

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

**INDEPENDENT CONSUMER ADVOCATE'S
SECOND REQUEST FOR INFORMATION FROM AUSTIN ENERGY**

AUSTIN CITY CLERK
RECEIVED
2016 MAR 14 AM 10:13

The Independent Consumer Advocate ("ICA") hereby propounds its second Request for Information ("RFI") upon Austin Energy ("AE"), with the expectation that responses to this RFI are due within 10 days and governed by the terms of Chapter G of the City of Austin Procedural Rules for the Initial Review of Austin Energy's Energy Rates ("Procedural Rules") as issued by the Independent Hearing Examiner.

GENERAL INSTRUCTIONS

The following General Instructions apply to each of the ICA's RFI requests, which are attached below:

1. For each responsive answer, please identify the individual(s) responsible for its preparation, and the witness sponsoring the answer provided.
2. In the event any document requested in this request is unavailable, describe in detail the reasons the document is unavailable.
3. When producing documents pursuant to these RFIs, designate on the document or group of documents the RFI(s) in response to which the document(s) are produced.
4. If, in answering any of these RFIs, there is any ambiguity in interpreting either the request or a definition or instruction applied thereto, please contact John B. Coffman at:

Email: john@johncoffman.net

Austin Energy may also contact Clarence Johnson at:

Email: cjenergyconsult@att.net

5. These data requests are continuing in nature and require supplemental responses when further or different information with respect to any of them is

obtained.

6. Use of the singular or plural word form in a data request is not to be interpreted to exclude information or documents from the scope or intent of the specific request.
7. The terms "and" and "or" shall be construed either disjunctively or conjunctively whenever appropriate in order to bring within the scope of these requests any information or documents which might otherwise be considered to be beyond their scope.
8. If any document covered by this request is withheld for whatever reason, please furnish a list identifying all withheld documents in the following manner
 - (a) the reason for withholding;
 - (b) the date of the document;
 - (c) a brief description of the document;
 - (d) the name of each author or preparer;
 - (e) the name of each person who received the document; and
 - (f) a statement constituting the basis for withholding the document.
9. Please provide data responses as they become available.

Respectfully submitted,



John B. Coffman
Independent Consumer Advocate

Submitted this date: March 11, 2016

CERTIFICATE OF SERVICE

The forgoing filing has been served upon all of the email addresses contained in the official Service List for this proceeding as found on the website for the Office of the City Clerk's website on this 11th day of March, 2016.



ICA's Second Round of Requests for Information from Austin Energy

- 2-1. Does Austin Energy regularly survey its customers regarding their satisfaction? Please provide results of the last three surveys.
- 2-2. Does Austin Energy permit residential or commercial customers to "choose their due date"? In other words, to select a payment due date that is different from the due date normally associated with their billing cycle. If the answer is "no", please explain all of the reasons why it is not permitted.
- 2-3. How does Austin Energy publicize the availability of the registry for the medically vulnerable?
- 2-4. How often does Austin Energy review its customer service rules?
- 2-5. Reconcile the response to NXP/Samsung1-73 with news stories that link problems with the IBM billing system to a rise in uncollectible debt. See for example, "Why customers' unpaid bills are piling up at Austin Energy", By Lilly Rockwell - American-Statesman Staff, Posted: 5:36 p.m. Saturday, Feb. 7, 2015.
- 2-6. The following questions refer to the Austin Energy power point presentation entitled, "Austin Energy Cost of Service and Rate Review", dated January 25, 2016:
 - a. Provide the documents referenced on slide 5.
 - b. Provide the calculations presented in slide 29 on an equivalent basis using the relevant residential rates and PSA for each year 2009-2015.
 - c. Does Austin Energy agree that the study on slide 27 identified as "Demand charges for customers peaking outside AE system peak" would include Houses of Worship?
- 2-7. Referring to Slide 23 of "The Austin Energy General Fund Transfer (GFT) and Payments for Services" presentation to the Council's Austin Energy Oversight Committee on February 25, 2016:
 - a. List the items that make up the "community programs unspecified".
 - b. Do any of the programs identified also received funding from another city department?
 - c. How does Austin Energy determine which programs to fund? Provide any written criteria. Identify the staff responsible for approving funding.
- 2-8. The Tariff package at p. 24 states: "Therefore, Austin Energy proposes that in the first year of the proposed rate change, beginning in October 2016, the \$17.5 million in excess revenues be used to reduce non-Residential customer classes that are currently above the cost of service. In the first year, Austin Energy proposes to maintain the current Residential class revenues with no overall increase in rates."

- a. Describe what Austin Energy means by using the phrase “in the first year”?
 - b. Is Austin Energy suggesting that changes to residential rates, the customer charge and/or rate design would be implemented subsequent to the first year of implementation of rates under this case, but prior to the filing of a new rate case? If so, describe the process for approval and implementation of those changes
- 2-9. The Tariff package at p. 26 states: “Austin Energy recommends these changes be implemented in year one, prior to assessing any additional charges on the Residential class to move the class closer to cost of service.”
 - a. What are the “additional charges” referenced?
 - b. Identify these “additional charges” in the Tariff package.
- 2-10. Does Austin Energy anticipate or is Austin Energy considering a recommendation to modify the residential rate design structure and/or increase residential customer rates (such as changing the tiered base rate structure, changing the fixed rate component, changing the rates of any of the tiered base rate blocks, and/or increasing the residential base rates in total) after the residential rates are set under this COS but before AE sets rates under a new COS study with a corresponding rate filing package? (Reference p. 177)
- 2-11. If the answer to RFI No. 14 is yes, please provide any analysis, report, study, recommendations, proposals, and such other communications (including email) prepared by and/or for Austin Energy, referring to modifying the residential rate design structure and/or residential base rates during the time set out above since the Council passed the rate ordinance approving AE's residential base rates based on the 2009 test year.
- 2-12. Referring to Figure 6.11, do the charts refer to customers inside the city, outside of the city customers, or an average?
- 2-13. Referring to Figure 6.12, provide the bill frequency data for both residential and CAP customers broken down by customers inside the city and outside of the city.
- 2-14. Explain the rationale for using a three tier residential rate structure for customers outside of the city and 5 tiers inside?
- 2-15. Regarding the rate stabilization fund:
 - a. provide the written criteria for use of this fund. For example, what level of PSA increase would trigger use of the rate stabilization fund?
 - b. If there are no written criteria, identify the person or person who would recommend using the fund to “smooth” out rates.
 - c. Would City Council be required to approve the use of this fund?
 - d. Could this fund be used for any other purpose without City Council approval?
 - e. Explain why the funding level will be increased from 90 days to 120 days of net power supply expenses.
 - f. The description on page 99 of the Tariff package stating that this fund would be funded going forward with net credit balance remaining in the

PSA over or under account balance upon the annual PSA revaluing, rather than including those net credit balances as a credit in the calculation of the subsequent PSA. Does Austin Energy agree that this means customers will not receive credits when the PSA results in an over recovery? Could this policy result in a reserve balance greater than 120 day of net power expenses? If so, how would Austin Energy handle the overage?

- 2-16. Please identify all prepayment programs offered by other utilities that Austin Energy and/or its consultants have reviewed, including those that combine the prepayment rates with electric retail service and some other retail service, such as solid waste.
- 2-17. Referring to the answer to AELIC 2-4-C, describe what Austin Energy means by "full deployment."
- 2-18. Regarding each of the three Residential Service Pilot Programs (Time-of-use Rates, Prepayment rates and Plug-In Electric Vehicle Charging rate):
 - a. Provide workpapers used in the development of these pilots
 - b. Provide copies of reports, studies, analysis, notes involving discussions with other utilities, proposals, research, proposals, recommendations and such other communication, including emails, either prepared by and/or for Austin Energy related to development of these pilots.
 - c. Provide the documentation or presentations made to the City Council related to their approval of these pilots.
- 2-19. Please define the acronym and identify the members of the DABI workgroup referred to in answer to AELIC's 2nd RFI No. 2-26; identify the members of the Prepaid Executive Steering Committee referred to in the answer to AELIC's 2-6; and identify the members of the Prepaid Working Committee referred to in the answer to AELIC's 2-8.
- 2-20. Referencing question 2-18, identify the corresponding internal working groups for the other two proposed residential rate pilots.
- 2-21. Please provide the costs of the residential time of use rates and plug-in electric charging rates pilots, broken down by O&M and capital expenses. Please identify any incremental costs and/or savings, if any, Austin Energy anticipates occurring to serve the prepayment tariff.
- 2-22. How will Austin Energy evaluate the time of use and plug-in electric vehicle pilots upon completion? Please provide the evaluation methodology and criteria.
- 2-23. Please provide the following RFI answer attachments in machine-readable Excel spreadsheet format: NXP-Samsung 3-1; NXP-Samsung 3-18; and NXP-Samsung 3-2.
- 2-24. Please provide details and explanation of the 311 four-year implementation plan referenced in the answer to NXP-Samsung 3-6. Quantify how this plan will affect Austin Energy's share of 311 costs in the future.
- 2-25. Is it Austin Energy's position that the transfer of costs for economic development provides an electric utility function? If so, please describe how the activities relate to electric utility service. If certain programs are related to

electric utility business, and others are not, please quantify the portion which relates to the electric utility function.

- 2-26. Please explain how the outside city rate discount affects inside city rate classes in the class cost of service study and rate design. In particular, explain how the revenues (or costs) associated with the discount are recovered (i.e., absorbed by the associated inside city rate class or by all inside city classes, or treated as below-the-line for cost allocation/rate design purposes). Please provide the workpapers which detail these calculations.
- 2-27. With respect to WP D-1.2.9 and WP D-1.2.9.1:
- (a) what is the basis and rationale for the known and measurable adjustment of (4.8 million) to uncollectible expense. (b) Please provide all supporting analyses and documentation for developing the adjustment. (c) Please state the time period used to develop the historical level of uncollectible expense. (d) Please provide all supporting analyses and documentation for developing the \$20.8 million uncollectible amount. (e) Please state the time period used to develop the historical contribution percent by customer class. (f) Please provide all supporting analyses and documentation for developing the customer class uncollectible percentages.
- 2-28. With respect to WP D-1.2.9.1:
- (a) please identify the categories of service / customers which are included in the "other" class. (b) Provide detail regarding the method of redistributing these uncollectible amounts to "primary" classes. (c) Please explain the rationale for assuming that uncollectibles in the >50 kW class are incurred by customers with load less than 300 kW.
- 2-29. Have any primary voltage, transmission voltage, or secondary >300 kW customers ever filed a bankruptcy proceeding or gone out of business? Please describe and quantify the frequency of such events.
- 2-30. Provide the actual uncollectible expense amounts for each of the last 10 years.
- 2-31. For each discount identified on the workpapers for Schedule H class rate design, please provide the following: (a) whether the revenues associated with the discount are absorbed within the rate class, across all customer classes, or treated as below the line. (b) provide the calculations support the answer to 'a.' (c) whether the discount amount is required by state or federal law. (d) if the discount is addressed state or federal law, provide citation to the law.
- 2-32. Please itemize each component of the column entitled "Non-Electric Adjustment/Transfer" in Schedule A and Schedule B or the Class Cost of Service Study excel spreadsheets.