, President and Director of Southwestern Public Service Company, will be joining the Company's Board of Directors.

The transaction is subject to shareholder approval of the Agreement, approval of the transaction by the Public Utility Commission of Texas and the Federal Energy Regulatory Commission and certain other conditions. A special committee of the board of directors of Cap Rock comprised wholly of non-employee directors was formed and unanimously recommended approval of the transaction.

About Cap Rock Energy Corporation

Cap Rock Energy Corporation provides electric distribution services to over 35,000 meters in 28 counties in Texas. Its corporate office is located in Midland, Texas.

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