

2016 FEB 25 AM 8:14

**AUSTIN ENERGY'S TARIFF PACKAGE:  
2015 COST OF SERVICE STUDY  
AND PROPOSAL TO CHANGE  
BASE ELECTRIC RATES**

§  
§  
§  
§

**BEFORE THE CITY OF AUSTIN  
IMPARTIAL HEARINGS  
EXAMINER**

**AE LOW INCOME CUSTOMERS' 2<sup>nd</sup> SET OF REQUESTS FOR INFORMATION TO  
AUSTIN ENERGY**

COMES NOW, Texas Legal Services Center ("TLSC") on behalf of AE Low Income Customers, requesting Austin Energy to respond to the following 2<sup>nd</sup> set of Requests for Information set forth below relating to this case. Austin Energy is requested to serve its response to these Requests for Information on the attorney listed below no later than ten days after AE receives this request.

**Definitions**

As used in this introduction and in these questions,

1. "Communication" means any disclosure, transfer, or exchange of information, whether oral or written, of every kind including but not limited to, telephone calls, conferences, letters and all memoranda or other documents concerning the requested item.
2. "Austin Energy", the "utility," "AE", and "Applicant" refer to Austin Energy.
3. "You," "yours," and "your" refer to Austin Energy (as defined above), including its General Manager, managers, officers, employees, consultants, agents and attorneys.
4. "Document" and "documents" mean any written, recorded, filmed, or graphic matter, whether produced, reproduced, or on paper, cards, tapes, film, electronic facsimile, computer storage device of any other media, including, but not limited to, memoranda, notes, analyses, minutes, records, photographs, correspondence, telegrams, diaries, bookkeeping entries, financial statements, tax returns, checks, check stubs, reports, studies, charts, graphs, statements, notebooks, handwritten notes, applications, contracts, agreements, books, pamphlets, periodicals, appointment calendars, records and recordings of oral conversations, work papers observations, commercial practice manuals, reports and summaries of interviews, reports of consultants, appraisals, forecasts, tape recordings, or any form of recording that is capable of being transcribed into written form. A draft or non-identical copy is a separate document.
5. "Identify" has the following meanings depending on the context:
  - a. "Identify" when used with a natural person means to supply his or her name, last known residential and business addresses, last known residential and business telephone numbers, his or her present position, and his or her prior connection or association with any party to this proceeding. If the above information is unavailable, provide some other means of identifying the person and his or her present location.

- b. "Identify" when used with an entity means to provide its name, manner of organization (e.g., corporation, partnership, joint venture, etc.), address and telephone number.
  - c. "Identify" when used with a documents means to supply (i) the nature of the document (e.g., letter, memorandum, corporate minutes), (ii) the date, if any, appearing on the document, (iii) the date, if known, on which the document was prepared, (iv) the title of the document, including any jurisdictional styles and docketing numbers, if applicable, (v) the general subject matter of the document, (vi) the number of pages comprising the document, (vii) the identity of each person who signed or initialed the document, (viii) the identity of each person to whom the document was addressed, (ix) the identity of each person who received the document or reviewed it, (x) the location of the document and (xi) the identity of each person having custody of, or control over, the document. Identification of a document includes identifying all documents known or believed to exist, whether or not in the custody of CenterPoint or in the custody of its attorneys or other representatives or agents.
  - d. "Identify" when used with any other thing or matter means to provide a description with detail sufficient to allow a party to this action to identify it and determine its present location.
6. "FY" means fiscal year as utilized by AE and the City of Austin for budgeting purposes and for the council setting of AE electric rates that occur annually.
  7. "Council" or "City" means the Austin City Council.
  8. "Person" means any natural person. The term also means, whether formally organized or ad hoc, any business, organization, legal entity, or governmental entity.
  9. "Representative" means a general manager, officer,, employee, agent, spokesperson, or attorney of a person.
  10. The words "and" and "or" are to be construed conjunctively or disjunctively as necessary to give each request its broadest scope.
  11. The singular form of a word also refers to the plural, unless the context requires otherwise.

### **Instructions**

1. Please answer the questions and sub-questions under oath and in the order in which they are listed and in sufficient detail to provide a complete and accurate answer to the question.
2. In answering these questions, furnish all information that is available to you, including information in the possession of your agents, employees, and representatives, all others from whom you may freely obtain it, and your attorneys and their investigators.
3. Please answer each question based upon your knowledge, information, or belief, and any answer that is based upon information or belief should state that it is given on that basis.
4. If you have possession, custody, or control (as defined by Tex. R. Civ. P. 192.7(b)) of the originals of these documents requested, please produce the originals or a complete copy of the originals and all copies that are different in any way from the original, whether by interlineation, receipt stamp, or notation.
5. If you do not have possession, custody, or control of the originals of the documents requested, please produce copies of the documents, however made, in your possession,

- custody, or control. If any document requested is not in your possession or subject to your control, please explain why not, and give the present location and custodian of any copy or summary of the document.
6. If any question appears confusing, please request clarification from the undersigned counsel.
  7. In providing your responses, please start each response on a separate page and type at the top of the page, the question that is being answered.
  8. As part of the response to each question, please state, at the bottom of the answer, the name and job position of each person who participated in any way, other than providing clerical assistance, in the preparing of the answer. If the question has subparts, please identify the person or persons by subpart. Please also state the name of the witness or witnesses in this docket who will sponsor the answer to the question and who can vouch for the truth of the answer. If the question has subparts, please identify the witness or witnesses by subpart.
  9. Rather than waiting to provide all of the responses at the same time, please provide individual responses as each becomes available.
  10. These questions are continuing in nature. If there is a change in circumstances or facts or if you receive or generate additional information that changes your answer between the time of your original response and the time of the hearings, then you should submit, under oath, a supplemental response to your earlier answer.
  11. If you consider any question to be unduly burdensome, or if the response would require the production of a voluminous amount of material, please call the undersigned counsel as soon as possible in order to discuss the situation and to try to resolve the problem. Likewise, if you object to any of the questions on the grounds that the question seeks confidential information, or on any other grounds, please call the undersigned counsel as soon as possible.
  12. If the response to any question is voluminous, please provide separately an index to the materials contained in the response.
  13. If any document is withheld under any claim of privilege, please furnish a list identifying each document for which a privilege is claimed, together with the following information: date, sender, recipients, recipients of copies, description of document, subject matter of the document, and the basis upon which such privilege is claimed.
  14. If the information requested is included in previously furnished exhibits, workpapers, responses to other discovery inquiries or otherwise, in hard copy or electronic format, please furnish specific references thereto, including Bates Stamp page citations and detailed cross-references.
  15. If you are asked to identify a document and you do not include a copy of the document with your response, please provide the following information (if applicable) about the document:
    - a. The identity of the person who signed it;
    - b. The identity of the person or persons to whom it was addressed;
    - c. The identity of the persons who prepared it;
    - d. The title and substance of the document with enough detail to identify the document;
    - e. The date of the document;

- f. The date the document was executed or prepared, if different from the date it bears; and
- g. If the document, or a copy of it, is not in your custody or control, the identity of the person who has control or custody of it or a copy of it.
- h. If the person to be identified is not a natural person (e.g. a corporation) give its name and address and principal business activity.

### **Request for Information**

The definitions and instructions set out in this Request for Information apply to these questions. Unless specified otherwise in the RFI, these RFIs refer to the rate-filing package AE filed on January 25, 2016, including page (both section and Bates Stamp) references. The following RFIs relate to AE's proposed prepaid tariff located at App K, p. 4- 43 (Bates Stamp p. 666 -668).

2-1. According to the tariff language, the prepayment rate schedule will be available on a voluntary basis. Please explain how customers will volunteer. In your explanation please address the following:

- a) How will customers be informed of the opportunity to volunteer?
- b) Describe the process for development of consumer education and consumer information materials.
- c) When will the opportunity to volunteer for the pilot open?
- d) When will the opportunity to volunteer close?

2-2. The tariff language restricts eligibility to residential customers who "receive water and wastewater service from a non-City of Austin provider." Please explain why the pilot is targeted to this subset of customers. In your explanation please provide the total number of residential customers, both inside and outside the city, who would be eligible to participate in the pilot.

2-3. The tariff language does not restrict eligibility to residential customers who receive solid waste services from a non-City of Austin provider. Please explain why this restriction on eligibility was not included in the tariff but that a non-City water and wastewater service restriction was included. In your explanation please address how billing and collection for solid services will occur for residential customers who volunteer to take service under the prepayment tariff and who also are solid waste customers of the City of Austin.

2-4. Please explain why the pilot prepayment tariff will only be available "for a term of no more than 9 consecutive billing cycles". In your explanation, please address the following:

- a) Why was a 9 month period chosen?
- b) What 9 months of AE's FY will cover the pilot period?
- c) Why does the pilot last less than one year?



- d) If the pilot begins after approval and implementation of the rates, the start date is likely to be in the fall of 2016, and end prior to the peak usage months of summer in 2017, correct?
  - e) What happens to the volunteers at the end of the 9 month period? In your explanation include whether they will return to post-paid service. Also address volunteers who at the end of the 9 month period have not completed the payment arrangement for past due bills and still have an amount owing to AE at the end of the 9 month period.
- 2-5. Please explain what happens to a volunteer's electric service when the volunteer fails to pay his/her solid waste service bill. In your explanation please address how, if at all, this failure to pay would affect the volunteer's transition to post-paid electric service from AE.
- 2-6. Should a volunteer want to withdraw from the pilot project, what steps will the volunteer need to take to transition to AE's post-paid electric service. In your explanation, please address whether the volunteer will be required to pay a deposit; and if so, how much; and whether a deposit would be required even if the volunteer has been timely paying for his/her service for a combination of months with the pilot project and with previous AE post-paid service equal to or greater than twelve months at the time the transition is sought.
- 2-7. The prepaid tariff states that "[p]articipation will be limited to 300 individuals on a first-come, first served basis." Please explain why the number 300 was chosen for the pilot participants. In your explanation, please explain how the 300 pilot participants will be representative of the eligible customer base.
- 2-8. Under the prepayment tariff, a participant will be required to establish a prepayment credit balance. Please explain how AE will calculate that prepayment credit for the participant. In your explanation please address whether the prepayment credit will vary depending upon characteristics of the volunteer participant such as the participant's usage histories or his/her payment histories. How will the level of a prepayment credit compare to the level of the deposit required in AE's post-paid residential retail service for the AE customer who decides to be a prepayment volunteer.
- 2-9. The prepayment tariff states, "[d]eposits previously paid to Austin Energy shall be returned to the customer or may be applied to the permanent balance at the customer's request." Will a pilot customer who returns to post-paid service be required to supply another deposit to AE?
- 2-10. According to the prepayment tariff, "[o]utstanding balances must either be paid prior to enrollment or will be placed on a deferred payment plan with a fixed percentage of all future payments applied to the outstanding balance." Please describe in detail how the "fixed percentage of all future payments" will be calculated. Please describe how the payment on the deferred payment plan will be applied in relation to the pilot participant's billing charges. In your description of the level of payments, please address whether: AE will take into consideration the customer's ability to pay; the amount of the outstanding balance; the payment timelines under a deferred payment plan as a pilot participant versus the payment timelines as an AE post-paid service customer for a comparable post-paid outstanding balance.
- 2-11. The prepayment tariff states, "[p]repayment participants are not eligible for new payment arrangements or credit extensions." Why are prepayment tariff participants limited in their ability to re-negotiate their payment arrangements or credit extensions? In your explanation please address whether AE will provide prepayment tariff participants a grace period like the grace period AE provides for post-paid participants, and if not, why not. Also please address in

your explanation why a prepayment tariff participant cannot have the same customer protection rights to renegotiate a deferred payment plan as post-paid customers (see Utility Code, §15-9-144).

2-12. According to the prepayment tariff, AE intends to apply the City Utility Code (Chapter 15-9) unless in conflict with the prepayment tariff. Please identify each section and subsection, if relevant, of the City utility code that AE will apply to the prepayment tariff participants. For instance, will AE charge the prepayment tariff participants late fees or reconnection fees, or will AE not disconnect service on a prepayment tariff service at a time when personnel are not available to restore service.

2-13. Will a prepayment tariff participant with a deferred payment arrangement be able to transition to post-paid service before the deferred payment arrangement is completed; and if so, will the transitioned post-paid service customer be able to renegotiate his/her deferred payment arrangement?

2-14. The prepayment tariff provides participants a “true-up” paper or electronic monthly bill. Please describe how the billings or “true-up” paper will look and how its appearance will compare with comparable post-paid customer billings. Also address whether the bills will show the daily usage and identify all payments made.

2-15. The prepayment tariff states that account balances will be able to be checked through a prepayment web portal 24 hours a day. Please describe how this process will be set up. In your description address how often the account balances will be updated (hourly? daily?) and also address the usability of the web portal for customers who are low income and/or with little education and/or with visual disabilities and/or whose primary language is not English. Please also include what alternative to internet access-based monitoring of usage will be available. In other words, how will AE provide customers usage/account balance information who do not have access to the internet?

2-16. Will a prepayment tariff participant have access to payment assistance programs from AE? If so, please explain how it will work.

2-17. Does AE know if a prepayment tariff participant will have access to payment assistance programs from community or government agencies? If so will the payment assistance provided be adapted to a prepaid program? If AE does not know, please explain what steps AE took to determine whether a prepayment tariff customer would be able to obtain payment assistance from community or governmental agencies.

2-18. The prepayment tariff states, “[p]repayment pilot customers will receive notifications and alerts about their account.” Please describe in detail the types of alerts and notifications that would be provided. In your description, please address the timing and number of the alerts AE will provide. Please also address once AE realizes the AE customer no longer has phone or internet service, what steps will the utility take such as second contact information to ensure prepaid tariff customer receives the alerts and notifications. Please include how AE will provide alerts to customers with disabilities, and/or with little education, and/or whose primary language is not English.

2-19. According to the prepayment tariff, “Austin Energy will notify program participants when the prepayment account balance is at or below a predetermined threshold.” Please explain how that threshold is calculated and how notice will be provided. In your explanation, please address whether the customer or Austin Energy determines the threshold and whether the customer will receive one notice or more than one notice. Please address how and when the

notice(s) will be provided, including addressing how AE will notify customers with disabilities and/or with little education or whose primary language is not English.

2-20. The prepayment tariff states, "Austin Energy may disconnect a customer's utility service without notice if the account reaches a zero or negative balance." Why doesn't Austin Energy provide a notice of disconnection in the same manner it provides a low balance notice?

2-21. According to the prepayment tariff, "[p]repayment customers will have access to existing Austin Energy payment options. It is the customer's responsibility to allow enough time for payment processing." Please list each payment option offered by Austin Energy.

2-22. For each payment option identified in No. 2-21, please provide the following:

- a) Please list any fees associated with the option, including processing fees that may be charged by a 3<sup>rd</sup> party vendor-collection agent (like AE bill collections at H.E.B. grocery stores);
- b) Please provide the processing time—that is the time period from the first receipt of payment by AE or its collection agent from the AE customer to the time AE processes the payment and credits the customer's account for purposes of maintaining the customer's electric service or for purposes of reconnecting the service. In your descriptions, please address how the processing time is affected, if any, from customer payments made outside business hours, on weekends, and on holidays.

2-23. What is the time deadline for AE to reconnect a prepayment tariffed customer once the utility has processed the payment? In answering this question please identify whether there would be differing times depending upon whether the payment was processed: at the end of the day or after the close of the business day; or whether the day after the day AE processed the payment is a week-end or a holiday?

2-24. The prepayment tariff sets out a series of daily charges that include a customer charge and a five-tiered base rate charge, referred to as "energy charges." Please explain how the tiers of "energy charges" were developed. In your explanation please provide the underlying workpapers, including any data or analysis used to establish the daily tiers and their respective rates. Also, in your explanation please address the following:

- a) What safeguards, if any, did AE utilize in developing its energy tiers to ensure prepayment AE residential customers did not pay more a month through the AE prepayment charges on a daily basis than if the customer was an AE post-paid customer?
- b) Whether AE in developing its tiered energy charges took into consideration the savings AE realized from receiving revenues before the services were provided as opposed to receiving revenues after the services were provided for the post-paid services, and if so, how was the savings factored into the rates; and if not, why not.
- c) Why AE's tiered energy charges appear to double count some kWh usage by overlapping the end of the tier with the beginning of the next tier. (For example, instead of 0-16, 16-33, shouldn't the first tiers be 0-16 and 17-33? And shouldn't the other tiers be established that way as well)

2-25. Please provide the costs of the prepayment tariff pilot, broken out by O & M and capital expenses. Separately identify the costs of the web portal, staffing costs, and costs of consumer education materials. Please identify any incremental costs and/or savings, if any, AE anticipates occurring to serve the prepayment tariff customers.

2-26. How will AE evaluate the pilot upon completion? Please provide the evaluation methodology and criteria. In providing the methodology and criteria, please provide the following:

- a) For example, will AE conduct customer satisfaction surveys?
- b) Who will conduct the evaluation?
- c) Will AE hire an outside consultant?
- d) Will AE compare the revenues realized and the underlying kWh usage of the prepayment pilot project with the revenues realized and the underlying kWh usage of the postpaid customers? And will the comparison include comparing comparable kWh usage patterns. (For instance, comparing postpaid and prepayment customers using 500 kWh per month or less, etc.)
- e) Will AE track the number of disconnections and the time lapse between disconnections and reconnections for the prepayment tariffed customers? (i.e. customers' services were disconnected "x" times during the pilot program and the time between disconnection and reconnection ranged between "x" and "y" with an average of "Z" and a median average of "Q". The total time between disconnection and reconnection for the prepayment tariff customers was "w.")
- f) Will AE compare the disconnections and the time lapses between disconnections and reconnections of the prepayment tariffed customers with the postpaid AE customers?

Respectfully Submitted

Texas Legal Services Center  
2101 IH 35S., Suite 300  
Austin, Texas 78741  
512.477.6000  
512.474.6376(FAX)

By: 

Lanetta M. Cooper

State Bar No. 04780600

[lcooper@tlsc.org](mailto:lcooper@tlsc.org); [oyesapa@yahoo.com](mailto:oyesapa@yahoo.com)

Randall Chapman

State Bar No. 04129800

[rchapman@tlsc.org](mailto:rchapman@tlsc.org)

Attorneys for AE Low Income Consumers



### **CERTIFICATE OF SERVICE**

The undersigned certifies that TLSC has served a copy of the attached document upon all known parties of record by email and to the Impartial Hearing Examiner on the 24<sup>th</sup> day of February 2016



Lanetta M. Cooper