

Oscar Leaser  
Mayor

Tommy Gonzalez  
City Manager



CITY COUNCIL  
Peter Svarzbein, District 1  
Alexsandra Anello, 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

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

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**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](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 Change Rates within the City of El Paso.

**21-1208**

### **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)

**21-1209**

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](mailto: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/>



El Paso, TX

300 N. Campbell  
El Paso, TX

Legislation Text

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**File #:** 21-1208, **Version:** 1

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**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?**   X   YES      NO

**PRIMARY DEPARTMENT:** City Attorney's Office

**SECONDARY DEPARTMENT:** City Manager – Strategic Partnerships Officer

\*\*\*\*\*REQUIRED AUTHORIZATION\*\*\*\*\*

**DEPARTMENT HEAD:**  For Karla M. Nieman

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(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 JURISDICTION



- 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% <sup>10</sup>



# 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%
<b>TOTAL</b>	<b>\$39,296,582</b>	<b>7.38%</b>



## 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
- 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

10

- 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

11

- 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



El Paso, TX

300 N. Campbell  
El Paso, TX

## Legislation Text

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**File #:** 21-1209, **Version:** 1

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### **CITY OF EL PASO, TEXAS LEGISTAR AGENDA ITEM SUMMARY FORM**

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