RESOLUTION

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF EL PASO:

That the City Council approve a Letter of Engagement between the City of El Paso and Norman J. Gordon, Attorney at Law, Mounce, Green, Myers, Safi & Galatzan, A Professional Corporation, to consult with the City on all aspects relating to the matter of the PETITION OF EL PASO ELECTRIC COMPANY TO RECONCILE FUEL COSTS, PUBLIC UTILITY COMMISSION DOCKET NO. 30143, SOAH DOCKET NO. 473-05-0013.

ADOPTED this 28th day of September, 2004.

CITY OF EL PASO

_____
Joe Wardy
Mayor

ATTEST:

_____
Richarda Duffy Momsen
City Clerk

APPROVED AS TO FORM:

Lisa A. Elizondo
City Attorney

APPROVED AS TO CONTENT:

William A. Chapman, Manager
Financial and Administrative Services

Document #: 4539

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LISA A. ELIZONDO
CITY ATTORNEY

September 23, 2004

Mr. Norman Gordon
Attorney at Law
Mounce, Green, Myers, Safi & Galatzan
100 North Stanton, Suite 1700
El Paso, Texas 79901

Re: Fee Arrangement/El Paso Electric Petition for Reconciliation of Fuel Costs, (PUC Docket 30143)

Dear Mr. Gordon:

The City desires to engage you and your firm to provide professional legal services as Consultant in connection with the issues involved in the August 31, 2004, El Paso Electric Petition to Reconcile Fuel Costs with the Public Utility Commission of Texas (PUC Docket No. 30143), to intervene in the proceedings at the Public Utility Commission of Texas.

Please read this letter carefully. It describes the terms and conditions under which the City of El Paso will retain you in connection with the above-described matter. The City's policy and the Texas Disciplinary Rules of Professional Conduct require that this letter be signed before you engage in any work on behalf of the City. The terms and conditions of your engagement are as follows:

1. You and your firm shall provide all traditional legal services necessary for legal services as Consultant in connection with the issues involved in the August 31, 2004, El Paso Electric Petition to Reconcile Fuel Costs. This will include:

(a) To consult with the City and its administrative personnel regarding any and all aspects of the August 31, 2004, El Paso Electric Company Petition to Reconcile Fuel Costs with the Public Utility Commission of Texas. This will also include consulting and working with the City of El Paso, or its designee, as to all matters

concerning the August 31, 2004, El Paso Electric Company Petition to Reconcile Fuel Costs with the Public Utility Commission of Texas.

(b) To provide support to the City Attorney's office and client departments (under the direction of the City Attorney) regarding the El Paso Electric Company's filing of the petition with the Public Utility Commission to Reconcile Fuel Costs (PUC Docket 30143).

2. The Services shall be undertaken and completed in compliance with schedules established by the City, as appropriate to carry out the purposes of this Agreement.

3. The following fees, to be paid when the legal services in connection with disclosure or other matters are performed not to exceed $50,000.00:

Person	Hourly
Legal Assistants	$80.00
Associates	$120.00 - $140.00
Partners	$225.00

In addition, reimbursement will be requested for:

(i) the routine expense of copying, printing, filing fees, delivery costs, long-distance telephone and facsimile transmission
(ii) for reasonable and necessary out-of-pocket expenses including travel

The attorneys fees set forth in this proposal, along with out-of-pocket expenses shall be held and maintained as set forth above with respect to the August 31, 2004, El Paso Electric Company's filing of the petition with the Public Utility Commission to Reconcile Fuel Costs (PUC Docket 30143).

Very Truly Yours,

By:_____
Lisa A. Elizondo
City Attorney

ACCEPTED:

Mounce, Green, Myers, Safi & Galatzan

_____
Norman Gordon
Date:_____