

# AUSTIN CITY COUNCIL

## AGENDA



Thursday, March 01, 2007

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### Item(s) to Set Public Hearing(s) RECOMMENDATION FOR COUNCIL ACTION

**ITEM No 38**

**Subject** Set a public hearing to discuss and receive public comments regarding the addition of 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 (Suggested date and time March 8, 2007 at 6 00 PM, Austin City Hall, 301 W Second Street, Austin, TX)

#### Additional Backup Material

(click to open)

ordinance

**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 percent or more. The Industrial Rider will lower the base energy and demand rates of qualifying customers by 2.5 percent 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>for all kWh</u>	<u>1 08¢ per 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**

\_\_\_\_\_, 2007

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Will Wynn  
Mayor

**APPROVED:** \_\_\_\_\_  
David Allan Smith  
City Attorney

**ATTEST:** \_\_\_\_\_  
Shirley A. Gentry  
City Clerk