

Diocese of Austin

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Vicar General

January 12, 2012

Honorable Mayor Lee Leffingwell
Honorable Members of the Austin City Council
301 W. 2nd St. 2nd Floor
Austin, Texas 78701

Re: Comments concerning Proposed Electric Rates

Dear Honorable Mayor Leffingwell and Honorable Members of the Austin City Council:

I write on behalf of Bishop Joe Vásquez, the Catholic Diocese of Austin, and all its parishes in Austin Energy's service area. The Catholic Diocese of Austin contains 125 parishes and missions in 25 counties in central Texas. We estimate about 500,000 Catholics are active in the diocese. A large portion of the Catholic Church is located in Austin and Austin Energy's service area in just about every neighborhood.

We thank you for your considerate review of this complicated issue and thank you for listening to the concerns of the Diocese of Austin and the faith community in Austin.

Generally, we support many of the comments that you have heard and will hear from the faith community in Austin. We ask you to consider the faith community's concerns, especially as it relates to potential economic impact on the poor and the small to mid-size churches. We think there is little doubt that the poor and the worship facilities may, potentially, be the most significantly impacted ratepayers in terms of a percentage increase in their electric utility bills.

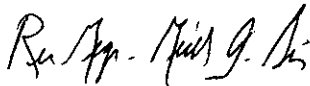
- (1) We echo and support comments previously submitted to you by other groups who are concerned for the poor. It is critical that the poor not be disproportionately burdened by anticipated increases in their monthly electric bills. A seemingly small increase (for example, \$25 per month) can have a devastating impact on those who live at or near the poverty line. The cost of living and the cost of other necessities in life are continuing to increase and the poor are the most significantly affected. Catholic Charities of Central Texas reports that requests for financial assistance to pay for utilities and rent are the most commonly recurring needs in the Austin area. When City Council adopted its current generation plan, it made it clear that City Council intended to address the needs of the poor. We are confident that this is a priority in your deliberations. We ask you to call upon the staff at Austin Energy to develop more efficient and aggressive means to identify customers who should be classified as "poor" and entitled to assistance or discounts due to their economic conditions.

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- (2) Because the current proposal recommends that worship facilities should be moved from the residential rate classification to the commercial rate classification, the potential impact that worship facilities may face could be significant and potentially devastating. While we agree that worship facilities should not be classified as "residential," we ask for special consideration to limit the potential devastating impact of the rate increase. Our best estimates are that the smaller churches which do not operate facilities continually during the week are most likely to receive significant increases in their utility expenses (perhaps as high as 80% to 100%). There is no doubt that each rate-paying group needs to pay a "fair share." At the same time, it is common in rate cases for rate increases to be gradual so as not to cause immediate and undue hardship. There are endless social benefits that churches bring to every community in Austin (for example, feeding the poor, neighborhood fellowship, youth activities, etc.). All of these social benefits could be affected. We ask that you give serious consideration to developing a special sub-class for worship facilities to address the concerns expressed in this paragraph both for: (i) the societal benefits that churches bring to the communities; and (ii) gradualism in any rate increase.

Thank you for considering these concerns.

Sincerely,



Rev. Msgr. Michael J. Sis
Vicar General for the Diocese of Austin

cc: Most Reverend Joe S. Vásquez
Deacon Ron Walker
Barbara Budde
Christian González