

RESOLUTION NO. _____

WHEREAS maintaining the long-term financial strength and sustainability of Austin Energy is a critical priority of the City of Austin, and

WHEREAS Austin Energy's base electric charges were last adjusted in 1994, and

WHEREAS over the last 17 years Austin Energy has experienced significant changes in costs of materials and labor, system growth, and expansion of programs; and

WHEREAS Austin Energy's Five-year Forecast presented to the City in 2010 predicted the need to adjust its base electric charges; and

WHEREAS, the City Council desires that an adequate public process be held before the Electric Utility Commission that will result in a recommendation to the City Council regarding an adjustment of electric rates that will meet the operational needs of the electric utility and that are fair, just, and reasonable and equitably balanced among the various electric customer classes; NOW THEREFORE

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

1. Pursuant to City Code Section 2-1-143(B), the Electric Utility Commission ("EUC") shall establish and conduct a public review process to evaluate and analyze the City staff's recommendations regarding revised electric rates and a revised electric rate structure. The EUC shall establish a schedule and procedures governing the conduct of these meetings, to begin with the presentation of the staff Rate Analysis and Recommendations Report required by this resolution;
2. Council Resolution 971204-36, specifying the use of the Probability of Dispatch cost allocation methodology in City electric rate proceedings, is hereby rescinded;
3. The City Manager is directed to present a Rate Analysis and Recommendations Report meeting the requirements of City Code Section 2-5-45 to the EUC and the public at a specially called EUC meeting on or about September 1, 2011. The staff Rate Analysis and Recommendations Report shall include (1) a proposed cost of service; (2) proposed revenue requirements, customer classes, cost allocation methodologies, rate structures, and rates and charges; and (3) alternative methods that are commonly used in the electric industry for the allocation of power production costs among customer classes. The Report shall provide factual support, explanations, and justifications for the proposed revenue requirements, cost allocation methodologies, and rate structures. Following presentation of the Report, it shall be made readily available to the public for review, including by downloadable web format;

4. Advance public notice of not less than 14 calendar days shall be given prior to the specially called meeting for presentment of the Rate Analysis and Recommendations Report, which is to be accompanied by the meeting schedule and process established by the EUC for the public review process. In addition to the standard methods of providing public notice of Board and Commission meetings, notice shall be published in newspapers of general circulation in the Austin Energy service territory and on the Austin Energy website. Notice shall also be made by email to members of the Public Involvement Committee convened by staff and to known stakeholder participants. The EUC may set additional public meetings at its discretion with 7 calendar days advance public notice;
5. After receipt of the Rate Analysis and Recommendations Report, the EUC shall hold public meetings in accordance with the published schedule to analyze and evaluate the report's recommendations, to receive further presentations and information from city staff, and to receive public comment, presentations, and recommendations regarding the report. The EUC may recognize and designate stakeholder and rate class representatives for regular allotment of speaking and presentation time;
6. At each public meeting regarding the Rate Analysis and Recommendations Report, the Residential Rate Advisor retained by the city pursuant to Council approval on October 14, 2010 shall be afforded opportunity to make a presentation or provide written comment on behalf of residential ratepayers and shall be made available to respond to questions from members of the EUC;
7. The EUC shall complete its review process and provide its final recommendations to the City Council no later than the end of October of 2011, which shall include a list of issues considered by the EUC, the EUC's recommendations on each issue, and a summary of the comments made and positions taken by the Residential Rate Advisor and participating members of the public on each issue during the review process;
8. Following the EUC's issuance of its final recommendations to the City Council, the City Manager shall present his final Rate Analysis and Recommendations Report at a City Council work session;
9. Further proceedings regarding the proposed electric rates shall be held before the City Council as required by City Code Section 2-5-45.

ADOPTED: _____

ATTEST: _____

Shirley A. Gentry
City Clerk