



MEMORANDUM

TO: Mayor and Council Members

CC: Marc A. Ott, City Manager

FROM: Larry Weis, General Manager
Austin Energy

DATE: July 11, 2012

SUBJECT: Critical Business Need

We are designating as a Critical Business Need of Austin Energy (AE), the implementation, configuration and employee training of the new AE electric utility rates changes.

In order to implement the new rates, the rate algorithms and tier structures need to be developed and integrated into the CC&B Oracle software engine. In addition to rate design, the utility is reducing the number of customer classes from over 20 to 9 and the number of rates from 90 to approximately 30. Other changes include increasing the number of tiers, bill extractions and metering configurations. The contractor, Lucidity, has been engaged by Austin Energy to assist the staff during this implementation period.

The purchase of these critical technical services will ensure AE's successful implementation and integration of the new rate changes. The total cost is estimated at \$400,000.

Austin Energy plans to bring this item forward for ratification by the City Council in the next several weeks. Please let me know if you have any questions. I can be reached at 322-6002.