

AGENDA



Thursday, October 28, 2010

**Public Hearings and Possible Actions
RECOMMENDATION FOR COUNCIL ACTION****Item No. 73**

Subject: Conduct a public hearing and consider an ordinance amending the Electric Rate Schedule contained in Ordinance No. 20100913-004 to include primary service customers as eligible customers under the Coincident Load Special Contract Rider, eliminate the need for a written contract under the Independent School Districts Time-of-Use tariff, and extend the low-income fuel charge under the Residential Service Tariff beyond its current expiration date of March 1, 2011.

Amount and Source of Funding: There is no unanticipated fiscal impact.

Fiscal Note: A fiscal note is not required.

For More Information: Andy Perny, Assistant City Attorney, 322-6277.

Boards and Commission Action: Recommended by the Electric Utility Commission.

Prior Council Action: October 14, 2010 - Set a Public Hearing item to be considered. September 13, 2010 – Approved Ordinance No. 20100913-004.

This ordinance will amend the electric rate schedule to (1) allow primary service customers to receive the coincident load special contract rate, (2) eliminate the need for a written contract for the ISD time-of-use rate, and (3) extend the low income fuel charge indefinitely past its current expiration date of March 1, 2011.

The coincident load rate currently applies to general service demand customers who have larger loads that can be shifted to off-peak hours, benefiting Austin Energy by reducing the need to maintain peak-load capacity. The rationale for the tariff would be served by also allowing primary service customers (i.e., those customers taking service at higher primary voltage) to participate as these loads may offer even greater peak savings.

The ISD time-of-use tariff currently requires a written contract from the customer desiring to receive the rate. However, there is no significant justification for requiring the additional step of negotiating written contracts with governmental school districts, and Austin Energy proposes to eliminate the requirement.

The residential service tariff currently provides for a waiver of the customer charge for qualifying low-income customers, and also places these customers on the Batch 1 GreenChoice fuel rate of \$.017/kwh, giving them a significant savings over the current regular fuel charge. When this rate was adopted, it was foreseen that Austin Energy would undergo a rate review prior to the expiration of Batch 1 in 2011, where the issue of low-income rates could be addressed. However, now that Austin Energy's rate revision is scheduled for late 2012, low-income customers now on the Batch 1 rate will experience a rate increase early next year unless further action is taken. Austin Energy therefore proposes to extend the \$.017 fuel rate for low-income customers indefinitely beyond March 1, 2011, allowing the rate to continue until a comprehensive rate review can be completed and enacted.