

AUSTIN ENERGY 2016 RATE REVIEW

AUSTIN ENERGY

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AUSTIN ENERGY'S TARIFF	§	
PACKAGE UPDATE OF THE 2009	§	BEFORE THE CITY OF AUSTIN
COST OF SERVICE STUDY AND	§	IMPARTIAL HEARINGS
PROPOSAL TO CHANGE BASE	§	EXAMINER
ELECTRIC RATES	§	

**IMPARTIAL HEARING EXAMINER'S MEMORANDUM NO. 8:
ADOPTING PROCEDURAL SCHEDULE**

The Impartial Hearing Examiner has reviewed the pleadings submitted in response to the Memorandum No. 5 regarding any legitimate constraints on adoption of a schedule that extended a final decision by the City of Austin's City Council, beyond June 30, 2016. In response to Memorandum No. 5 the Impartial Hearing Examiner received input from two parties: Austin Energy ("AE") and Austin Energy Low Income Consumers.

Austin Energy Low Income Consumers noted it was not aware of any legal impediments to adoption of a 185-day procedural schedule and that it supported a 185-day procedural schedule. The Impartial Hearing Examiner is not aware of any other pleadings filed by other parties regarding an impediment to adopting schedules based on 185 days from start to end.

Austin Energy again urged the Impartial Hearing Examiner to adopt a schedule that ended on June 23, 2016. Austin Energy cited to several bases for its proposal. First, AE noted that the underlying scope of work for the Impartial Hearing Examiner's assignment in this proceeding calls for an end date of June 30, 2016.

Second, AE noted that AE had on numerous occasions reiterated to the Austin City Council that the rate-review process would conclude by June 30, 2016, and

according to AE, it is telling that the City Council took no action to change the end dates for the rate-review process.

Third, AE noted that a schedule that called for final action by the City Council beyond June 30, 2016, would create potential financial challenges for AE and the City. More specifically AE noted that, “as a City department, AE’s budget is inherently tied to that of the entire City of Austin’s budget planning. Leaving AE’s rates unresolved after the date by which the City Manager must present his budget to the Council leaves significant ambiguity in the Council’s consideration of the fiscal year 2016 budget development process.”¹

Third, citing to Ordinance No. 20151015-013, AE noted that Council has only one meeting scheduled in July, on July 27, 2016, for a budget work session and that the Alternative B schedule proposed by the Impartial Hearing Examiner would force the City Council to amend its own meeting schedule.

Lastly, AE stated that the City of Austin Charter required the City Manager to submit a budget within thirty days prior to October 1.² According to AE, the City Manager must present a budget to City Council by no later than September 1st; the budget must be adopted by September 27; and the City Manager will release that office’s proposed budget for Fiscal Year 2016 – 2017 on July 27. To achieve those dates, it is essential that Council take final action on the proposed electric rates by the end of June 2016.

Based on these factors – and the fact that the Impartial Hearing Examiner has not received direction to the contrary from City Council or the City Manager’s Office – the

¹ AE’s Response to Memorandum No. 5 at 2.

² October 1st is the start of the City’s fiscal year.


Impartial Hearing Examiner feels constrained to adopt a schedule that brings to a close the rate-review process by June 30, 2016. Therefore, the Impartial Hearing Examiner with great reluctance adopts the following schedule:³

IHE FINAL PROCEDURAL SCHEDULE - JUNE 23, 2016 END DATE	
Action	Date
Austin Energy Releases Tariff Package; Motions to intervene accepted; and Discovery begins	1/25/16
Austin Energy files preliminary Statement of Issues	2/8/16
Impartial hearing Examiner files final procedural schedule	2/12/16
Impartial Hearing Examiner files final Statement of Issues (§ 6.1(a)(2)) (2/15/16-City Offices Closed)	2/16/16
Deadline to file a motion to intervene (§ 4.2(b)(2))	3/2/16
Intervenor Party Presentations or Pre-filed Direct Due (§ 6.1(b))	4/4/16
First day Austin Energy may submit discovery requests to other Parties	4/4/16
Last day to submit discovery request regarding Austin Energy's Direct Presentation	4/4/16
Cross Rebuttal by Intervenors & Independent Consumer Advocate to other Intervenors' & Independent Consumer Advocate's Party Presentations; and Austin Energy files Rebuttal to Intervenors' and ICA's Party Presentations (§ 6.1(c))	4/11/16
Last day to submit discovery requests regarding Intervenors', Independent Consumer Advocate's Direct and Cross-Rebuttal Presentations, and regarding AE's Rebuttal	4/15/16
Pre-Hearing Conference (<i>if requested by the parties</i>)	4/18/16
Hearing 4-day hearing	4/19/16
Intervenors & Independent Consumer Advocate file Closing Briefs (§ 8.3(e)) (*briefs due 7 days after last day of hearing, but no later than 4/29/16)	4/29/16*
Austin Energy files Closing Brief (§ 8.3(e))	5/6/16
IHE issues final recommendation	5/31/16
Austin City Council Work Session	TBD
Austin City Council Meeting	TBD
Austin City Council Work Session	TBD
Austin City Council Meeting	TBD
Final Decision by City Council	6/23/16

³ The Impartial Hearing Examiner notes that the schedule the Impartial Hearing Examiner proposes above is slightly modified from the schedule noted as "Schedule A" in Memorandum No. 5.

As the Impartial Hearing Examiner has noted in earlier Memoranda, in light of the number of issues that arise in a rate case and their complexity, the Impartial Hearing Examiner believes concluding a review of AE's rates by June 23, 2016 and undertaking a thorough evaluation of AE's proposed rates will be a difficult challenge. This concern is only heightened by the fact that as of the date of this Memorandum No. 8, the Independent Consumer Advocate has not been engaged. As the Impartial Hearing Examiner noted in earlier Memorandum, the Independent Consumer Advocate is integral to these proceedings. The Impartial Hearing Examiner in his proposed a schedule has extended as far as is reasonably possible, the due date for intervenors' and the Independent Consumer Advocate's initial presentations.

Lastly, at any time any party believes a prehearing conference would be of assistance to the efficient prosecution of these proceedings, the Impartial Hearing Examiner asks that a party so request a prehearing conference.



Alfred R. Herrera
Impartial Hearing Examiner

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