

AGENDA



Thursday, April 5, 2007

**Public Hearings and Possible Actions
RECOMMENDATION FOR COUNCIL ACTION****Item No. 54**

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.

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.