

MEMBERS PRESENT:

Trini Lopez
Sergio Cox
Jesús S. Hernández
Tommy A. Faulkner

MEMBERS ABSENT:

José Hernández Jr.
Jesus Gandara Jr.

STAFF PRESENT:

Lorenza Fraire, Interim City Manager
Gina Rodriguez, City Clerk
Jerry Wallace, City Attorney

CALL TO ORDER:

The meeting was called to order at 3:06 p.m.

ESTABLISHMENT OF QUORUM:

A roll call was held and a quorum was established with three members present.

OPEN FORUM:

No one signed up to speak on this item.

REGULAR AGENDA:

5. ***DISCUSSION AND ACTION TO DENY THE PENDING REQUEST OF TEXAS GAS SERVICE FOR A RATE INCREASE FILED DECEMBER 3, 2009.*** ***PETE PARRAZ***

Mayor Lopez- Okay I need a motion to deny the pending request.

Mr. Faulkner- No Open Forum, nobody?

Gina Rodriguez- No.

Mr. Cox- Nobody for Open Forum?

Ms. Rodriguez- No.

Jesus S. Hernandez- I make a motion...Are you with the Gas Company?

Pete Parraz- Yes sir I am and thank you all for having this item on the agenda today. My name is Pete Parraz and I have worked with Texas Gas Service. I want to thank the Mayor and the Council people that made it here today. The purpose of denying the request; as you know we filed for a request back in December of 2009. It would have affected each of the customers about \$2.55. Since then we have been in negotiations with the City of El Paso we voluntarily reduced that request to around \$5 million dollars. Unfortunately, we were not able to come to a solution with the City of El Paso so we probably are in the process of appealing it to the Railroad Commission cause that is the State Agency that regulates us not the city's. What we want to do if you do not deny it then the amount that we originally filed for will go into effect under State law. This is why we are asking that you deny our request as filed in December. We anticipate negotiating with the Railroad Commission probably completing it in October, later part of this year, then we'll come back to the citizens of Socorro and ask for whatever that may be.

Mayor Lopez- Thank you.

Mr. Faulkner- One question. Mr. Parraz?

Mr. Parraz- Yes sir.

Mr. Faulkner- All the other entities here in the County of El Paso have denied it correct?

Mr. Parraz- They all have denied it. Clint is the only one that is scheduled for tomorrow night but they assured me that they will have quorum and they will go ahead and deny our request and the City of Horizon has already had one reading to deny and will have the second reading and final reading tomorrow night. So there's really; all of them I can honestly say will deny the request.

Mr. Cox- What do you anticipate to happen by going and appealing whenever everybody denies it? What do you anticipate to happen after you go to the Railroad?

Mr. Parraz- Well, we would present our case to the Railroad Commission as to why we feel its necessary to recover our cost. I think that this has been the largest request probably in about six (6) years and the reason for the request is obviously the growth that we have experienced in El Paso County. The Colonias that we have worked with, the City of Socorro in getting them natural gas services obviously Fort Bliss has a big impact on us because we have to make the capital investment before we can recover the cost. So a lot of it really is participated on the growth of El Paso. Anytime that there is any kind of highway construction TxDot will ask us to move our line or replace them or whatever and so those are capital investments that we have done in the community, in the County and this is really the reason why its driving up the fees but we are hoping to keep it way below the \$2.00 that we had originally asked for.

Mr. Cox- Hold on. The Gas Company is requesting? The Gas Company is saying that they are trying to get it below the \$2.00 as you had requested originally?

Mr. Parraz- Yes. That is why we are asking you to deny because we don't want our customers in Socorro to pay what we filed for, which was the \$2.55.

Mr. Cox- Well we don't want that either.

Mayor Lopez- I need a motion.

A motion was made by Jesus S. Hernandez seconded by Tommy A. Faulkner to deny the pending request of the Texas Gas Service for a rate increase filed on December 2, 2009 for item number five (5).

Mr. Cox – Under discussion please I still need an estimate. The question... I guess the answer that I am looking for is by virtue of the fact that you are getting all of the entities to deny it then you are going to appeal to the Railroad Commission and the Railroad Commission is going to ask you to come back and say we rule in favor of the \$2.00 that you were asking for or a little higher or a little lower?

Mr. Parraz- Basically, it would be less because the original amount if you would recall was for \$7 million and we reduced that to \$5 million which is under the \$2.00 per month per residential customer. So it's going to be from \$0 to the \$5 million.

A motion was made by Jesus S. Hernandez seconded by Tommy A. Faulkner to deny the pending request of the Texas Gas Service for a rate increase filed on December 2, 2009 for item number five (5). Motion carried with Sergio Cox, Tommy A. Faulkner, and Jesus S. Hernandez voting aye, and Jose Hernandez Jr. and Jesus Gandara Jr. absent. Motion passed.

Mr. Parraz- Thank you Mayor and Council.

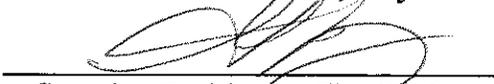
Mayor Lopez- Thank you Pete.

ADJOURN:

A motion was made by Tommy A. Faulkner seconded by Jesus S. Hernandez to *Adjourn* at 3:12 p.m. Motion carried with Sergio Cox, Tommy A. Faulkner, and Jesus S. Hernandez voting aye, and Jose Hernandez Jr., and Jesus Gandara Jr. absent. Motion passed.



Guillermo Gandara Sr., Mayor



Georgina Rodriguez, City Clerk

May 24, 2010
Date when minutes were approved: