

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

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

**AUSTIN ENERGY'S RESPONSE TO AE LOW INCOME CUSTOMERS'**  
**FIFTH REQUEST FOR INFORMATION**

Austin Energy ("AE") files this Response to AE Low Income Customers' ("AELIC") Fifth Request for Information submitted on March 9, 2016. Pursuant to the City of Austin Procedural Rules for the Initial Review of Austin Energy's Rates § 7.3(c)(1), this Response is timely filed.

Respectfully submitted,

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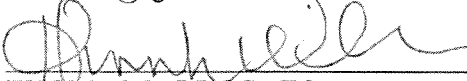
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**CERTIFICATE OF SERVICE**

I hereby certify that a true and correct copy of this pleading has been served on all parties and the Impartial Hearing Examiner on this 21st day of March, 2016, in accordance with the City of Austin Procedural Rules for the Initial Review of Austin Energy's Rates.

  
HANNAH M. WILCHAR

# Austin Energy's Response to AELIC's 5th RFI

AELIC 5-1. Please list Austin Electric's long and short term debt by issuance. Provide the following information for each issuance.

- A. Principal amount;
- B. Date and issuance and expiration date;
- C. Interest rate and actual interest paid for each year 2013-2015;
- D. Sinking fund requirement (if applicable) for 2014, 2015 and 2016.

## ANSWER:

For FY 14 outstanding long and short term debt, please see below for response to A, B, and C. For part D, please see the Debt Service line shown in AE's Response to NXP/Samsung 2-16, Attachment 1, page 26 of 891.

Data including balances and dates are for Debt series outstanding at 9/30/14								
\$ in Thousands								
Series	Issuance Date	Final Payment Date	9/30/14 Outstanding Principal	Avg Interest cost/rate	FY 2013 Interest Paid	FY 2014 Interest Paid	FY 2015 Interest Paid	
GO Series 2008 & 2013	2008	9/1/2021	676	3.41%	23	24	18	
Revenue Series 1990B (CAB)	2/1/1990	11/15/2017	2,029	7.25%	-	-	2,780	
Revenue Series 1998	11/12/1998	5/15/2025	95,456	6.23%	5,192	5,128	5,011	
Revenue Series 2002	2/28/2002	11/15/2014	6,485	4.25%	1,847	848	178	
Revenue Series 2002A	7/15/2002	11/15/2016	25,775	4.00%	3,834	2,047	1,418	
Revenue Series 2006	5/15/2006	11/15/2035	130,700	4.74%	6,708	6,535	6,443	
Revenue Series 2006A	10/15/2006	11/15/2022	69,555	4.11%	4,467	3,836	3,234	
Revenue Series 2007	8/15/2007	11/15/2020	59,640	4.09%	5,074	4,032	2,487	
Revenue Series 2008	3/1/2008	11/15/2032	42,860	6.27%	2,687	2,603	2,603	
Revenue Series 2008A	7/15/2008	11/15/2038	174,200	5.25%	9,202	9,194	9,186	
Series 2010A	6/1/2010	11/15/2040	110,075	4.03%	5,673	5,513	5,321	
Series 2010B BAB CP refunding	6/1/2010	11/15/2040	100,990	4.03%	3,611	3,611	3,611	
Revenue Series 2012A	12/1/2012	11/15/2040	267,770	3.23%	5,012	12,273	12,273	
Revenue Series 2012B	12/1/2012	11/15/2027	107,715	3.23%	1,032	2,527	2,527	

Prepared by: SK/GS  
Sponsored by: Mark Dombroski

Austin Energy's Response to AELIC's 5th RFI

AELIC 5-2. Please provide the supporting data and calculations for the FY 2015 2.16X debt service coverage ratio (page 4-58 of. Tariff Package) and the 2.32X TY debt service coverage ratio. The supporting calculations should identify each of the components included in the calculation.

ANSWER:

<b>Debt Service Coverage</b>				
FY 2014 includes non-electric				
	<b>WP Reference</b>	<b>FY 2014</b>	<b>Adj</b>	<b>Test Year</b>
Rate Revenue	FY 2014 - Schedule B / TY - Schedule G-10	\$ 1,246,153,540	\$ (79,843,977)	\$ 1,166,309,563
Other Operating & Non-Operating Revenue	Schedule B	108,277,160	(26,574,571)	81,702,589
Interest and Dividend Income	Schedule A	5,191,382	(558,230)	4,633,152
		<u>\$ 1,359,622,083</u>	<u>\$ (106,976,779)</u>	<u>\$ 1,252,645,304</u>
Operations & Maintenance	Schedule A	\$ 1,035,723,311	\$ (31,675,379)	\$ 1,004,047,932
Other Expenses	Schedule A	40,888,095	(30,445,334)	10,442,761
		<u>\$ 1,076,611,406</u>	<u>\$ (62,120,713)</u>	<u>\$ 1,014,490,693</u>
Balance Available for Revenue Debt Service		\$ 283,010,677	\$ (44,856,066)	\$ 238,154,611
Debt Service	WP C-3.1	\$ 130,995,451	\$ (28,342,030)	102,653,421
Debt Coverage Ratio		<b>2.16</b>	<b>0.16</b>	<b>2.32</b>

Prepared by: MM  
Sponsored by: Mark Dombroski

AELIC 5-3. Please provide Austin Electric's interest coverage ratio for calendar years and fiscal years 2013, 2014 and 2015. Provide all supporting calculations that clearly identify the components included in the calculation.

ANSWER:

Austin Energy has not calculated an interest coverage ratio for calendar years and fiscal years 2013, 2014 and 2015. Pursuant to City of Austin Procedural Rules for the Initial Review of Austin Energy's Rates § 7.3(c)(2)(F), a party does not need to produce a document or tangible thing unless that party has constructive or actual possession, custody, or control of the requested item. Austin Energy does not possess the requested calculations.

Prepared by: RM  
Sponsored by: Mark Dombroski

AELIC 5-4. Please explain in detail why the debt service coverage ratio does not have an impact on revenue requirements? (Reference: p. 4-58, Bates Stamp p. 087.)

ANSWER:

Austin Energy's revenue requirement is based on the cash flow method. As shown on Schedule A of the RFP, the revenue requirement is the sum of component costs and explained in detail in Section 4.2 of Austin Energy's Tariff Package commencing on page 4-54 (bates stamp 083). The revenue requirement is not a product of a debt service coverage ratio. However, the revenue requirement can be used to calculate a debt service coverage ratio. Please see AE's Response to AELIC RFI No. 5-2.

Prepared by: RM  
Sponsored by: Mark Dombroski

AELIC 5-5. Would Austin Electric agree that the requested revenues have an impact on debt service coverage ratios? Explain your response.

ANSWER:

Please see AE's Response to AELIC RFI Nos. 5-2 and 5-4.

Prepared by: RM  
Sponsored by: Mark Dombroski

AELIC 5-6. Please provide work papers that show the calculation of each entry under the proposed amount columns in figure 4.6 (p. 4-73 of Tariff Package). Provide the same information for the TY amount shown in figure 4.4 (page 4-68 of Tariff Package).

ANSWER:

The calculations are found in WP C-3.2.1 in the live excel version of the RFP found on Austin Energy's website:

<http://austinenenergy.com/wps/portal/ae/rates/2016-rate-review/2016-staff-recommendations>

The calculation for the proposed amount in figure 4.6 starts on line 39, column B and the calculation for the TY amount in figure 4.4 starts on line 19, column B.

Prepared by: RM  
Sponsored by: Mark Dombroski

AELIC 5-7. Has AE retired any debt issuances since FY 2010?

ANSWER:

By agreement of the parties, Austin Energy will be responding to AELIC RFI No. 5-7 on March 28, 2016.

Prepared by: -  
Sponsored by: -



AELIC 5-8. If the answer to RFI No. 5-7 is yes, then please list each debt issuance that AE has retired and for each debt issuance retirement, please state:

- A. Whether the debt was refinanced; and
- B. Whether any of the principal was paid off and not included in any of the refinancing; and if so, what was the amount of the reduced principal.

ANSWER:

By agreement of the parties, Austin Energy will be responding to AELIC RFI No. 5-8 on March 28, 2016.

Prepared by: -  
Sponsored by: -