

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

DEPARTMENT: Financial Services

AGENDA DATE: Consent Agenda December 22, 2009

CONTACT PERSON NAME AND PHONE NUMBER: Liza Ramirez-Tobias (915) 541-4074

DISTRICT(S) AFFECTED: All

SUBJECT:

That the rate increase identified in the Application of El Paso Electric Company to Change Rates, to Reconcile Fuel Costs, to Establish Formula-Based Fuel Factors and to Establish an Energy Efficiency Cost Recovery Factor before the City and the Public Utility Commission of Texas, Docket No. 37690 be and is hereby suspended for 90 days after the effective date for the rate increase subject to the City's jurisdiction as specified in the filing.

BACKGROUND / DISCUSSION:

On December 9, 2009, El Paso Electric Company (EPE) filed with the City of El Paso its Application of El Paso Electric Company to Change Rates, to Reconcile Fuel Costs, to Establish Formula-Based Fuel Factors and to Establish an Energy Efficiency Cost Recovery Factor before the Public Utility Commission of Texas Docket No. 37690. Pursuant to applicable law, the City of El Paso maintains original jurisdiction over rates of El Paso Electric Company for rates charged within the City limits of the City of El Paso and the Application specifies that the rate change within the City's jurisdiction should be effective on March 2, 2010. The Texas Public Utility Commission has original jurisdiction over the rate change, fuel costs, fuel factor and energy efficiency cost recovery factors and the Application filed December 9, 2009 specifies that these changes within the PUC's jurisdiction should become effective January 13, 2010. The City of El Paso has authorized the City Attorney and its outside counsel to evaluate the Application and intervene in the Application pending before the PUC. The City Council has determined that additional time and information is needed for it to study the proposed rate changes and tariffs and the reasons. The City Council has determined that it is in the best interest of its citizens and ratepayers to suspend the proposed rate change.

PRIOR COUNCIL ACTION:

City Council has original jurisdiction as per the Texas Utility Code

AMOUNT AND SOURCE OF FUNDING:

How will this item be funded? Has the item been budgeted? If so, identify funding source by account numbers and description of account. Does it require a budget transfer?

None _____

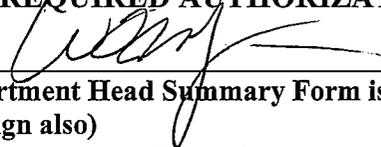
BOARD / COMMISSION ACTION:

Enter appropriate comments or N/A

N/A _____

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

DEPARTMENT HEAD:



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

Information copy to appropriate Deputy City Manager

RESOLUTION

WHEREAS, El Paso Electric Company, distributes electric power within the City Limits of the City of El Paso pursuant to a 25-year franchise granted to El Paso Electric Company dated as of July 15, 2005, and is an electric utility;

WHEREAS, on December 9, 2009, El Paso Electric Company ("EPE" or the "Company"), filed with the City of El Paso its Application of El Paso Electric Company to Change Rates, to Reconcile Fuel Costs, to Establish Formula-Based Fuel Factors and to Establish an Energy Efficiency Cost Recovery Factor before the Public Utility Commission of Texas ("PUC"), Docket No. 37690 ("Application");

WHEREAS, pursuant to applicable law, the City of El Paso maintains original jurisdiction over rates of El Paso Electric Company for rates charged within the City limits of the City of El Paso and the Application specifies that the rate change within the City's jurisdiction should be effective on March 2, 2010;

WHEREAS, the Texas Public Utility Commission has original jurisdiction over the rate change, fuel costs, fuel factor and energy efficiency cost recovery factors and the Application filed December 9, 2009 specifies that these changes within the PUC's jurisdiction should become effective January 13, 2010;

WHEREAS, the City of El Paso has authorized the City Attorney and its outside counsel to evaluate the Application and intervene in the Application pending before the PUC; and

WHEREAS, the City Council has determined that additional time and information is needed for it to study the proposed rate changes and tariffs and the reasons therefore;

WHEREAS, the City Council has determined that it is in the best interest of its citizens and ratepayers to suspend the proposed rate change.

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

1. That the rate increase identified in the Application of El Paso Electric Company to Change Rates, to Reconcile Fuel Costs, to Establish Formula-Based Fuel Factors and to Establish an Energy Efficiency Cost Recovery Factor before the City and the Public Utility Commission of Texas, Docket No. 37690 be and is hereby suspended for 90 days after the effective date for the rate increase subject to the City's jurisdiction as specified in the filing.

2. That the City Manager shall so notify El Paso Electric Company of the suspension and the order to submit working papers by having a copy of this Resolution delivered or mailed to the Senior Vice President and Chief Financial Officer of the Company.

ADOPTED by the CITY OF EL PASO, TEXAS, this ____ day of December, 2009.

CITY OF EL PASO

John F. Cook
Mayor

ATTEST:

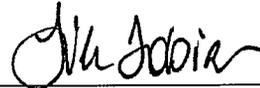
Richarda Duffy Momsen
City Clerk

APPROVED AS TO FORM:



Bertha A. Ontiveros
Assistant City Attorney

APPROVED AS TO CONTENT:



Liza Ramirez-Tobias
Capital Assets Manager
Financial Services Department