



Thursday, March 08, 2007

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Public Hearings and Possible Actions
RECOMMENDATION FOR COUNCIL ACTION

ITEM No 49

Subject Conduct a public hearing and approve an ordinance adding an Industrial Rider to the Large Primary Service - Special Contract Riders I & II in the Electric Rate Schedule in Exhibit A of Ordinance No 20060911-004

**Additional Backup
Material**

(click to open)

☐ ordinance

☐ Fiscal Note

For More Information (Michael McCluskey, Sr Vice President for Wholesale and Retail Markets, 322-6295, Bob Kahn, Deputy General Manager, 322-6572)

Boards and Commission Action Recommended by the Electric Utility Commission

The proposed addition of an Industrial Rider to the Large Primary Service Special Contract ("LPSSC") Riders I & II will affect those LPSSC customers large enough to reach a billing demand of 25,000 kW for two out of the preceding six months and who maintain an average load factor of 85% or more. The Industrial Rider will lower the base energy and demand rates of qualifying customers by 2.5% from the otherwise applicable LPSSC base rates. Customers receiving service under the Industrial Rider will still be required to remain Austin Energy customers for the term of their LPS special contracts. The LPSSC rate has been a useful tool in attracting and retaining large high-tech and industrial customers that are vital to the Austin economy, and the addition of the proposed Industrial Rider will strengthen this.

ORDINANCE NO.

**AN ORDINANCE AMENDING ORDINANCE NO. 20050912-004 TO ADD THE
LARGE PRIMARY SERVICE SPECIAL CONTRACT – INDUSTRIAL RIDER.**

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF AUSTIN:

PART 1. Ordinance No 20050912-004 is amended to add the Electric Rate Schedule
Large Primary Service Special Contract – Industrial Rider in Exhibit A as follows

CITY OF AUSTIN
ELECTRIC RATE SCHEDULE
LARGE PRIMARY SERVICE SPECIAL CONTRACT – INDUSTRIAL RIDER

Application

This rate applies to electric service to any customer that qualifies for service and has
executed a contract under the Large Primary Service – Special Contract Rider I or II and
thereafter has (1) reached a billing demand of at least 25,000 kilowatts during any two
months within the previous six months, and (2) maintained an average load factor of at
least 85% during the previous six months. Any action by the customer resulting in
measurable reduction in peak demand or energy use may be taken into account by the
City, in its sole discretion, when applying the demand and load factor requirements of
this tariff. The City will also take into account up to 20 kilowatts of power generated by
customer-owned, on-site renewable energy technology in accordance with the Distributed
Generation from Renewable Sources Rider, when applying the demand requirement of
this tariff.

The customer shall continue to receive service under the Large Primary Service – Special
Contract Rider I or II tariff, as applicable, and comply with the terms of its Large Primary
Service Special Contract, provided, that customer at its option shall receive the energy
and billing demand rates specified by this Rider for accounts which meet criteria (1) and
(2) above, so long as this Rider remains in effect.

The Rider TOU – Thermal Energy Storage may be attached to this rate.

Monthly Rate

Rate (E)

Winter
Billing Months of

Summer
Billing Months of

	<u>November through April</u>	<u>May through October</u>
<u>Energy Rate</u>	<u>1 08¢ per kWh,</u>	<u>1 08¢ per kWh,</u>
	<u>for all kWh</u>	<u>for all kWh</u>

<u>Demand Rate (ELD)</u>	<u>\$11.12 per kW</u>	<u>\$12.23 per kW</u>
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Fuel Adjustment Clause (FAC) – plus an adjustment for variable costs, calculated according to the Fuel Adjustment Clause Tariff, multiplied by all kWh

Optional Time-Of-Use Rate

	<u>Winter</u> <u>Billing Months of</u> <u>November through April</u>	<u>Summer</u> <u>Billing Months of</u> <u>May through October</u>
<u>Energy Rate</u>		
<u>On-Peak</u>	<u>1 67¢ per kWh</u>	<u>2 35¢ per kWh</u>
<u>Off-Peak</u>	<u>(30)¢ per kWh</u>	<u>55¢ per kWh</u>
<u>Demand Rate</u>		
<u>On-Peak</u>	<u>\$11 12 per kW</u>	<u>\$12 23 per kW</u>
<u>Off-Peak</u>	<u>\$0 00 per kW</u>	<u>\$0 00 per kW</u>

Billed demand will be based on the fifteen-minute interval of greatest use during an On-Peak period for the current billing month. All other adjustments will be included as described above (See Billing Demand).

Fuel Adjustment Clause (FAC) - plus an adjustment for variable costs, calculated according to the Fuel Adjustment Clause Tariff, multiplied by all kWh

On-Peak 1 00 p m to 9 00 p m , Monday through Friday, May 1 through October 31
8 00 a m to 10 00 p m , Monday through Sunday, November 1 through April 30

Off-Peak 9 00 p m to 1 00 p m , Monday through Friday, all day Saturday, Sunday, Memorial Day, Independence Day, and Labor Day, May 1 through October 31 10 00 p m to 8 00 a m Monday through Sunday, November 1 through April 30

PART 2. This ordinance takes effect on _____, 2007

PASSED AND APPROVED

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_____, 2007

Will Wynn
Mayor

APPROVED: _____
David Allan Smith
City Attorney

ATTEST: _____
Shirley A Gentry
City Clerk

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Monthly Rate

Rate (E)

Winter
Billing Months of

Summer
Billing Months of

Energy Rate November through April May through October
 1 08¢ per kWh, 1 08¢ per kWh,
 for all kWh for all kWh

Demand Rate (ELD) \$11 12 per kW \$12 23 per kW

Fuel Adjustment Clause (FAC) – plus an adjustment for variable costs, calculated according to the Fuel Adjustment Clause Tariff, multiplied by all kWh

Optional Time-Of-Use Rate

Winter Summer
 Billing Months of Billing Months of
 November through April May through October

Energy Rate
 On-Peak 1 67¢ per kWh 2 35¢ per kWh

Off-Peak (30)¢ per kWh 55¢ per kWh

Demand Rate
 On-Peak \$11 12 per kW \$12 23 per kW
 Off-Peak \$0 00 per kW \$0 00 per kW

Billed demand will be based on the fifteen-minute interval of greatest use during an On-Peak period for the current billing month. All other adjustments will be included as described above (See Billing Demand).

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PART 2. This ordinance takes effect on _____, 2007

1 **PASSED AND APPROVED**

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5 _____, 2007

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Will Wynn
Mayor

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10 **APPROVED:** _____
11 David Allan Smith
12 City Attorney

11 **ATTEST:** _____
12 Shirley A Gentry
13 City Clerk
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FISCAL NOTE

DATE OF COUNCIL CONSIDERATION
WHERE ON AGENDA
DEPARTMENT

March 8, 2007
Ordinance
Austin Energy Operating Fund

Conduct a public hearing and approve an ordinance adding an Industrial Rider to the Large Primary Service - Special Contract Riders I & II in the Electric Rate Schedule in Exhibit A of Ordinance No 20060911-004

Austin Energy Operating Budget

Projected Revenues

	Year 1	Year 2	Year 3	Year 4	Year 5
Base Revenue	<u>(\$828,000)</u>	<u>(\$1,698,000)</u>	<u>(\$1,843,000)</u>	<u>(\$1,823,000)</u>	<u>(\$1,823,000)</u>
	(\$828,000)	(\$1,698,000)	(\$1,843,000)	(\$1,823,000)	(\$1,823,000)

Note

This fiscal note assumes a Large Industrial Rate (LIR) as of December 2006 based 2005 actual and forecasted load. Revenue reduction due to revised rates for qualifying customers in forecast period.

Signature: Noreen Gleeson, Manager Planning & Budget, Austin Energy Date: 02/27/2007