AUSTIN ENERGY
2016 MAR -3 AM 8:00

AUSTIN ENERGY'S TARIFF PACKAGE:	§	**BEFORE THE CITY OF AUSTIN**
2015 COST OF SERVICE STUDY	§	**IMPARTIAL HEARINGS**
AND PROPOSAL TO CHANGE	§	**EXAMINER**
BASE ELECTRIC RATES	§	

AE LOW INCOME CUSTOMERS' 3rd 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 3rd 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.
12. "COS" means cost of service study AE presented as part of its rate case filing in this case.
13. "TY" means test year and represents the time period AE relied upon in developing its cost of service study presented in this rate filing.

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. Please include the Bates Stamp page number reference to any references to the rate filing package AE makes in responding to these RFIs.

3-1. How many AE residential customers are receiving three-phase electric service? (Reference: App E, E-1, Bates Stamp p. 372).
3-2. How many AE residential customers receiving three-phase electric service are provided electric service at locations outside the city limits of Austin?
3-3. What type of meter is or meters are installed at residential customer service addresses who receive three-phase electric service. In your response please compare the types of meter(s) with those identified in AE's response to AELIC 1st RFI No. 1-15.
3-4 Please compare the effects a residential customer who receives three-phase electric service to a residential customer who receives single phase electric service on AE's distribution system's operations? In your comparison, please comment on whether a three-phase electric service residential customer causes AE to incur more costs than a single phase electric service residential customer involving its distribution system, including transformers and meters.
3-5. Please explain how AE's operating balance went from an ending operating balance of $150,800,000 (Reference: AE response to AELIC 1st RFI no. 1.22) in TY 2014 to an operating balance of $249,687,000in FY 2015 (Reference: AE response to AELIC 1st RFI No. 1-21). In your explanation, please break down the various sources of the difference in operating balances. (such as "X" dollars were realized from an over recovery of the PSA; "Y" dollars were realized from an over recovery of EE rates; "Z" dollars were realized from an over recovery of base rates; etc, etc, etc.)
3-6. Has AE incurred debt to fund its non-utility operations?
3-7. If the answer to RFI No. 3-6 is yes, please answer the following:

a). Please identify the amount of debt by issuance AE incurred to fund its non-utility operations for each FY from FY 2010 to FY 2015.

b). Is AE supporting the debt with bonds? If so, has AE pledged its revenues, including its regulated revenues, to payment of the bonds?

c). If the response to RFI. No.3-7(b) is yes, then list each bond issuance, the associated interest rate, the sinking fund requirement for the current and any future sinking fund requirement.

d). Is AE's debt funding its non-utility operations included in its financial reporting to members of the financial community such as Moody's Investors Service (Reference: Bates Stamp p. 387, 419)? If so, please explain how members of the financial community such as Moody's Investors Service consider that non-utility debt funding for purposes of deriving debt-service coverage ratios; credit ratings; cash on hand; debt:equity ratio; and such other financial indicators derived for purposes of rating the financial strength of a public power utility. Specifically, is AE's debt related to its non-utility operations included by financial community members such as Moody's Investors Service in their various financial indicators for reporting purposes such as shown at Bates Stamp pp. 419 and 420 of the rate filing package. If not, how is the debt considered, if at all?

e). What is the amount of debt AE has included in its TY 2014 COS, including any known and measurable adjustments, if any, made by AE to its TY to fund its non-utility operations?

f). What is the total amount of debt AE has included in its TY 2014 COS, including any known and measurable adjustments, if any, made by AE to its TY for all its operations? Please list any adjustment AE has made to the TY COS for the total amount of debt and identify whether each such adjustment is related to the utility's non-utility operations.

g). Using the TY 2014 COS reported data for the revenues and costs, including debt costs, related to AE's non-utility operations, please provide the debt service coverage ratio that is derived from the revenues and costs, including debt costs, of AE's non-utility operations. Please include the workpapers to this calculation with your response.

h). What is the amount of debt service AE has identified in its TY 2014 COS that is related to its non-utility operations?

i). Has AE included the long term debt related to the non-utility operations in its debt reserve calculation? If so, please provide the supporting workpapers for the debt reserve calculation.

3-8. Has AE replaced or done any substantial repairs to its assets invested in its non-utility operations since TY 2009? (substantial repairs would be repairs whose costs exceed normal operations and maintenance expenses)

3-9. If the answer to RFI No. 3-8 is yes, please provide the following for each of AE's FYs starting with FY 2010 and ending with FY 2015:

a) The amount of the replacement costs incurred by AE;
b) The amount of the repair costs incurred by AE; and
c) Whether AE incurred debt for any of its repair or replacement costs; and if so, the amount of the debt and the debt instrument used by AE to obtain the debt financing.

3-10. Please explain how AE adjusted its TY 2014 residential revenues in its COS to incorporate the CAP-funded recovery of the discount portion of CAP customers' billings. In your explanation please identify where in the rate filing package this adjustment is shown and please provide the underlying workpapers to this adjustment. If no adjustment was made, please explain why there was no adjustment.

3-11. Did AE use system-wide residential rates to derive the residential revenues in the COS? (In other words, did AE apply the kWh usage billings to the five-tiered rate design applied during the test year to AE residential customers whose services are located inside the City limits to the kWh usage billings for AE residential customers whose services are located outside the City limits?). If not, what did AE use; and, why didn't AE create system-wide residential rates for purposes of determining the residential revenues included in the TY 2014 COS?

3-12. If the answer to RFI No. 3-11 is no, please provide the amount of residential base revenues AE would realize from residential customers whose services are located outside the city limits if it had applied the five tiered rate design charged residential customers whose services are located inside the City limits. Please also identify and include the amount of revenue adjustment to AE's reported revenues in its COS that would result with charging the residential customers whose services are located outside the City limits the same rate as those AE residential customers whose services are located within the City limits.

3-13. If the answer to RFI No. 3-11 is no, please provide the amount of revenues AE included in its residential base revenues under the COS that came from AE residential customers whose services are located outside the city limit.

3-14. Please provide the marketing expenses for each energy efficiency ("EE") program funded with EE rates. (The term EE program is an inclusive one and also includes solar, demand management, and green building programs funded with EE rates).

3-15. Please provide the TY 2014 annual costs incurred by AE for the biomass plant operations.

3-16. How does an AE residential customer who has a solar installation receive services from AE and how is the customer billed by AE. In your explanation, please briefly address:

a) How the value of solar tariff is applied to the AE customer and how it interacts with the residential tariff, if at all?
b) Whether the energy produced by the AE customer's solar installation is used by that customer; whether the excess of energy produced by the solar installation over the customer's energy use or all of the energy generated by the solar installation is sent onto the grid; whether the AE customer uses energy from the grid; and if so, when (when the solar is not producing; all the time, etc.)
c) Whether AE incurs additional installation and infrastructure costs over and above installation and infrastructure costs to serve an AE customer without a solar installation, including the distribution system; meters; and the operating software for the meters, for billing, for distribution, and for interactions with the grid.

3-17. In designing a distribution system for a residential development, does AE consider:

a) The size(s) of the residential structure(s) (Residential structures would include outbuildings that will be using electricity such as guest houses, pool houses, and garage/shops.)
b) The size of the property (such as lot size) where the residential structures are located;
c) The electrical demand of the residential structures and improvements such as swimming pools, hot tubs, and landscaping.
d) The geology of the subdivision.

3-18. If the answer to RFI No. 3-17 is yes, in whole or in part, please briefly explain how each consideration is relevant to the design of the distribution system, including cost considerations.
3-19. If the answer to RFI No. 3-17 is no, in whole or in part, please briefly explain how each consideration is not relevant to the design of the distribution system.
3-20. Do TCOS rates set by the PUC include cost recovery of a portion of the general fund transfer included in the cost of service underlying the TCOS rates?
3-21. For commercial PV systems AE customers with demand of less than 20kW, what will the credit be in terms of the fuel cost rate given that AE is proposing a summer PSA rate and a different winter PSA rate? How will the credit be calculated? Will the fuel cost rate used to calculate the credit be different in AE's summer rate periods than in its winter rate periods? (Reference: p. 3-46, Bates Stamp p. 075)
3-22. Are all residential customers Key Account customers? (Reference p. 3-49, Bates Stamp p. 078)
3-23. If the answer to RFI No. 3-22 is no, what are the eligibility requirements for a residential customer to be a Key Account customer?
3-24. Does AE market and sell any environmental credits such as sulpher dioxide credits?
3-25. If the answer to RFI No. 3-24 is yes, please answer the following:

a) Please identify each type of credit sold.
b) Please provide the amount of revenues AE realized for each type of credit starting in FY 2010 and ending with FY 2015. (If the amounts are considered confidential, please provide the amounts by FY at a total aggregated amount.)
c) Please identify where the revenues realized for these credits are offset in AE's TY 2014 COS.

3-26. If the answer to RFI No. 3-24 is no, please explain why not.
3-27. Please list each conference in which AE financially supported in TY 2014.
3-28. For each conference identified in RFI No. 3-27, please list the amount of financial support AE provided that is included in TY 2014 COS.
3-29. Please list each certification and/or licensing fee that AE paid for its employees certifications and/or licensing during TY 2014.
3-30. Please provide the total amount of costs incurred by AE in paying the certification and/or licensing fees identified in RFI No. 3-29 that are included in AE's TY2014 COS.
3-31. Please list each organization/association whose membership was paid for by AE for its employees in TY 2014.
3-32. Please provide the total amount of costs incurred by AE in paying the membership fees identified in RFI No. 3-31 that are included in AE's TY 2014 COS.
3-33. Please list each organization/association that AE is a member and to which AE paid fees and/or dues in TY 2014.
3-34. Please provide the total amount of costs incurred by AE in paying the fees and/or dues identified in RFI. No. 3-33 that are included in AE's TY 2014 COS.

Respectfully Submitted

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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 ~~1st~~ 2nd day of March 2016

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Lanetta M. Cooper