

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

DEPARTMENT: Office of the City Manager/Office of the City Attorney

AGENDA DATE: October 25, 2011

CONTACT PERSON/PHONE: William F. Studer, Jr., Deputy City Manager (541-4215);
Bertha A. Ontiveros, Assistant City Attorney (541-4550)

DISTRICT(S) AFFECTED: All

SUBJECT:

Public hearing and discussion and action concerning Establishing Interim Temporary Electric Rates.

Discussion and action on resetting the date of the hearing on Establishing Interim Temporary Electric Rates to November 8, 2011.

BACKGROUND / DISCUSSION:

On October 4, 2011, the City Council scheduled this hearing to consider interim temporary electric rates. This hearing and consideration of interim temporary rates is related to the Council's order to El Paso Electric Company to file a rate case within 120 days (by February 1, 2012). Under State law, the City as the regulatory authority has reason to believe that the electric utility rates are greater than needed to provide a reasonable opportunity to earn a reasonable return, the Council may initiate an inquiry, order a rate case be filed and set interim temporary rates to be in effect until a final determination is made.

In order to perform additional analysis, staff is requesting this hearing be reset to the Regular City Council meeting on November 8, 2011.

PRIOR COUNCIL ACTION:

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

After discussion on September 13 and October 4, 2011, Council ordered El Paso Electric to file a rate case by February 1, 2012 and established the hearing date to consider interim temporary electric rates.

AMOUNT AND SOURCE OF FUNDING:

N/A

BOARD / COMMISSION ACTION:

N/A

*****REQUIRED AUTHORIZATION*****

DEPARTMENT HEAD: _____

RESOLUTION

WHEREAS, the City of El Paso, Texas is a home rule municipality operating pursuant to its Charter and the laws of the State of Texas;

WHEREAS, pursuant to Texas Utilities Code Sections 11.003(18) and 33.001, the City of El Paso is a regulatory authority having exclusive original jurisdiction over the rates, operations and services of an electric utility within the areas of the city limits;

WHEREAS, pursuant to a franchise granted on July 15, 2005 and predecessor franchises El Paso Electric Company, a Texas corporation is an electric utility operating within the City of El Paso, Texas;

WHEREAS, pursuant to the City Charter of the City of El Paso Section 1.4, the City of El Paso reserved until itself all authority to regulate and fix the reasonable rates to be charged by Public Utility Corporations for electric rates to consumers, subject to and in accordance with the laws of the State of Texas;

WHEREAS, the current base rates being charged for electric service within the City Limits of the City of El Paso were established pursuant to a resolution dated June 8, 2010;

WHEREAS, the City Council has reviewed the current base rates being charged to customers and consumers within the City of El Paso in accordance with the provisions of Texas Utilities Code Section 36.051;

WHEREAS, The City Council on October 4, 2011, initiated a proceeding pursuant to Texas Utilities Code Section 36.151 and ordered the El Paso Electric Company to file a rate filing package by February 1, 2012;

WHEREAS, pursuant to Texas Utilities Code Section 36.155, the City of El Paso as Regulatory Authority may issue an interim order establishing temporary rates to be in effect until a final determination is made pursuant to the proceeding initiated pursuant to Texas Utilities Code Section 36.151; and

WHEREAS the City Council finds that setting the base rates currently in effect as temporary rates is reasonable and in the public interest.

NOW, THEREFORE BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF EL PASO, TEXAS THAT

Section 1. Effective October 25, 2011, the Rate Schedules 01, 02, 07, 08, 11, 11-TOU, 15, 21, 22, 24, 24A, 25, 26, 28, 30, 31, 34, 41, 43, 45,46, 47, 49,51 and 95 are established

as temporary rates until a final determination is made of reasonable rates to be charged to for service within the City of El Paso.

Section 2. No change is made to Rate 48 or Rate 96, 97, 98-FFF or DG.

Section 2. Upon a final determination, pursuant to Texas Utilities Code Section 36.155, the City Council may order a refund to customers of money collected in excess of the rate finally ordered and interest on that money at the current interest rate determined by the Public Utility Commission of Texas, or shall authorize El Paso Electric Company to surcharge bills to recover the amount by which the money collected under the temporary rates is less than the money that would have been collected under the rate finally ordered, and interest on that amount at the current interest rate as determined by the Public Utility Commission of Texas.

Adopted this 15th day of November, 2011

CITY OF EL PASO

John F. Cook, Mayor

Attest:

Richarda Duffy Momsen,
City Clerk

Approved as to Form:

Approved as to Content:

Bertha A. Ontiveros
Assistant City Attorney

William F. Studer, Jr., Deputy City Manager
Financial and Management Support Services