Oscar Leeser Mayor



CITY COUNCIL Peter Svarzbein, District 1 Alexsandra Annello, District 2 Cassandra Hernandez, District 3 Joe Molinar, District 4 Isabel Salcido, District 5 Claudia L. Rodriguez, District 6 Henry Rivera, District 7 Cissy Lizarraga, District 8

Tommy Gonzalez City Manager

NOTICE OF SPECIAL MEETING OF THE CITY COUNCIL OF THE CITY OF EL PASO

October 20, 2021 COUNCIL CHAMBERS, CITY HALL, 300 N. CAMPBELL AND VIRTUALLY 6:00 PM THE LOCAL HEALTH AUTHORITY STRONGLY RECOMMENDS THE USE OF MASKS IN ALL CITY FACILITIES AND INDOOR SPACES

Teleconference phone number: 1-915-213-4096 Toll free number: 1-833-664-9267 Conference ID: 334-239-067#

Notice is hereby given that a Special Meeting of the City Council of the City of El Paso will be conducted on October 20, 2021 at 6:00 PM. Members of the public may view the meeting via the following means:

Via the City's website. http://www.elpasotexas.gov/videos Via television on City15, YouTube: https://www.youtube.com/user/cityofelpasotx/videos

In compliance with the requirement that the City provide two-way communication for members of the public, members of the public may communicate with Council during public comment, and regarding agenda items by calling the following number:

1-915-213-4096 or Toll free number: 1-833-664-9267

At the prompt please enter the corresponding Conference ID: 334-239-067#

The public is strongly encouraged to sign up to speak on items on this agenda before the start of this meeting on the following links:

https://www.elpasotexas.gov/city-clerk/meetings/city-council-meetings and http://legacy.elpasotexas.gov/muni clerk/Sign-Up-Form-Special-Council.php

A quorum of City Council must participate in the meeting.

REGULAR AGENDA – PUBLIC HEARING

1.Discussion and action on Application of El Paso Electric Company to Change21-1208Rates within the City of El Paso.

All Districts

City Attorney's Office, Karla M. Nieman, (915) 212-0033

EXECUTIVE SESSION

The City Council of the City of El Paso may retire into EXECUTIVE SESSION pursuant to Section 3.5A of the El Paso City Charter and the Texas Government Code, Chapter 551, Subchapter D, to discuss any of the following: (The items listed below are matters of the sort routinely discussed in Executive Session, but the City Council of the City of El Paso may move to Executive Session any of the items on this agenda, consistent with the terms of the Open Meetings Act and the Rules of City Council.) The City Council will return to open session to take any final action and may also, at any time during the meeting, bring forward any of the following items for public discussion, as appropriate.

- Section 551.071 CONSULTATION WITH ATTORNEY
- Section 551.072 DELIBERATION REGARDING REAL PROPERTY
- Section 551.073 DELIBERATION REGARDING PROSPECTIVE GIFTS
- Section 551.074 PERSONNEL MATTERS
- Section 551.076 DELIBERATION REGARDING SECURITY DEVICES OR SECURITY AUDITS
- Section 551.087 DELIBERATION REGARDING ECONOMIC DEVELOPMENT NEGOTIATIONS
- Section 551.089 DELIBERATION REGARDING SECURITY DEVICES OR SECURITY AUDITS; CLOSED MEETING
- **EX1.** Coronavirus Relief Fund Sub-Recipient Agreements for Economic Development and Community Development programs. Matter No. 20-1052-1069.046 (551.071)

City Attorney's Office, Juan Gonzalez, (915) 212-0033

ADJOURN

NOTICE TO THE PUBLIC:

If you need Spanish Interpreter Services, you must email CityClerk@elpasotexas.gov at least 48 hours in advance of the meeting.

ALL REGULAR CITY COUNCIL AGENDAS ARE PLACED ON THE INTERNET THURSDAY PRIOR TO THE MEETING AT THE ADDRESS BELOW:

http://www.elpasotexas.gov/



Legislation Text

File #: 21-1208, Version: 1

CITY OF EL PASO, TEXAS LEGISTAR AGENDA ITEM SUMMARY FORM

DISTRICT, DEPARTMENT, CONTACT INFORMATION:

Please choose District and Department from drop down menu. Please post exactly as example below. No Title's, No emails. Please use ARIAL 10 Font.

All Districts City Attorney's Office, Karla M. Nieman, (915) 212-0033

AGENDA LANGUAGE:

This is the language that will be posted to the agenda. Please use ARIAL 11 Font.

Discussion and action on Application of El Paso Electric Company to Change Rates within the City of El Paso.

CITY OF EL PASO, TEXAS AGENDA ITEM DEPARTMENT HEAD'S SUMMARY FORM

AGENDA DATE: October 20, 2021 PUBLIC HEARING DATE: October 20, 2021

CONTACT PERSON(S) NAME AND PHONE NUMBER: Manuel Arambula (915)212-0033 and Elizabeth Triggs (915)212-1619

DISTRICT(S) AFFECTED: All

STRATEGIC GOAL: Goal 6 – Set the Standard for Sound Governance and Fiscal Management

SUBGOAL:

SUBJECT:

APPROVE a resolution / ordinance / lease to do what? OR AUTHORIZE the City Manager to do what? Be descriptive of what we want Council to approve. Include \$ amount if applicable.

City Council will be asked to approve or deny El Paso Electric's request for an increase in electricity rates.

BACKGROUND / DISCUSSION:

Discussion of the what, why, where, when, and how to enable Council to have reasonably complete description of the contemplated action. This should include attachment of bid tabulation, or ordinance or resolution if appropriate. What are the benefits to the City of this action? What are the citizen concerns?

City Council will decide, under its original jurisdiction, at the Public Hearing whether to agree to El Paso Electric's request to increase the base rates within the City's limits.

PRIOR COUNCIL ACTION:

Has the Council previously considered this item or a closely related one?

Yes. City Council last made this decision on June 12, 2017.

AMOUNT AND SOURCE OF FUNDING:

How will this item be funded? N/A

Has the item been budgeted? N/A

If so, identify funding source by account numbers and description of account. N/A

Does it require a budget transfer? N/A

HAVE ALL AFFECTED DEPARTMENTS BEEN NOTIFIED? <u>X</u> YES <u>NO</u>

PRIMARY DEPARTMENT: City Attorney's Office **SECONDARY DEPARTMENT:** City Manager – Strategic Partnerships Officer

DEPARTMENT HEAD:

Manuel anombula

For Karla M. Nieman

(If Department Head Summary Form is initiated by Purchasing, client department should sign also)

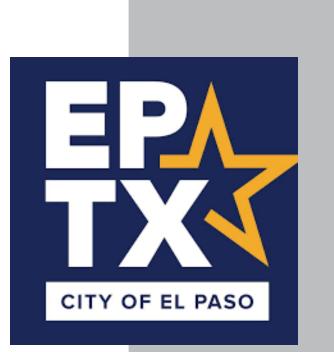
EPE RATE DISCUSSION

Application of El Paso Electric to Change its Rates

Senior Assistant City Attorney Manny Arambula Matter No. 21-1008-174

Docket No. 52195





HISTORY AND TIMELINE – CITY'S ORIGINAL JUSRISDICTION 2

• Case Filed on June 1, 2021

• City has 155 days to review.

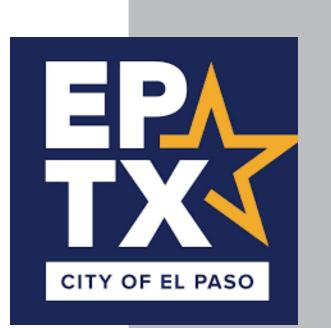
• 155 days expires on November 3, 2021.

- Dates to take action on increase request:
 - October 20, 2021, or
 - October 25, 2021



HISTORY AND TIMELINE – PUBLIC UTILITY COMMISSION

- Filed June 1, 2021.
- Intervenor Testimony due October 22, 2021.
- PUC Staff Testimony due October 29, 2021.
- Hearing on the merits January 10-19, 2022.
- Effective date of new rates November 3, 2021.



RATE INCREASE REQUEST

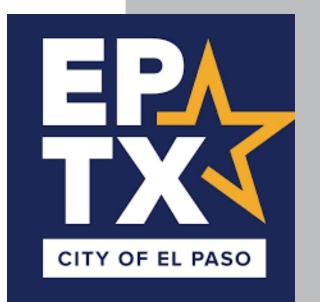


- Overall Increase Request is \$41,800,000
- Overall Base Rate Increase
- Based on Requested Rate of Return on Common Equity of 10.3%
- Based on increases in Plant Investment Increases of Distribution Transmission and Generation.

INCREASE BY CLASS (Base Rate)



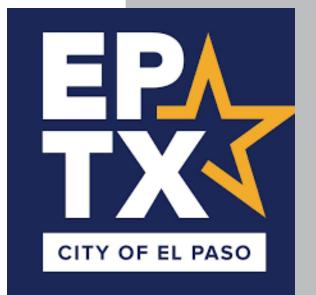
Customer Class	Increase	Percent
Rate 01 – Residential Service	\$37,184,541	13.59%
Rate 02 – Small General Service	(\$947,601)	-2.84%
Rate 07 – Outdoor Recreation Lighting Service	\$164,971	35.63%
Rate 08 – Government Street Lighting Service	(\$913,122)	-22.57
Rate 09 – Traffic Signal Service	\$5,236	5.5%
Rate 11 TOU- Municipal Pumping TOU Service	\$286,739	2.84%
Rate 15 - Electrolytic Refining Service	\$449,298	24.55%
WH – Water Heating Service	\$64,491	13.59%
Rate 22 - Irrigation Service	\$145,859	34.45%
Rate 24 – General Service	(\$2,893,807)	-2.31% ¹⁰

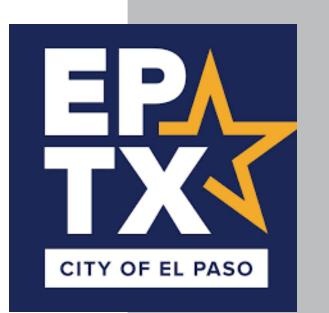


INCREASE BY CLASS (Base Rate)



Customer Class	Increase	Percent
Rate 25 – Large Power Service	\$2,022,528	5.63%
Rate 26 Petroleum Refinery Service	\$2,219,821	20.25%
Rate 28 – Area Lighting Service	(\$236,252)	-8.06%
Rate 30 – Electric Furnace Rate	\$343,236	28.80%
Rate 31 – Military Reservation Service	\$2,043,487	15.71%
Rate 34 – Cotton Gin Service	\$48,627	36.57%
Rate 41 – City and County Service	(\$691,368)	-3.61%
TOTAL	\$39,296,582	7.38%





CITY'S PREPARATION



- Engaged Attorneys
- Engaged Consultants
 - Accountants
 - Engineers
 - Economists
- Sent Written Discovery to EPE 16 separate sets of questions
- Review and Study Responses to City's Requests and Other Parties
- Preparing Positions to be filed at PUC October 22, 2021
- Engaging with Other Parties

PARTIES AT PUC

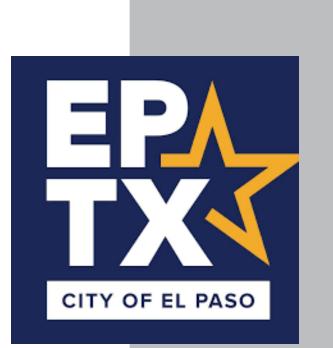


- City of El Paso
- Texas Cotton Ginner's
 Assoc.
- County of El Paso
- Western Refining
- Vinton Steel, LLC
- Freeport McMoRan, Inc.
- W. Silver

CITY OF EL PASO

- Walmart
- The United States
 Department of Defense and
 all other Federal Executive
 Agencies
- UTEP

- OPUC
- IBEW
- Rate 41 Group:
 - ISDs for: El Paso, Anthony, Canutillo, Clint, Fabens, San Elizario, Socorro, Tornillo, Ysleta
 - El Paso County
 - El Paso County Community College District
 - El Paso County Housing Authority
 - Housing Authority of the City of El Paso
 - Region 19 Education Service Center



RESIDENTIAL RATE DESIGN

- Increase in Customer Charge to \$10.54 from \$8.25 (28% Increase)
- Increase in usage charge of 4%-17%
- Increase the summer-winter difference in rates to for the first 600 kWh to \$0.02 from \$0.01 and the difference in over 600 kWh in summer from \$0.015 to \$0.03
- Change the summer months to June to September from May to October



AREAS OF CONCERN UNDER REVIEW

- Overall Rate of Return/ Return on Equity
- Allocation of Costs between Texas and New Mexico
- Charitable Donations
- Adjustments to Operating Expenses
- Right of Way Payment to Isleta Pueblo (Albuquerque)
- Depreciation



AREAS OF CONCERN UNDER REVIEW

- Production Operations and Maintenance Expenses
- Revenue Adjustments
- COVID-19 Expenses
- Refund of Excess Deferred Taxes
- Incentive Compensation
- Other Adjustments



Mission

Deliver exceptional services to support a high quality of life and place for our community

Vision

Develop a vibrant regional economy, safe and beautiful neighborhoods and exceptional recreational, cultural and educational opportunities powered by a high performing government

☆ Values

Integrity, Respect, Excellence, Accountability, People





Legislation Text

File #: 21-1209, Version: 1

CITY OF EL PASO, TEXAS LEGISTAR AGENDA ITEM SUMMARY FORM

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