

DRAFT

Schedule and Topics for Council Work Sessions on Austin Energy Rates

Session 1: **Overview and Revenue Requirement**

Overview

- Public vs Private Power
- ERCOT Market

Potential Resources: Mark Bruce, Paul Hudson

Revenue Requirement Elements

- Test Year (non-recurring, unreasonable, and known and measurable expenses)
- Debt Service Coverage
- CIP Debt-Service Equity Ratio
- Reserve Funds (Number/Scope of Funds, Funding Levels, Replenishment Rates)
- General Fund Transfer
- Additional Transfers

Potential Resources: Elaine Hart, June Dively or Janet Simpson, OPUC)

Session 2: Cost of Service

- Customer Classification
- Cost Allocation Methods (Average and Excess Demand (AED), Base-Intermediate-Peak (BIP), Coincident Peak (3CP, 4CP, 12CP) Other and Hybrid Alternatives

Potential Resource: Jim Lazar, Regulatory Assistance Project (RAP)

RAP is a non-profit team of experts providing assistance to government officials on a broad range of energy and environmental issues.

Session 3: **Rate Design**

Fixed Charges and Alternatives

- Decoupling
- Inverted Block Structure
- Demand Charges

Pass-through Charges

- Fuel Charge (Components and Calculations)
- Regulatory Charge and Power Supply Adjustment
- Consideration of Rates for Specific Types of Customers (Faith Community/Nonprofit Organizations, School Districts, Industrial Users, Out of City Ratepayers)
- Community Benefit Charge

Potential Resource: Gary Goebel (2012 Residential Rate Advisor)