El Paso Electric Franchise Agreement

El Paso Electric Franchise Agreement
Work Session Discussion June 9, 2014

The City of Las Cruces and El Paso Electric Company work together to allow electric power to be distributed through public rights of way to serve residential, commercial and industrial customers within the city limits. A franchise agreement is the formal document that establishes the respective responsibilities of each entity including provisions for emergency work and repairs.

The franchise agreement also contains provisions for the electric company to pay the city for the use of the public space. Various franchise agreements have been in place between the agencies for decades. This work session will be the opportunity for the city and El Paso Electric to review and summarize the proposed franchise agreement before it is scheduled for city council vote later this summer.

A draft of the presentation is attached for reference.

6.2.2014

El Paso Electric executive summary for City of Las Cruces June 9 agenda item

El Paso Electric (EPE) has worked with City staff on providing to the Las Cruces City Council a Franchise agreement for consideration between EPE and the City of Las Cruces to allow EPE use of city property to maintain distribution and transmission systems with the city of limits of Las Cruces. The highlights from EPE's prospective are as follows:

- Terms are set at 15 years which provides for long-term stability of the contract
- Creates a mechanism for annual meetings between Las Cruces and EPE
- Provides stability in the billing of the franchise fee to EPE customers while providing a streamlined mechanism for increase to said fee for the city council

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El Paso Electric Franchise Agreement Update

Work Session
Monday, June 9, 2014

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1. Background & History

2. Approach to New FA

3. Timeline for New FA

Overview

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- **EPE has served Las Cruces residents for 112 Yrs**
  - CLC / EPE Franchise Agreement Since 1943
- Last Franchise Agreement Expired in April 2009

- **EPE Previously Operated:**
  - As- El Paso Light and Rail
  - Then- Bought Mesilla Valley Ice and Electric

Background & History

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- **What is a Franchise Agreement?**
  - Gives a Private Utility the Right to Use City R-O-W
  - Streets, Avenues, Alleys, Sidewalks, etc…
  - Does not Grant Authority to Serve a Population
- **What is the Purpose of their use?**
  - Construct, Reconstruct, Repair, Maintain, Use, and Operate Facilities for Transmission and Distribution of Electricity
  - Efficient Delivery of Electric Power to City Residents
- **What Types of Uses?**
  - Underground and Overhead Conduits, Poles, Towers and Lines

Background & History

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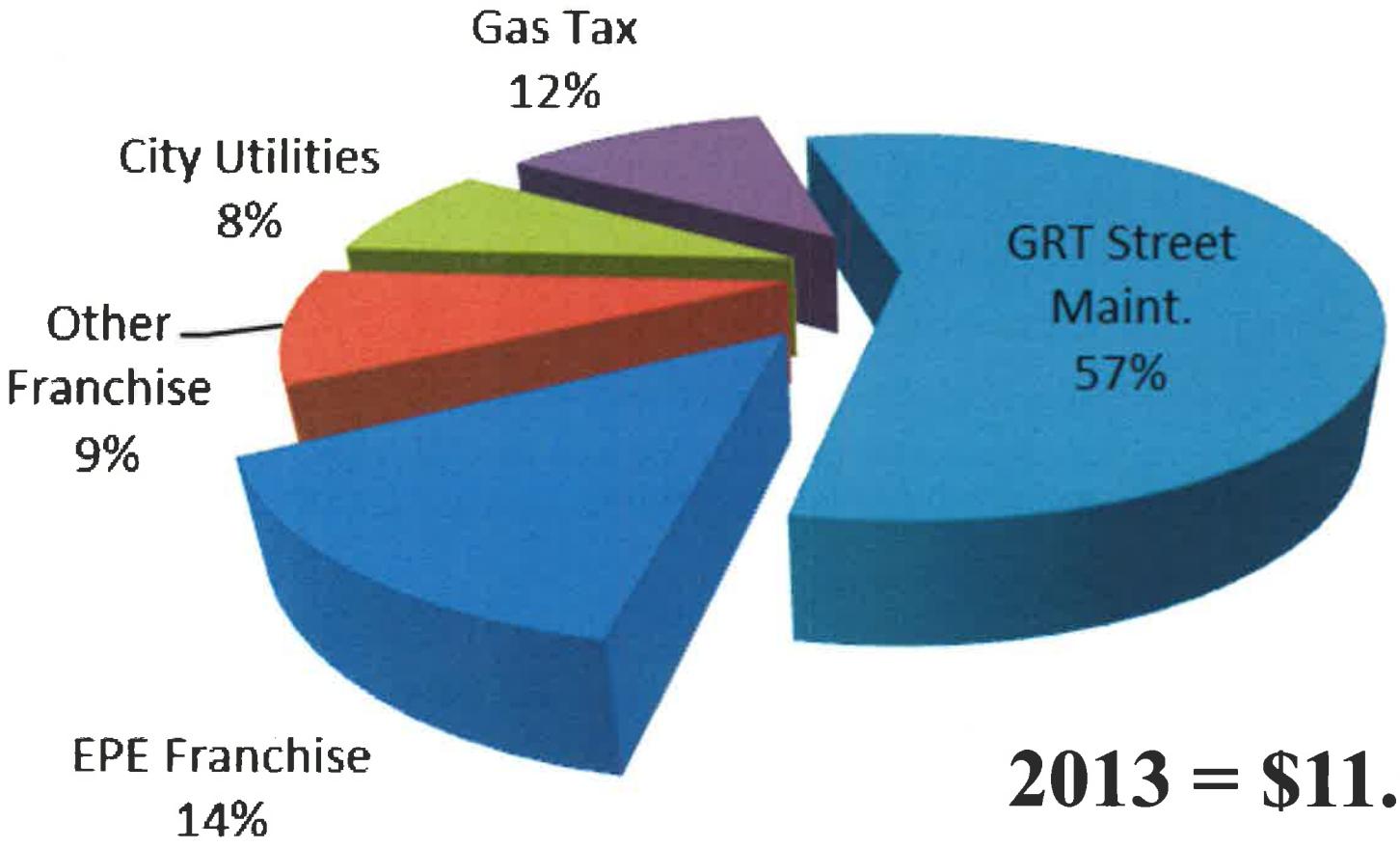
- **Fees Help Manage City Street System**

- **<u>Franchise Agreements</u>:**
  - EPE
  - Century Link
  - Comcast
  - Private Water Companies
  - *City Gas*
  - *City Water*
  - *City Wastewater*

ENR June 2008

Background & History

Street Management Funding Sources



2013 = $11.5 Million

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City Council Direction

1. Is the City Council ready to consider a simplified franchise agreement?

2. Are there any remaining FA items that staff should address first?

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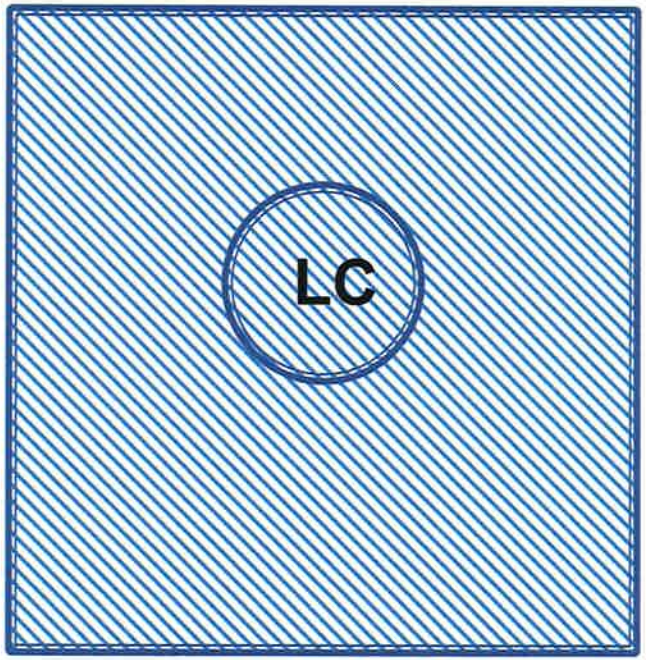
End of Presentation

Questions?

EP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