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**

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AUSTIN CITY CLERK
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AUSTIN ENERGY'S RESPONSE TO THE INDEPENDENT CONSUMER ADVOCATE'S SECOND REQUEST FOR INFORMATION

Austin Energy ("AE") files this Response to The Independent Consumer Advocate's ("ICA") Second Request for Information submitted on March 14, 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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ATTORNEYS FOR AUSTIN ENERGY

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 24th day of March, 2016, in accordance with the City of Austin Procedural Rules for the Initial Review of Austin Energy's Rates.

THOMAS L. BROCATO

ICA 2-1 Does Austin Energy regularly survey its customers regarding their satisfaction? Please provide results of the last three surveys.

ANSWER:

Austin Energy conducts several surveys throughout the year for its various programs. Recent surveys have included the overall satisfaction survey, walk-in service center surveys, and the Customer Energy Solution rebate surveys. For the overall satisfaction survey for FY15, the satisfaction rating for Austin Energy was 59%. Satisfaction ratings for the walk-in service center survey were an average of 88% across both residential and commercial customers visiting the walk-in service centers. Finally, residential customers participating in the rebate programs reported an 80% overall satisfaction level with the rebate programs.

Prepared by: LJ
Sponsored by: Debbie Kimberly

ICA 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.

ANSWER:

At this time, customers are not allowed to choose their due date. Research is required to determine the technical and operational changes required to allow customers to change their bill due date. However, testing is currently underway for the required technical changes to determine feasibility of the program.

Prepared by: JG
Sponsored by: Kerry Overton

ICA 2-3 How does Austin Energy publicize the availability of the registry for the medically vulnerable?

ANSWER:

Austin Energy publicizes the Medically Vulnerable program through several avenues. We utilize our network of 42 community agencies that have been trained on all AE program offerings. We sponsor and attend several community outreach events throughout the fiscal year to reach our target population and bring awareness to our community. In addition, our contact center is trained to listen for any "flags" that could be a potential medically vulnerable customer and make the appropriate referral.

Prepared by: RM
Sponsored by: Kerry Overton

ICA 2-4 How often does Austin Energy review its customer service rules?

ANSWER:

Austin Energy's customer service rules are captured in the City of Austin Code of Ordinances, Utility Regulations. Utility regulations are reviewed on an as-needed basis, whether through operational need, identification of improvement, or request from other city utilities. Benchmarking is conducted on a routine basis to validate customer protections and customer service standards against other utilities.

Prepared by: EKD
Sponsored by: Kerry Overton

ICA 2-5 Reconcile the response to NXP/Samsung 1-73 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.

ANSWER:

Austin Energy's Response to NXP/Samsung's RFI No. 1-73 refers to an inquiry specific to system issues affecting tariff service charges, or charges for service connections, reconnections, collections, or returned checks. There were no issues with the billing system that affected any of these categories, other than a longer than forecasted delay in initiating full collection activities after system go-live. Issues with the billing system were mainly categorized into post-conversion infrastructure stability problems and processes tied to implementation of new rate structures. The longer than forecasted delay in initiating full collection activities was to ensure that any conversion issues were resolved prior to resuming utility disconnections for non-payment. This delay, coupled with more lenient payment arrangement policy changes, allowed unpaid debt to accrue to higher than normal levels.

Prepared by: EKD
Sponsored by: Kerry Overton

ICA 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?

ANSWER:

A. See Appendix D of the Rate Filing Package for the Financial Policies of the City of Austin. All other documents are included as Attachment 1.
B. AE has not calculated the calculations presented in slide 29 on an equivalent basis using the relevant residential rates and PSA for each year 2009-2015. 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.
C. As indicated in Appendix E of the Rate Filing Package, Austin Energy will study the characteristics of customers' peak usage. This study will include all types of customers. In that respect, the study would include House of Worship (HOW) customers.

Prepared by: BE/JL
Sponsored by: Mark Dreyfus

Austin Energy Resource, Generation and Climate Protection Plan to 2025: An Update of the 2020 Plan

INTRODUCTION

The Austin City Council adopted the Austin Climate Protection Plan (ACPP) in 2007 to build a more sustainable community. Every City department was subsequently tasked to create action plans intended to ensure that departmental operations were consistent with the ACPP. Austin Energy developed a Resource, Generation and Climate Protection Plan to 2020 to meet these objectives, which was approved by City Council in 2010 and further refined in 2011 by Council by adding affordability metrics. As part of that plan, Austin Energy committed to update it every two years.

In April of 2014, City Council passed Resolution No. 20140410-024 (2014 ACPP) that recognized the need to further accelerate the reduction of greenhouse gas emissions beyond the 2007 ACPP standards and set a goal of reaching net zero community-wide greenhouse gas emissions by 2050 preferring to achieve this goal sooner if feasible. Moreover, in April of 2014, the City Council appointed the 2014 Austin Generation Resource Planning Task Force to make recommendations on the utility's generation mix to 2025 and to further set the energy sector of the City of Austin on a glide path to achieve the emissions standards set forth in the 2014 ACPP. On July 9, 2014, the Task Force approved recommendations for updating the Plan. In August of 2014, City Council approved Resolution No. 20140828-157 and Resolution No. 20140828-158, which placed several Task Force recommendations into policy, subject to affordability metrics. Subsequently, based upon the same modeling used for resource planning analysis, Austin Energy performed an affordability analysis of implementing Resolution 157. It showed it would likely result in exceeding Council's affordability metrics and could cost utility customers $550 million above a business-as-usual case over the next 10 years.

On October 9, 2014, Austin Energy presented the results of its resource planning update, as scheduled, recommending the 500+ Plan, which included many of the Task Force recommendations, expanded renewable generation and replaced the Decker Creek Power Station's steam units with a highly efficient combined cycle gas turbine unit by 2018. The 500+ Plan showed that local generation is critical to maintaining affordability by providing revenues back to the utility and by moderating local electric market prices.

This document represents recommendations for a resource plan that makes further refinements to the 500+ Plan presented in October and brings together generation and energy demand management options over the planning horizon to the year 2025. Developing the Plan involved extensive analysis by Austin Energy of the expected costs, risks and opportunities to meet the future demand for electricity services by a highly skilled and experienced staff with the help of a calibrated and tested production cost model. The Plan outlined in this document is based on the current understanding of technology and of national, state and local energy policies. The recommendations developed by Austin Energy staff benefited from substantial input from citizens, customer groups, representatives of private industry, utility advisory commissions and the members of the Task Force.

The recommendations are designed to be flexible and dynamic. As the circumstances change, the City and Austin Energy will maintain flexibility to modify elements to respond to a range of factors, including economic conditions, customer load, fuel prices and power supply availability, infrastructure build-out, technological development, law and regulations, policy direction, rate structures and customer

needs. Therefore, the Plan will need to be adapted and modified to manage risk, maintain system and service reliability, achieve policy goals and meet customer demand for excellence in all aspects of service. As each significant implementation step is undertaken, Austin Energy's recommendations to the City Council must be supported by assessment of impacts on all customers and by charting the progress each step will make toward achieving the goals outlined in this Plan.

Austin Energy will review its progress and issue a report on performance against the Plan. Austin Energy should continue to reassess the Plan in a public forum every two years. Every major resource decision and Plan change will, as always, be taken before the City Council for review and authorization.

AUSTIN ENERGY'S MISSION

Outlined below is a description of how the Plan meets each element of Austin Energy's mission *to deliver clean, affordable, reliable energy and excellent customer service*. This Plan demonstrates that customers and the Greater Austin community can indeed expect equitable, economic and environmentally responsible electric services.

Clean. Austin Energy recommends significant actions to promote its clean energy goals by the beginning of 2025. The initial implementation strategy to achieve these goals involves retiring the older, natural gas-fired Decker steam units, replacing them with a new and highly efficient gas plant, along with further investments in local storage, demand response, wind and solar. This new asset will provide the revenue required to escalate the use of renewables, increase energy efficiency, shift load, and begin further investments in energy storage. The Plan also establishes a process for ending the use of coal by starting the retirement of Austin Energy's share of the Fayette Power Project by the end of 2022, contingent upon setting aside a fund to pay off the outstanding debt. The recommended plan will reduce emission rates of nitrogen oxides (NOx), sulfur dioxide (SO_2) and volatile organic compound (VOC) emissions, and contribute positively to compliance with national ambient clean air standards. Finally, by shifting demand, investing in energy efficiency and storage and increasing the use of renewable resources, water use is also reduced, which is of particular importance given climatic change and the availability of water in the Central Texas region.

Affordable. Austin Energy will strive to optimize rates and services in a responsible manner. A fundamental benchmark that will guide implementation of the Plan is affordability. Austin Energy must be financially sound, the cost of electric service must be affordable for all classes of customers (with particular attention to the low income and underserved customers), and rates must be competitive to ensure the retention and attraction of businesses for a strong local economy. As Austin Energy moves forward with implementation of the Plan, customer bills will be compared to those for similar customers in other major metropolitan areas, including, Houston, San Antonio, Dallas-Fort Worth and other areas within the Austin Metropolitan Statistical Area (MSA). The Plan will be subject to keeping overall rates from rising more than 2 percent per year and maintaining a competitive posture. Available data (rates, average monthly bills for residential, commercial and industrial, and other affordability/competitive benchmarks) will be included in Austin Energy's Annual Performance Report.

Reliable. Implementation of the Plan will be guided by power quality and reliability requirements to meet the needs of Austin Energy's current and prospective customers. In serving as a road map, the Plan will respond to system needs, changing technologies and market conditions to ensure consistent power quality and reliability. Transmission and distribution reliability goals will be targeted to meet or exceed

current goals. Power quality and reliability will continue to be detailed in the Annual Performance Report.

Excellent Customer Service. The implementation and ongoing review of the Resource, Generation and Climate Protection Plan to 2025 will be transparent. Through the Annual Performance Report, biennial Plan reassessment and an informed decision making process, the City Council and Austin Energy customers will be provided vital information detailing progress toward goals and any necessary Plan adjustments. The goal in implementing this Plan is to consistently demonstrate, to the highest degree possible, that proposed actions further Austin Energy's mission of providing clean, affordable and reliable energy. Individual programs that help meet those goals—including demand reduction programs and local solar programs—must have easily accessible information available to all Austin residents.

Austin Energy Resource, Generation and Climate Protection Plan to 2025: An Update of the 2020 Plan

PLAN SUMMARY

The following is a summary of the recommended 2025 Generation Plan which provides a path forward for the next 10 years.

The 2025 Generation Plan balances affordability and risk management by using revenues and capacity created by a new 500 MW highly efficient combined cycle plant investment to allow for the retirement of older fossil fuel generation and to support an increase in the amount of renewable energy to 55 percent of customer demand, as well as, investments in local storage and demand response by 2025. This combination offers the potential to provide additional headroom within the affordability metrics to expand other important programs if desired.

The Plan adopts and acts immediately on:

1- Commencing a third party economic and environmental review to replace the Decker steam units and Fayette Power Plant as described in Appendix A.
2- Supporting creation of a cash reserve fund for Fayette Power Project retirement. Reserves would be approved through the budgeting process and targeted to retire Austin's share of the plant beginning in 2022. Retiring Austin's portion of Fayette is contingent upon cash available to pay off debts and other costs associated with retirement while maintaining affordability.
3- Issuing a Request for Proposal for up to 600MW of utility scale solar to commence the process towards a generation portfolio consisting of 55 percent renewable energy.
4- Maintaining the current goal of 800 MW of energy efficiency and Demand Response by 2020, and adding an incremental 100 MW of Demand Response to achieve a total of at least 900 MW of Demand Side Management (DSM) by 2025.
5- Developing an implementation plan for distribution connected local storage of at least 10 MW complemented by as much as 20 MW of thermal storage.

The Plan also recommends the following contingent upon further study, technological development, progress towards goals and rate adjustments or restructuring:

1- An additional 100 MW of Demand Response or energy efficiency to increase the DSM achieved to 1000 MW by 2025.
2- Issuing an RFI for 170 MW of large scale storage such as Compressed Air Energy Storage.

The table below shows the projected resource mix and timing of the recommended 2025 Generation Plan.

Year	Coal	Nuclear	Gas	Local Storage	Demand Response	Demand Side Management	Biomass	Solar	Local Solar	Wind	% Renewables
2015	602	436	1,497				112		63.0[5]	1041	28%
2016								200[4]	13.0[6]	754[7]	51%
2017				1				150	6.0[6]	(91.5)[8]	54%
2018			(235)[3]	1					7.0[6]	(34.5)[8]	53%
2019				1					9.0[6]		53%
2020	(235)[1]			1	100 (cumulative)	700 (cumulative)		200[4]	12.0[6]		57%
2021				1	20				14.0[6]		56%
2022				1	20				16.0[6]		55%
2023	(367)[2]			1	20				18.0[6]	(165.6)[8]	56%
2024				1	20				20.0[6]		52%
2025				2	20			200[4]	22.0[6]		56%
Total Resources	**0**	**436**	**1262**	**10**	**200**	**700**	**112**	**750**	**200[9]**	**1503**	

Note:
1) Equivalent MW reduction of AE's share of Fayette to achieve 20% below 2005 CO_2 levels
2) Retirement of AE's share of Fayette at the end of 2023
3) Net of Retirement of Decker Steam Units and addition of 500 MW Combined Cycle
4) New utility scale solar additions
5) Existing and new local solar additions
6) Total local solar additions including community solar
7) Net of committed wind and new additional wind
8) Expirations of existing wind contracts
9) Additional 90 MWs of Local Solar by 2025 contingent upon affordability evaluation

Fossil Fuel Retirements

This Plan establishes an expectation to reduce carbon dioxide emissions by retiring inefficient fossil fuel plants, beginning with the steam units at the Decker Creek Power Station, and then Austin Energy's share of the Fayette coal-powered plant.

Subject to ERCOT processes, and needed transmission upgrades, this Plan establishes the expected retirement date for the 735 MW of steam units at Decker by the end of 2018.

It is important to note that the analysis shows that it is not feasible to retire the Decker units and Austin Energy's share of the Fayette units without a replacement source within the Austin Energy load zone, which is critical to remaining within the Council's affordability metrics. Decker does not produce a lot of energy or revenue on an annual basis, but it provides a hedge against high prices and has a dampening effect on local energy prices, thus reducing customer bills.

The Fayette Power Project provides roughly 25 percent of Austin Energy's current energy routinely at costs below market prices which produce revenues that reduce customer bills. Reducing and ending Austin Energy's use of coal is contingent on paying off the debt associated with environmental investments that Austin Energy has made in the plant. The 2025 Generation Plan continues to establish a ramp down in production in 2020 to achieve established carbon goals, and anticipates the retirement process in 2022, if funds are available. The recommended Plan will require the establishment of a cash reserve retirement account in advance of the retirement to be funded with available cash as part of the annual budgeting process.

Fossil Fuel Additions

The Plan would add 500 MW of additional gas units by the beginning of 2018 at the Sand Hill Energy Center or Decker. Austin Energy will issue an RFP to select a consultant with the expertise to analyze the ERCOT nodal market using a production cost model to perform an independent review of the 500 MW investment to fully report benefits and risks of this strategy.

Solar

Under the Plan, installed solar capacity would increase to at least 950 MW by 2025, including 200 MW of local solar. To ensure affordability, the Plan recommends implementing a phase down of the residential and commercial incentive programs to achieve the first 110 MW of the local solar goal by 2020, including at least 70 MW of customer-sited solar. Current projected cost declines of solar, technology improvements and financing alternatives and the implementation of supportive solar policies shall be utilized to enable the City to reach the 200 MW goal—including at least 100 MW of customer-sited local solar—by 2025 absent further incentives.

In February 2009, the Council approved a 25-year contract under which Austin Energy purchases the annual output of a 30 MW solar farm built near Webberville on utility property, which went into operation in 2012. In addition, the Plan assumes full build-out of the announced 150 MW of solar power currently contracted with Recurrent Energy that is expected to be online by 2016.

The Plan recommends a new RFP be issued by Austin Energy for up to 600 MW of utility-scale solar in 2015. Austin Energy will contract for up to this amount by 2017, if available and affordable. If not, Austin Energy will continue to pursue the 600 MW of additional utility-scale solar within the 2025 Generation Plan. These additions bring a combined total of 750 MW of utility-scale solar.

Nuclear

The proposed scenario recognizes current ownership levels in the South Texas Project and assumes the

plant continues to provide power through 2025 at Austin Energy's current ownership level.

Biomass

No additional biomass is anticipated in later years. A total of 100 MW of existing biomass-fueled generation is included. The Council has approved a 20-year contract through which Austin Energy purchases the annual output of a 100 MW wood chip-fueled biomass plant northwest of Nacogdoches, Texas.

Demand Response and Energy Efficiency

The projected peak demand takes into account an increase from 800 MW of energy efficiency and load shifting proposed by 2020 to 900 MW by 2025, including 100 MW of additional demand response. However, if affordable and available, Austin Energy would attempt to obtain more energy efficiency and demand reduction and obtain at least 800 MW of energy efficiency and 200 MW of demand response—for a total of 1000 MW—by 2025. Any demand response that is contracted by other parties in Austin Energy's service territory will also count towards the goals established by this plan.

Wind

Austin Energy will continue to be a leader in contracting and using wind energy. Under the 2025 Plan, Austin Energy will pursue additional wind energy PPAs and ownership opportunities. Austin Energy expects to contract a minimum of 450 MW of additional coastal and western wind resources to reach at least 55 percent renewable energy goal by 2025.

Storage

With the recommended Plan, Austin Energy sets in place a comprehensive strategy to become a leader in energy storage. The Plan contemplates Austin Energy will obtain at least 30 MW of local thermal and electrical storage by 2025. In addition, Austin Energy will review additional local and utility-scale storage opportunities.

Additional Objectives and Initiatives

Both the Resource and Climate Protection Plan to 2020 and the 2025 Plan update benefited from review by customers, the Electric Utility Commission, the Resource Management Commission and a Council-appointed Generation Resource Planning Task Force in 2009 and 2014.

Affordability & Due Diligence

1. Austin Energy and this updated Plan will continue to adhere to the affordability goal for rates and services for all classes of customers as approved by City Council in February of 2011.
2. Prior to taking action to acquire a generation resource of 10 MW or more, or an aggregate of 10 MW from a single program, and to the extent practicable and consistent with sound management and financial responsibility, Austin Energy will present such action for approval at least once to each applicable commission and twice to City Council.
3. Promote robust community involvement in revisions to the Austin Energy business model.
4. Ensure that future resource planning advisory or stakeholder groups include representatives of residential and low-income customer advocacy organizations.

Customer Assistance

5. Evaluate the potential to expand energy efficiency and weatherization programs for low income citizens.

Energy Efficiency

6. Continue to evaluate energy efficiency and demand response potential and, if viable and cost-effective, increase the energy efficiency and demand response goal to 1200 MW by 2025.

7. Continue to evaluate the potential for demand response and if viable and cost-effective, increase the demand response goal from 100 MW to 300 MW.

Renewables

8. Study the feasibility to achieve a 65 percent renewable energy goal by 2025.

9. Develop a comprehensive strategy for the deployment and use of local energy storage technologies, including assessment of compressed air energy storage.

Coal

10. Austin Energy will strive to retire its share of the Fayette Power Project as soon as legally, economically and technologically possible. While Austin Energy should continue to talk with LCRA about retiring Units 1 and 2 as soon as economically and technologically feasible, Austin Energy will explore negotiation with LCRA for control of one unit to chart a path toward an early retirement of Austin Energy's share of Fayette starting in 2022.

Natural Gas

11. Continually assess the long-term risk of natural gas price fluctuations.

12. Austin Energy should study methane emissions associated with gas production and delivery and best practices to prevent methane and hydrocarbon leaks in the gas fields.

13. Austin Energy and the City Council should support further regulations in gas fields to prevent leaks and vents of methane because of its severe impacts on climate disruption.

14. Conduct an analysis of the community economic development impact of Austin Energy generation facilities and planned replacements.

15. Conduct an analysis of the use of water by Austin Energy's generation facilities and its impact on the community.

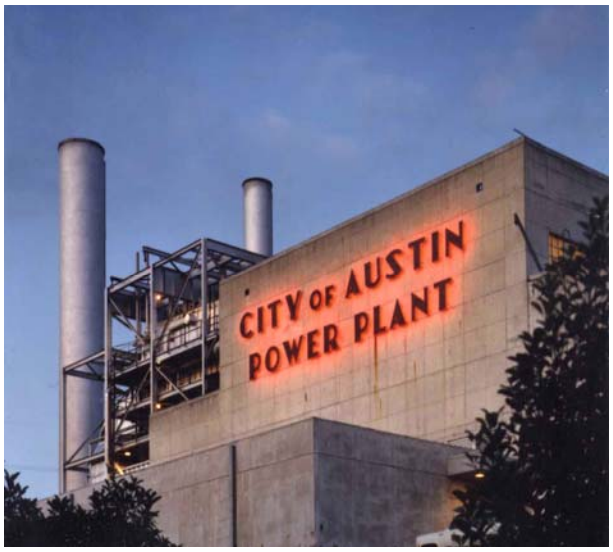
Complementary Strategies

16. Continue work to transform Austin Energy's basic business model to address and integrate increased deployment of distributed energy resources, including distributed energy generation. Among the issues that Austin Energy will address on an on-going basis are unbundled rate structures, service offerings that rely less on volumetric pricing structures, rationalization of fuel charge-related costs, modifications to GreenChoice® product offerings and products and services demonstrated in the Pecan Street Project Energy Internet Demonstration Project. Work to reflect business model changes and opportunities in upcoming reviews of electric rates.

17. Continue active participation in the development and deployment of smart grid technologies, and continue with an active and leadership role in the Pecan Street Project and other partnerships.

18. Continue, and as appropriate, expand efforts to increase electric vehicle utilization and facilitate integration of electric vehicles in the utility service area, and, as able, utilize these vehicles as a valid distributed storage technology.

AUSTIN ENERGY'S APPROVED STRATEGIC PLAN



December 4, 2003

CITY COUNCIL

Will Wynn
Mayor

Mayor Pro Tem
Jackie Goodman

Council Members
Daryl Slusher
Raul Alvarez
Betty Dunkerley
Brewster McCracken
Danny Thomas

Toby Hammett Futrell
City Manager

Juan Garza
General Manager

Austin Energy's General Manager's Message

Shaping the Future – Improving the Present

Today the electric utility industry is being rocked by change, the magnitude and swiftness of which the industry has not witnessed since its birth. This change will completely redefine the electric industry over the course of the next two decades. I believe that utilities that prepare for this change will be part of a new and dynamic energy future. I also believe that those utilities that cling solely to the past, will find themselves rendered obsolete and irrelevant by this change. It is my intention for Austin Energy to be a part of the new energy future and to play an important and significant role in defining it.

This strategic plan represents Austin Energy's re-commitment to strategic thinking and planning and it signifies our commitment to the future. With it, we are preparing to meet the significant challenges facing the industry: continued deregulation pressures, energy resource availability, distributed generation technologies, and concerns about system reliability.

While these challenges are significant and the solutions complex, I believe that Austin Energy is well positioned for the future. We are financially strong; we serve a vibrant city; we have talented and dedicated employees; we have cost effective traditional generation resources; and we possess significant experience in the development of non-traditional energy resources such as conservation, renewable energy and distributed generation. These attributes will not only allow us to address the many challenges we face but I firmly believe they will also allow us to explore and pursue the many opportunities that will surface as our industry evolves.

For over one hundred years, Austin Energy has provided valuable energy services to the City of Austin and the surrounding community. While building upon that history of success, our focus on service to our city and community should not change. It is at the core of what we are and the essence of what we do. I believe that our dedication to community and public service is captured in our vision and mission statements:

Vision

"We want Austin to be the *most livable* community in the country."

Mission

"To deliver clean, affordable, reliable energy and excellent customer service."

The attached strategic plan establishes ambitious objectives that will help position Austin Energy for future success. Achieving these objectives will require dedication, cooperation and commitment. I believe that as we position ourselves to meet those objectives we must hold on to the essential principles that define our relationship with our community. I am proposing the following principles to guide us as we move into the implementation of Austin Energy's Strategic Plan:

- A commitment to fully support and implement the energy directives embodied in the City Council resolutions of August 28 & September 25, 2003.
- A commitment to prudently explore solar and other emerging energy technologies that are in keeping with the City Council's energy directives.
- A commitment to annually review the veracity of our planning assumptions and objectives in light of the rapidly changing utility environment.
- A commitment to support economic development that creates new opportunities to contract with existing local vendors, supports efforts to attract new businesses to Austin, and advances the development of a local clean energy industry.
- A commitment to reliable electric service and affordable rates.
- A commitment to always conduct our business with the highest ethics and in a way that exhibits the utmost respect for our customers, community, employees, and the environment.

I am also committed to encouraging community involvement in our future. Austin Energy is a national leader in progressive and innovative energy programs. This, in large measure, is due to the kind of community that is Austin. We are a community that values and protects our environment. We are also a community that possesses a considerable sustainable energy expertise. I intend to utilize that base of expertise by inviting local experts into an ongoing conversation aimed at exploring and uncovering energy solutions that are in keeping with this community's environmental values and electric service needs.

As we pursue our future together, I believe it is important to strike a balance. As we explore and deploy non-traditional energy resources, we must maintain current energy services at levels that meet or exceed our customers' expectations. The balance that we must achieve is to neither sacrifice our future for the sake of the present nor sacrifice the present and lose the means to achieve the future.

Juan Garza
General Manager
December 4, 2003

TABLE OF CONTENTS

TABLE OF CONTENTS I

EXECUTIVE SUMMARY 1

LEADERSHIP TEAM 5

STRATEGIC PLAN 6

AUSTIN ENERGY'S VISION 6

AUSTIN ENERGY'S MISSION 6

AUSTIN ENERGY'S VALUES 6

THE CHANGING UTILITY ENVIRONMENT 7

- Economic Challenges 7
- Regulatory and Market Trends 7
- Energy Resources 10
- New Energy Technologies 13
- Information Technology 14
- System Reliability 14
- Summary 15

AUSTIN ENERGY'S STRATEGIES 16

AUSTIN ENERGY'S OBJECTIVES 17

IMPLEMENTATION 23

APPENDIX 26

AUSTIN ENERGY'S COMPLIANCE WITH CITY COUNCIL STRATEGIC PLANNING POLICY .....

RESOLUTION NO. 030828-38 .....

RESOLUTION NO. 030925-02 .....

RESOURCE MANAGEMENT COMMISSION AMENDEMENTS TO AUSTIN ENERGY'S PROPOSED ENERGY RESOURCE PLAN .....

EXECUTIVE SUMMARY

BACKGROUND

Austin Energy (AE) is the electric utility owned by the City of Austin. It serves a 420 square mile area that covers the City of Austin and much of the greater Austin community. Austin Energy has a total generation capacity of 2668 MW with a diverse fuel mix including nuclear, coal, natural gas, and renewables. It has renewable energy resources of approximately 100 MW and is widely respected as a leading environmental utility. Austin Energy provides service to approximately 315,000 residential and 40,000 commercial customers. Annual revenues are in excess of $800 million. Austin Energy is led by a seasoned group of executives, officers and directors (the Leadership Team) with extensive business and utility industry experience.

The current strategic planning effort was launched in October 2002, by General Manager Juan Garza and is led by the Chief Strategy Officer John Baker, to assist Austin Energy's Leadership team in developing a new strategic plan. The current planning effort is the first comprehensive strategic plan since 1999. This strategic effort differs from previous efforts in two major ways. First, the *1999 Strategic Plan* was developed principally in response to Texas electric restructuring (deregulation) efforts at that time. The focus of this strategic plan is broader in scope, embracing far more than deregulation issues. Secondly, the *1999 Strategic Plan* was an ad hoc effort. This strategic planning effort is the beginning of a comprehensive and ongoing long-range planning process that will continually monitor industry developments and determine needed course adjustments.

STRATEGIC PLANNING PROCESS

The strategic planning process involved three principal phases. First, was the research and analysis phase. During this phase, industry trends were examined, Austin Energy's position was analyzed and stakeholder input was obtained. Stakeholder interviews and surveys included City Council members, members of the Electric Utility and the Resource Management Commissions, community energy and environmental leaders, and almost 600 Austin Energy employees.

The second phase of the strategic planning process was a review of Austin Energy's vision, mission and values (our vision and mission are stated below). The review process was supported with extensive research involving over 80 successful companies in multiple industries. Austin Energy employee input was also obtained with over 500 employees participating.

The last phase of the strategic planning process involved a review of Austin Energy's position within its environment relative to our vision and mission statements. Austin Energy's strategies were identified and objectives were set.

The strategies and objectives combined are the essence of Austin Energy's strategic direction. The strategies are the definition of our future position and the objectives are the measures we will use to determine if we have been successful in our repositioning efforts.

OUR VISION

We want Austin to be the *most livable* community in the country.

OUR MISSION

To deliver clean, affordable, reliable energy and excellent customer service.

CHANGING UTILITY ENVIRONMENT

The electric utility industry is in a period of significant change. Major forces are in play that may dramatically reshape the industry over the next 20 years. Continuing efforts toward deregulation, challenges to traditional energy resources, the development of distributed generation technologies, and system reliability concerns are the major drivers of this change. Deregulation is not the threat it was four years ago but it has not entirely gone away. Each change driver presents challenges but each also holds opportunities. Utilities that ignore these forces and do not prepare for a new future will be left behind or made obsolete.

STRATEGIES

It is clear that Austin Energy, like other utilities will need to adapt to future changes. The real challenge for Austin Energy is to move to that new future without undermining its current success. Austin Energy's strategies are designed to build upon a one hundred year tradition of providing reliable and affordable electric service to the Austin community while preparing for a new future.

Austin Energy has identified three principal strategies to position itself for future success. The first is an overarching or "umbrella" strategy that addresses **Risk Management**. Austin Energy recognizes that there is often much about the future that cannot be known with certainty. This strategy addresses Austin Energy's approach to that uncertainty. Under this strategy, Austin Energy will carefully manage its exposure when considering future courses of action. It's an approach that prepares Austin Energy for future options without prematurely investing and allows for more information to become known before major commitments are made.

Excellent Customer Service is our second strategy. This strategy is in line with our risk management strategy. We want to take action that positions Austin Energy for possible competition without undermining our current success. Our strategy is to build employee and customer satisfaction so that we are positioned for competition or regulation whichever occurs in the future.

The third is our **Energy Resource** strategy. Under this strategy Austin Energy will first seek renewable energy and conservation solutions to meet our customers' new energy needs before resorting to traditional fossil fuel sources. In keeping with our risk management approach, Austin Energy will not prematurely commit to unproven technologies, however, we will pursue a leading edge position that will allow Austin Energy to readily identify, evaluate and deploy emerging renewable technologies.

OBJECTIVES

Austin Energy's strategies are statements of how we intend to reposition for the future. We have identified five strategic objectives that provide targets for that repositioning effort and serve as a measure of our success.

The first objective, **Customer Satisfaction**, supports our excellent customer service strategy. Austin Energy recognizes that an organization cannot have satisfied and loyal customers without its workforce. As part of our excellent customer service strategy, we have decided to pursue an Employee Satisfaction target. We have identified the *Listening to the Workforce Survey* as the tool for measuring this objective. The target is an employee satisfaction index showing a 10% improvement in positive responses on the *Listening to the Workforce Survey* by 2010.

Also, to support our excellent customer service strategy, we intend to achieve a Customer Satisfaction score of 83/100 by 2010 on an aggregated index that combines key account (large commercial and industrial customers that generate approximately $250 million in annual revenues), commercial, and residential customer satisfaction scores. Achievement of this objective will place Austin Energy at the top of the electric utility industry in terms of customer satisfaction. It will also position Austin Energy for customer retention in case deregulation occurs.

In Austin Energy's second objective, which supports our excellent customer service and energy resource strategy, we recognize that a community cannot be economically healthy without the existence of successful businesses. Therefore, as a part of our efforts towards contributing to the success of local businesses, we are committed to create and sustain **Economic Development**. Building partnerships with the Chambers and the business community, along with collaborating with City Council will be instrumental in assisting Austin Energy with identifying businesses to participate in developing a clean energy industry

To assist us with evaluating our success we will be measured through our commitment of exceeding the City of Austin's Minority and Woman Business Enterprise goals in all categories by 2008, and increasing the dollar value of contracts awarded to local businesses by 2010.

The third objective, **Exceptional System Reliability**, supports our excellent customer service strategy. Our customers consistently rate reliability as a critical component when responding to surveys. Austin Energy has set its reliability objective on achieving a SAIDI (system average interruption duration index) score of 60 minutes and a SAIFI (system average interruption frequency index) score of 0.8 interruptions per year by 2005. Both measures are industry standards but the targets Austin Energy has set exceed industry norms and will make us among the best in the electric industry.

Our fourth objective is to **MaintainFinancial Integrity** objective and it supports our risk management strategy. Our measure of this objective is to achieve an "AA" (S&P) by 2010. Austin Energy feels that attainment of this objective will be an indication of an experienced management team supported by the governing City Council, competitive retail rates, consistently strong financial performance, well-defined and achievable business strategy, sound financial and operating policies, favorable cost structure, sound risk management practices, and financial flexibility.

These attributes are all reflective of a utility that has effectively managed its exposure to industry risks.

As part of our energy resource strategy Austin Energy has developed a fifth objective which is a strong commitment to a **Renewable Portfolio Standard**. We have two measures for our energy resource objective. Our first measure is to achieve a renewable portfolio standard of 20% by 2020. For our second measure, we intend to achieve an energy efficiency target of 15% also by 2020. This is one of the more ambitious renewable energy commitments in the country and will help Austin Energy maintain its environmental leadership position.

Another key component of our energy resource strategy is our commitment to solar energy. To that end, Austin Energy will develop and implement the following:

1. A photovoltaic (PV) rebate program that will feature rebate levels of $5.00 per watt for PV made outside of Austin and $6.25 per watt for PV made locally (pending legal review) that will be highest PV rebate level in the country.
2. A highly visible public awareness program that will involve the installation of PV education projects at middle schools, branch libraries and community centers.
3. A highly visible community PV demonstration project that will create the first zero-energy affordable home subdivision.

Austin Energy further commits to supporting its solar rebate program for a minimum of ten years and will conduct a study that will determine the comprehensive value solar energy. As a tangible indication of our solar commitment, we have set a goal of 100MW by 2020. Additionally, Austin Energy will actively support mandatory carbon controls at the national level.

IMPLEMENTATION AND REVIEW

With our vision, mission, strategies, and objectives we have defined a future. Our next steps will be determining the actions needed to get there. To that end Austin Energy will be refining our Five-Year planning process. This process will serve as the essential bridge between our future goals and our annual budget process.

Part of the new planning process will also include an ongoing review process that will occur at least annually. In keeping with our risk management approach the review will examine changing industry trends and recommend course corrections where necessary. It will also examine the effectiveness of current initiatives and recommend adjustments to better meet our strategies and objectives.

2003 STRATEGIC PLAN

LEADERSHIP TEAM

Juan Garza	General Manager
John H. Baker Jr., P.E	Chief Strategy Officer
Clarence Bibby, Ph.D.	Director, Corporate Consulting Services
Andres Carvallo	Chief Information Officer
Ed Clark	Director, Corporate Communications
Roger Duncan	Vice President, Governmental Relations & Environmental Policy
Elaine Hart, CPA	Senior Vice President, Finance & Corporate Services
Bob Kahn	Vice President, Legal Services
Michael McCluskey	Senior Vice President, Wholesale & Retail Markets
Cheryl Mele, P.E.	Acting Senior Vice President, Regulated Operations
Kerry Overton	Vice President, Customer Care
Andy Ramirez, P.E.	Senior Vice President, Power Production
Harvey Winkelmann, CPA	Director, Financial Support Regulated Operations

STRATEGIC PLAN

AUSTIN ENERGY'S VISION

The role of a vision within an organization is to be meaningful and inspirational. The City has designated the following statement as the City of Austin's vision:

We want Austin to be the *most livable* community in the country.

Austin Energy has designated this vision statement as its vision as well. After reviewing much research and stakeholder input, it was decided that as a City department, it is crucial for Austin Energy to share the responsibility of making Austin the *most livable* community in the country.

AUSTIN ENERGY'S MISSION

A mission statement defines the purpose of an organization, emphasizes its priorities, and ultimately communicates how the vision is to be achieved. The phrases chosen for Austin Energy's mission incorporate input from customers, City Council, and employees, among many others.

To deliver clean, affordable, reliable energy and excellent customer service.

This mission statement clearly communicates Austin Energy's contribution to making Austin the *most livable* community in the country. The mission statement will be used to guide operational decisions, prioritize projects, and establish budgeting criteria. The mission is intended to be motivating, communicate Austin Energy's business priorities, as well as be functional.

AUSTIN ENERGY'S VALUES

Organizational values are shared beliefs among employees expressing acceptable behaviors and ways of conducting business. The values adopted by the Austin Energy Leadership Team are a combination of City of Austin values and values that are essential to Austin Energy. The adopted values and an explanation of each follow:

Care and concern: We demonstrate dedication, care and concern for our customers, the community, the environment, and each other.

Safety: We are dedicated to providing both a safe work environment and safe delivery of energy services.

Innovation: We seek innovative ways to improve service delivery, exceed customer expectations and expand the value our energy services provide.

Integrity: We conduct ourselves truthfully and honesty in a manner that strengthens the relationship we have with internal and external customers.

Diversity: We embrace and value the differences and commonalties of our workforce that enable us to accomplish common goals.

Teamwork: We will work cooperatively to accomplish the city's goals and to provide internal and external customers with quality service.

Open, honest communication: We share information, thoughts and ideas with one another to achieve organizational learning and growth.

THE CHANGING UTILITY ENVIRONMENT

A key part of any strategic plan is an analysis of trends and possible future conditions that an organization will likely face. A study of the many trends and influences affecting the electric utility industry was part of our strategic planning process. A list of the major factors, which may influence Austin Energy in the near future, are:

- Economic challenges
- Regulatory trends
- Energy resource pressures
- New energy technologies
- System reliability

Economic Challenges

Austin underwent numerous economic changes in the past few years, a period of high growth followed by little or no growth. While the local economy appears to be slowly recovering, new jobs being created are not high-tech and do not pay as much. This appears to have affected local demographics slightly. The percentage of homeowners relative to renters appears to be falling, so does the number of highly educated citizens. News sources and journals report on software jobs moving to India, call center jobs to the Philippines, and semiconductor fabs to Asia. The departure of these jobs to off shore locations is leaving highly skilled people unemployed or underemployed. Locally jobs were lost at Motorola, IBM, AMD, BAE, Intel, and others. This happened nationally as well.

It appears that the local economy has stabilized somewhat, but until new jobs that pay well are created, economic growth will remain slow. If Austin's economy is slow to recover, electric revenue growth may also be slow to rebound. Static electric revenue may force Austin Energy to limit or postpone infrastructure improvements and/or other investments. The challenge for Austin Energy will be to keep the price of electricity low and reliability high, as an economic development incentive for businesses to locate or remain here, while carefully moving towards more non-traditional generation sources (such as wind and solar). The City Council set a goal of 20% renewable energy by 2020. Austin Energy hopes to meet this goal as aggressively as possible, while maintaining a competitive rate structure and diverse generation base to reduce the fuel price and geopolitical risks that may be associated with any one source.

Regulatory and Market Trends

The environment in which Austin Energy operates has undergone dramatic regulatory and market changes since the mid 1990s. That environment continues to evolve, and its ultimate shape remains uncertain. Perhaps the greatest change affecting Texas' electric utility industry is the integration of the wholesale electricity market. Prior to these changes, AE could serve its customers with only a limited eye to activities outside its territory. Today, AE is no longer

capable of operating fully independently, without recognizing that the actions of other participants in the market have real financial and operating impacts on AE. These changes pose new challenges to Austin Energy, but also offer the utility new opportunities.

Electric restructuring—commonly called "deregulation"—initially kicked off in 1995 with the passage by the Texas Legislature of Senate Bill 373, which for the first time recognized that the transmission grid is a public good for the benefit of all citizens. S.B. 373 allowed any developer of a new power plant—not just traditional electric utilities—to interconnect a plant to the electric grid, and established comparable pricing for transmission over the grid. These first steps in regulatory restructuring greatly increased opportunities for electricity trading in the state. Austin Energy responded in part by increasing its off-system sales of wholesale electricity. Today, an overcapacity, or excess supply condition exists in the Texas wholesale market. This condition is the result of the rapid construction of natural gas-fired power plants that accompanied electric restructuring in Texas. The initial restructuring steps coupled with robust economic conditions and a previous under capacity condition, or supply shortage, were largely responsible for this sizeable investment in new power plants. The current overcapacity condition has helped moderate wholesale power prices and, at the present time, may make buying power on the wholesale market a viable alternative to building new generating plants locally.

Centralization of the wholesale power market proceeded several giant steps forward following the passage of Senate Bill 7 in 1999. Senate Bill 7 accelerated restructuring of the wholesale market and introduced retail competition to the parts of Texas served by investor-owned utilities. Beginning with operation of the further restructured wholesale market in the summer of 2001, operational control of the electric grid was centralized with the Electricity Reliability Council of Texas (ERCOT). Like all transmission-owning utilities in Texas, Austin Energy turned over control of certain system reliability operations to ERCOT. But centralization at ERCOT went much further than system operations. ERCOT also began operating a daily market for system reserves (called "ancillary services") and an hourly spot market for electricity. Austin Energy developed new capabilities to participate in these markets, for example, establishing a Qualified Scheduling Entity (QSE) to manage generation scheduling and bidding into the ERCOT market and developing a detailed risk management program. These new capabilities complemented AE's efforts to make off-system sales in the new wholesale market. The new market also imposed new costs of doing business. Since the summer of 2001, ERCOT has imposed on electricity retailers, Austin Energy included, hundreds of millions of dollars in new charges for managing the wholesale market and transmission congestion. Thus, while AE has taken advantage of the new rules where opportunities developed, participation in the more centralized market created significant new costs.

Today, the wholesale electric market is undergoing yet another stage in its development. Responding to the rising costs of managing congestion in the ERCOT market, the Public Utility Commission (PUC) has ordered a redesign of the wholesale market. The objective of the redesign is to assign congestion costs to those parties responsible for creating transmission congestion—and thus ultimately to lower the costs of electric service by introducing a new pricing method based on locationally varying prices (called "locational marginal cost pricing" or "LMP"). This new pricing approach is consistent with proposals made by the Federal Energy Regulatory Commission (FERC) aimed at standardizing electric markets across the country.

While ERCOT is not subject to FERC regulation, electric restructuring has attracted many new energy companies to Texas that operate in markets across the country. Those companies have been strong advocates for adopting policies, including LMP that will make ERCOT operations consistent with operations in other markets in the U.S.

As this strategic plan is being written, the outcome of the wholesale market redesign is unclear. The PUC ordered that the initial design be completed by late 2004 and that the new market begin operations by the end of 2006. What is clear is that the market redesign will continue further along the path of integrating the wholesale electric market. This will result in more centralization of control in ERCOT and less direct control for Austin Energy even over assets that it built and owns. The new market will also bring greater complexity that will require an even greater level of sophistication—and cost—to participate.

This ever-evolving integration of the electric industry poses a great challenge for Austin Energy to maintain its unique character in this industry and to pursue its vision of making Austin the most livable community in the country. For example, as Austin Energy pursues the goal to achieve a 20% share of renewable energy in the utility's generation portfolio by 2020, Austin Energy will be dependent upon other companies to construct transmission lines to import the renewable power and may incur congestion costs because of others' market behaviors. Market integration also poses challenges for smaller, independent participants in the electric market. And while Austin Energy is one of the larger municipal retailers in the State, with the entry of energy companies that are national in scope, AE is now counted among the smaller wholesale market participants, albeit larger than most in that category. Market participants may fall under extreme pressure to conform, to consolidate, and/or to form strategic alliances (like the alliance between City Public Service of San Antonio and CenterPoint Energy of Houston). These pressures include drivers such as economies of scale that affect wholesale market viability and the need to form common purpose alliances to protect Austin's interests in market redesign or other regulatory efforts. Maintaining Austin Energy's ability to act independently may be among its greatest future challenges.

In Austin Energy's prior strategic plan, developed following the passage of Senate Bill 7, retail deregulation appeared to be the greatest threat. While that prospect has not completely disappeared, retail deregulation is not the concern it appeared to be then. To some extent, retail competition has been very positive for Austin Energy. The utility has witnessed the consequences of retail competition outside AE's territory and responded. Retail competition reemphasizes for Austin Energy the importance of reliability, customer service, and cost management as a means of maintaining low rates. Looking back over the past four years, being outside of retail competition inoculated AE from much of the price instability that characterized the national energy market. In part as a response to that instability, but also in response to the efforts of AE aimed at reliability, customer service, and costs, there appears to be only limited interest from our customers in the prospect of AE entering retail competition. The threat of retail competition has not disappeared; indeed, the Legislature could at some future date mandate that municipal utilities enter competition. As long as Austin Energy maintains its focus on meeting customers' needs for products, services, reliability, and low costs, AE can continue to contribute to making this the most livable community in the country.

Energy Resources

Within the next 25 years, Austin Energy must make expensive and complex investment decisions concerning its energy resources. At some point, Holly, Decker, Fayette, and the South Texas Nuclear plants must be closed as they age beyond economic usefulness. As the local population grows, demand will increase, too. The big question looming is what kind of energy resources will be used to replace existing generation and cover additional demand for electricity? Sand Hill, the newest plant, uses very efficient and clean-burning natural gas. However, natural gas has become very popular as a fuel due to its low emissions, high efficiencies and the relatively low construction costs associated with natural gas-fired generation plants. Nearly all new generation built in the United States in the past few years has been gas fueled. The increased demand for natural gas has caused prices to be extremely volatile as domestic drilling struggles to keep up with demand. How will increasing demand for natural gas be met?

Liquified natural gas (LNG) may be one method to meet U.S. demand. Offshore gas fields in Indonesia or West Africa or in Russia are building plants to compress the gas and load it onto specialized tanker ships where it will be ferried to U.S. offshore terminals. There, the LNG will go through valves to decompress and enter pipelines carrying it onshore to the natural gas piping networks. This will change natural gas from a domestic source to a global commodity, much like other petroleum products. However, the future price of gas must be higher than the low prices experienced in the 1990's to support the LNG transportation costs. Some say $4 to $5 per Mcf and higher are the minimum price needed to make LNG terminals economically viable. As with oil, this would make natural gas subject to geopolitical risks.

Nuclear generation has seen some technical advancements that may make it a viable option. Pebble bed generators are a new and safer design that can be built in smaller, modular, pre-fabricated units. However, plants safety (particularly in light of global terrorism) and nuclear waste storage remain serious concerns. Further, local opposition to nuclear power plants has been strong and very high investment costs for these facilities mean that Austin Energy may not be able to consider nuclear generation.

Coal will remain a domestically controlled and low cost fuel for the future. Research into "clean coal" may yield an economic means to cut the ash and emissions from coal plants. If found, this may make coal an even more attractive option. Absent environmental costs, prices for coal are predicted to remain fairly stable over the next 20 years. Still, coal is a fossil fuel with high carbon content and air pollution. As the link between greenhouse gases and global warming becomes even clearer and more widely supported, coal will be subjected to more restrictions and limitations. Fully acceptable clean coal technology will need to satisfactorily address all greenhouse gas concerns. This technology does not currently exist and may prove expensive to develop and deploy.

Oil generating power plants have fallen out of favor since the Oil Embargo of 1973. Oil prices are subject to great variations, from $14 a barrel to $36 a barrel in one year. Oil is subject to geopolitical risk, with up to 60% of U.S. needs being met with imported oil. Lastly, oil generation involves undesirable emissions. Oil will not be used in future power plants, except as a limited use back up fuel for natural gas.

Demand Side Management (DSM) Austin Energy has long recognized the significant long-term economic and environmental benefits of energy efficiency, energy conservation, electric peak load management, and market transformation programs that shift consumer demand to more efficient appliances and products. Since 1982, "demand-side" management (DSM) programs have served Austin residential and commercial customers by reducing their electrical energy consumption. Throughout the country DSM has become more comprehensive and widespread among energy services providers. These programs offer customers increased options for managing their energy needs, while lowering electric generation demands. DSM programs can reduce overall demand for electricity as well as allow utilities to curtail loads during peak hours. Austin Energy is at the forefront of this effort by providing incentives such as rebates for high-efficiency appliances and lighting. In addition, the nationally recognized Green Building program provides environmentally friendly building techniques that reduce energy consumption for the homeowner or professional builder.

Wholesale supply contracts offer another option for acquiring a reliable, long-term source of supply without the need to construct new power plants locally. At present, ERCOT projects an excess supply of electricity capacity above peak needs in the ERCOT region at over 30 percent through 2008. That excess supply puts downward pressure on wholesale power prices. Over the long term, the oversupply conditions that exist presently cannot be expected to continue. Growth in demand, decommissioning of existing plants (such as Austin Energy's Holly Power Plant), and new patterns of congestion that limit the export capacity of existing facilities could all offset excess supply. Nevertheless, as Austin Energy pursues new supply options in the future, long-term wholesale supply contracts may be an attractive alternative to meet the community's energy needs.

Renewable Energy is one of the fastest growing sectors in the U.S. economy. Currently much of this growth is driven by regulations and tax incentives. However, some technologies, such as wind are rapidly moving toward stand-alone economic viability. This trend would be accelerated, by increased natural gas prices and/or more stringent emission restrictions on fossil fuel. As electricity generation from renewable sources has become more viable, utilities likewise have begun incorporating renewable energy technologies into their generation portfolios. Austin Energy is at the forefront of this trend. Its commitment to remain a leader in the renewable energy industry is reflected in its long-term renewable portfolios standard. Renewable energy can be produced by several generation technologies, namely solar, biogas, hydropower, wind, and geothermal.

Austin Energy already has small **solar generation** units, but at this time, solar is unable to compete with other sources on a purely economical basis. This may change in the future as the price of solar photovoltaic units decrease and new materials are developed that convert more sunlight into electricity. Research may yield solar materials with efficiencies over 45% within five to ten years. One key to making solar and certain other renewable sources work is a means by which to store energy. Solar power only generates during sunlight hours and electric service is needed 24 hours a day. Thus, finding some means to store extra energy generated is necessary for the deployment of increasing levels of solar sources at non-peak times in the future

Wind has proven to be the best and least expensive source of renewable energy for Texas. However, the most reliable sources are in west Texas and congested transmission limits delivery of power back to this service area. Additional transmission lines are in planning and under construction so this may be relieved within the next few years. Though wind generation is the least expensive, because it is a variable source, some of it (the exact percentage is under debate) must be backed up by other generation that is "dispatchable" (generation that can be called upon to meet demand at any time), such as gas, unless some method to store energy is found. This makes wind power less attractive and adds cost. Changes to the way transmission costs are allocated by ERCOT and charged may have serious effects on the price of wind power in the future. Also, the effects of large amounts of wind power on the grid are not fully known at this time. Wind varies and maintaining grid regulation (voltage, frequency, and stability) may prove a challenge as significant quantities of wind-generated electricity come online and the power brought in via transmission line.

Biogas is developing into a viable source when large landfills are used. However, even with the largest landfills, the amount of power generated is small compared to overall electric demand. Landfills aside, the immediate Austin area holds little promise for significant **biomass** development. Thus, large biogas plants, if built, would have to be located outside the service area.

Hydropower and **tidal generation** are not available to Austin Energy near its service area in large quantities. Texas has some hydro plants on dams, but not enough to fully cover demand growth. Tidal generation is being developed in the United Kingdom and other places near ocean basins where tides of 10 foot or higher are common. The Gulf of Mexico has much smaller tidal influences, less than 6-foot tides, not enough to make tidal generation currently economic.

Finally, **geothermal** energy may develop into a viable source in Texas within the next ten years. There are known "hot spot" formations from 4,000 to 14,000 feet deep in Texas in which the temperature is 350 to 400 degrees F. Inventors at the U.T.'s Clean Energy Incubator and elsewhere are working on developing electrical generation that uses lower temperatures. While no geothermal sources are within Austin Energy's service area, the utility may tap these sources in the future in nearby counties such as near Victoria and LaGrange, once the low temperature technologies begin to emerge.

New Energy Technologies

Distributed generation is a technology that shows great promise. Small generation units are built helping balance the grid and aid in providing peaking power. By being dispersed, the grid may prove more secure and less susceptible to sabotage. The generation may be from fuel cells, combined heat/power systems, waste heat recovery generation, wind, small gas-fired generators, solar, or other sources, adding to the diversity of the generation fleet and reducing fuel cost risks. Combined heat and power applications look very promising for commercial application in the very near term. These applications are highly efficient and can meet the electric and thermal requirements of customers. Combined heat and power applications can also provide back-up power when grid service is interrupted. However, no one has much experience with an electric distribution system that has significant distributed generation. Pushing electrons both ways on the distribution system will require upgraded control capabilities and safety features to be successful in order to handle harmonics, regulation, system stability and safety issues.

New control systems are being tested in various places across the U.S. that allow more efficient transmission of power. By installing line monitoring sensors and automated software controls, the developers claim that more power can be pushed through the same transmission lines.

The actual transmission capacity increase and any increases in reliability from such upgrades have not yet been ascertained. The magnitude of these increases will determine the economic value of such system investments. But by using sensors and automated monitoring, problems detected on transmission lines may be handled faster, automatically re-routing power to other lines should a disruption occur. This "self-healing" ability is a concept that Electric Power Research Institute (EPRI) and others say is required for the nation's transmission system. Their studies show that as the grid expands from local to regional, the system becomes highly complex and current controls operated by humans are not fast enough to respond. Also, should distributed generation sources become common, an automated and intelligent "smart" grid may be required.

Solar films are under development in laboratories in the U.S. and Japan that are at least twice as efficient as those available today. Once commercial, this technology will change the economics of solar generation and make it more competitive. Also, firms in Europe are working on solar films that are not very efficient, but, as a trade off, would be very inexpensive to produce. Both research areas may change the solar market in the next ten years.

High-temperature **superconducting (HTSC) devices** and wires are becoming available. Coils using HTSC are used as energy storage devices along high voltage transmission lines to smooth out spikes and surges, and as backup power for short periods of time. Chicago is experimenting with HTSC cables in dense downtown areas where new transmission lines are needed but no space exists. These cables can carry up to eight times the power of standard lines, but require special connectors and liquid nitrogen to cool the cables. A prototype HTSC generator has been developed at GE for testing, with expectations that such generators will be available commercially within five years. If so, they will make generation even more efficient. Currently, these materials are very expensive, but as HTSC develops, the price of materials and support systems may fall.

Finally, **energy storage systems** are being tested. These consist of large, HTSC inductive coils, compressed air energy storage **(CAES),** and flow batteries. Hydro-storage systems have been used for years in some areas such as Los Angeles (its water reservoirs) and Europe, but are not available to this area or Texas on a large scale. Storage devices will be necessary to smooth the power flow throughout the grid when more wind and solar power and other variable sources become significant. CAES shows promise as a means to store wind energy and make it "dispatchable", as well as store solar energy for use at night. **Thermal storage** systems like ice-making and storage are being used more frequently to shift demand from afternoon to middle of the night.

Information Technology

Information Technology and Telecommunications (IT&T) at Austin Energy is leading a set of initiatives designed to increase efficiencies and reduce costs across the utility. At the core of the effort is a new enterprise-wide systems architecture designed to integrate all operational and corporate systems and improve management's access to timely and accurate business data.

The new enterprise-wide system architecture is already powering **DataOne** (the world's first integrated power delivery management system), an updated **website (<<www.austinenergy.com>>),** and a new customer **portal (<<https://my.austinenergy.com>>).** By Spring 2004, it will also power an **Online Customer Care and Electronic Bill Payment and Presentment** solution that will significantly improve customer satisfaction. In addition, IT&T plans to deploy a new risk management system for futures trading, a new data warehouse**,** and a new customer information system and assist in deploying a new financial system. These systems will improve the collection, analysis, distribution, reporting, utilization, optimization, and management of business information across the utility.

Together, these systems will significantly increase efficiency and accountability throughout the utility and will save money by eliminating duplication of effort, manual entry, and paperwork. These advances will also increase Austin Energy's ability to adapt quickly and effectively to PUC and ERCOT regulatory changes and other shifts in energy market operations.

The effort to explore an enterprise-wide platform was initiated in March 2003. IT&T is currently researching solutions and identifying all the business applications used by the utility. Along with the current initiatives, a long-term technology strategic plan is being developed.

System Reliability

An outdated and overloaded U.S. transmission grid is the main electricity infrastructure problem. The situation will likely be exacerbated by the growing gap between electrical demand and transmission capacity. The North American Electric Reliability Council (NERC) estimates that demand for electricity will increase more than three times faster than transmission capacity in the U.S. between 2001 and 2010.

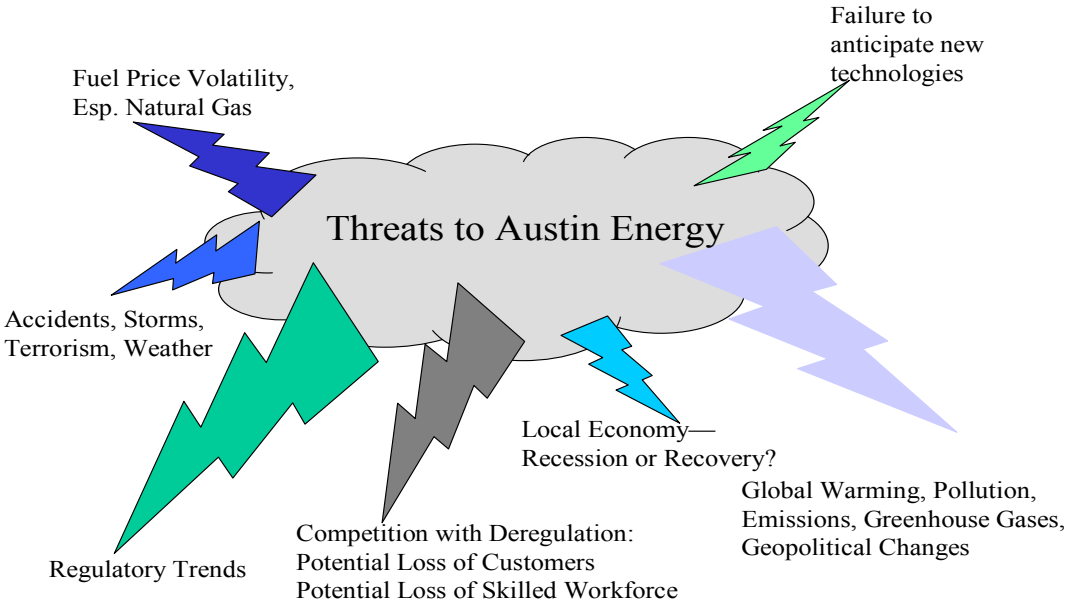
Implementing advanced transmission technologies, among other approaches, will be central to eliminating transmission constraints and will be essential to ensuring reliable and affordable electricity now and in the future.

Technology already exists to prevent or mitigate the kind of power outage that crippled a large segment of northeastern America in August of 2003. The technologies are in various stages of development; but used in combination they should lead to a much more reliable power grid.

Since the national electricity grid is antiquated and demand growth is outpacing expansion in capacity, timely development and implementation of these technologies is pivatol to reinforcing the grid. A significant challenge is that some of the technologies are not perceived as profitable enough to attract the interest of commercial developers. According to the Edison Electric Institute (EEI), to maintain the current level of transmission capacity on the grid in North America, an investment of $56 billion is required over the next decade. This means that government may have to take on a collaborative role in the development and deployment of these technologies for the public good.

Summary

We have looked at the changing utility environment and developed the graphic below to show the major known threats facing Austin Energy in the near future. The threat are varied and have grown in number, so a strategic plan to address complex issues facing Austin Energy and retains flexibility for the future has been developed.



AUSTIN ENERGY'S STRATEGIES

A flexible strategic plan that includes three strategies to address the major threats to Austin Energy (shown in the graphic) has been developed. The first is a **Risk Management Strategy** that is an umbrella strategy to position Austin Energy to respond to continued pressures to deregulate the industry but at the same time not be left behind by the innovations in generation and delivery of energy services. A risk management approach builds on existing operations and successes while also providing thoughtful consideration of new available information and options. It recognizes the inherent uncertainty associated with the future and will seek to delay commitment (without losing opportunity) until information about future alternatives becomes better known.

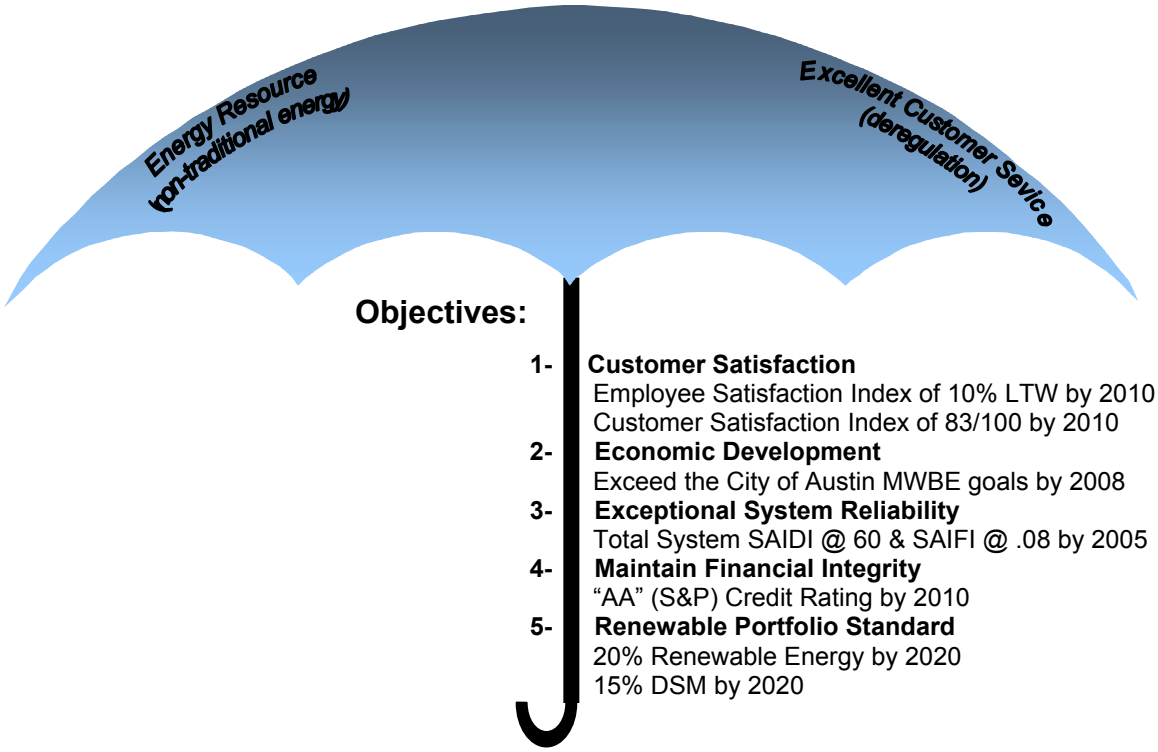
Excellent Customer Service is our second strategy. This strategy is in line with our risk management strategy. We want to take action that positions Austin Energy for possible competition without undermining our current success. Our strategy is to build employee and customer satisfaction so that we are positioned for competition or regulation, whichever occurs in the future.

The third is our **Energy Resource** strategy. Under this strategy Austin Energy will first seek renewable energy and conservation solutions to meet our customers' new energy needs before resorting to traditional fossil fuel sources. In keeping with our risk management approach, Austin Energy will not prematurely commit to unproven technologies; however, we will pursue a leading edge position that will allow Austin Energy to readily identify, evaluate and deploy emerging renewable technologies.

Five objectives that cross business unit and functional lines were developed to support the Risk Management umbrella strategy that Austin Energy believes will provide the best method to manage the risks associated with those threats. The graphic following illustrates the basic concept:

STRATEGIES

Risk Management



AUSTIN ENERGY'S OBJECTIVES

The first objective is **Customer Satisfaction**. This is a broad objective and encompasses many elements including pricing, billing, meter reading, reliability and quality of service, responsiveness and the customer's perception of the overall value that Austin Energy provides.

Austin Energy recognizes that an organization cannot have satisfied and loyal customers without its workforce. As part of our excellent customer service strategy, we have decided to pursue an employee satisfaction target. We have identified the *Listening to the Workforce Survey* as the tool for measuring this objective. The target is an employee satisfaction index showing a 10% improvement in positive responses on the *Listening to the Workforce Survey* by 2010.

A significant percentage of the workforce at Austin Energy will retire in the next ten years. Planning is necessary to ensure that the next generation is trained to handle utility work in generation, transmission, meters/revenues, customer care, and support. The goal is to retain and improve the knowledge and special skills required by the utility, increase employee satisfaction, and improve customer satisfaction by providing better-trained employees.

A cross-functional team within Austin Energy is being set up to examine this problem and come up with a detailed action plan. The four primary areas to be addressed under this objective will be (1) employee satisfaction, (2) workforce alignment, (3) workforce development and (4) workforce safety.

Also, to support our customer service strategy, a compound metric to measure success has been devised, called the Austin Energy Customer Satisfaction Index which will measure how satisfied the three major customer segments are with Austin Energy's service: key accounts (large commercial customers), small/mid-sized businesses, and residential customers. The target set is to achieve a customer satisfaction score of 83/100 by 2010. Achievement of this target will place Austin Energy at the top of the electric utility in terms of customer satisfaction.

Multiple customer surveys done by Marketing Research recently have pointed to several specific items that may be accomplished to enhance service. These will be listed, prioritized and evaluated as to cost effectiveness by a cross-functional team within Austin Energy. The team will develop a set of specific actions for implementation, then use the index and surveys to provide feedback as to effectiveness. Meeting these targets will involve process improvements, a customer care system, and process enhancements that cross many areas.

The second objective is to create and sustain **Economic Development**. The economic challenges discussed earlier in the strategic plan makes this objective an important factor that may influence the future of Austin Energy. This objective supports the excellent customer service and energy resource strategies, and will be achieved through the following actions while conducting business with the highest ethics:

- Providing contract opportunities for local businesses
- Supporting initiatives to attract new businesses to Austin
- Building partnerships with local Chambers and other business organizations
- Providing support to the development of a clean energy industry

Providing contract opportunities for local businesses and attracting new businesses will have a valuable impact on the Austin economy and community. Further, expanding effective relationships with local businesses will be instrumental towards improving the quality of service provided to our customers.

Building partnerships with the Chambers and the business community, along with collaborating with City Council, will be instrumental in assisting Austin Energy with identifying businesses to participate in developing a clean energy industry. Developing such an industry goes beyond reducing pollution; it also creates economic development opportunities and jobs. Austin Energy will continue to be creative towards developing energy efficient incentives, similar to the solar rebate program, which will encourage businesses to share investing in preserving our environment and growing our economy.

To assist us with evaluating our success we will be measured through our commitment of exceeding the City of Austin's Minority and Woman Business Enterprise goals in all categories by 2008, and increasing the dollar value of contracts awarded to local businesses by 2010. A defined percentage of increase will be determined through an established cross-functional Action Team.

A cross-functional Action Team consisting of Business Stakeholders and Senior Managers within Austin Energy has developed an action plan to assist with exceeding the City of Austin's MWBE goals. While this team will continue its commitment to creating economic development success stories, similar cross-functional Action Team(s) will be established to develop action plans to support this objective and each referenced action.

The third objective is **Exceptional System Reliability**. This involves improving some specific metrics to reduce the frequency and duration of power outages, which are:

- **SAIDI** (system average interruption duration index)= 60 minutes
- **SAIFI** (system average interruption frequency index)=0.8 interruptions per year

It is hoped that both targets may be met by 2005.

The most cost effective investments will be made in the distribution system, such as increased use of feeder ties, new switchgear, tree trimming, electronic reclosers, and other design improvements in the system. Improving reliability of the system adds to customer satisfaction, and is becoming essential to certain businesses such as Internet-based sales and some biotechnology firms. Reliability improvements will put Austin Energy in a better position should it be forced into a competitive market and will aid in economic development efforts to attract new businesses to the area.

The fourth objective is to **Maintain Financial Integrity** achieving an "AA" (S&P) Credit Rating by 2010 on Austin Energy's separate lien revenue bonds. Such a rating must be from a nationally recognized statistical rating agency (NRSROs) such as Fitch Inc., Moody's Investors Service or Standard & Poor's. Based upon credit rating criteria, attainment of this objective will be moving from a medium grade to a high-grade investment rating.

Attributes of a high grade investment rating for public power include an experienced management team supported by the governing body, competitive retail rates, consistently strong financial performance, well-defined and achievable business strategy, sound financial and operating policies, favorable cost structure, willingness and flexibility to respond to fuel price increases, sound risk management practices and financial flexibility. These attributes are all reflective of a utility that has effectively managed its exposure to industry risks - - a successful risk management approach.

In order to achieve this higher credit rating, Austin Energy will have to evaluate the following broad credit rating criteria categories established by rating agencies to determine what improvements are needed to strengthen its credit rating. These credit rating criteria are very broad and cover the entire spectrum of business activity from regulation to strategy to operations to financial performance. These criteria are used to evaluate the creditworthiness of an entity:

- Management
- Business and Financial Strategy
- Operations
- Competitive Position and Rates
- Markets
- Regulation
- Service Area Economy and Demographics
- Financial Performance
- Legal Provisions

Austin Energy's current credit ratings, which are medium-grade investment ratings follow:

Combined Utility System Ratings

	Senior	*Subordinate*
Moody's	A2	A2
S & P	A	A-
Fitch	A+	A+

Separate Lien Ratings

	Electric	*Water*
	A3	A2
S & P	A-	A-
Fitch	A	A+

With respect to financial performance, there are several key financial ratios considered by rating agencies. For example, the following table compares public power key financial ratios used by Fitch, Inc. with AE's Financial Policies. Austin Energy has already made progress in this area establishing policies to meet specific rating criteria. Compliance with these financial policies are reviewed and reported to the City Council annually. Additional policies and recommended changes are recommended for City Council approval annually.

Public Power Ratio/Performance Measure	Austin Energy Financial Policy
Debt Service Coverage (DSC) (x)	Debt service coverage at least 1.50x
Days Cash on Hand	Policy 45 days operating cash. Policy Strategic Reserve with 60 days operating needs for Emergency Cash Reserve plus an additional 60 days for Contingency Cash Reserve.
Operating Margin (%)	Policy under consideration
Net Margin (%)	Policy under consideration
General Fund Transfer (GFT) as % of Revenue	General Fund Transfer within range of 6.6% to 9.1% of three year average revenue
Variable Rate Debt/Total Capitalization (%)	Variable debt policy limits max to 20%
Net Plant/Net Debt (x)	Policy under consideration
Equity/Total Capitalization (%)	Debt to equity ratio of 62% or less

While the objective to achieve an "AA" (S&P) Credit Rating by 2010 on Austin Energy's separate lien revenue bonds is a stretch goal, Austin Energy believes it is the best overall measure of the success of our risk management approach.

The **fifth and final objective is** the **Renewable Portfolio Standard** that is addressed by *Austin Energy's Ten-Year Energy Resource Plan*. Under this objective Austin Energy will achieve a Renewable Portfolio Standard of 20% by 2020.

The purpose of *Austin Energy's Ten-Year Energy Resource Plan* is to provide a framework for future actions to ensure that Austin Energy provides reliable electric service at affordable prices to its customers. The Austin City Council established strategic energy policies that position Austin to remain a national leader in the development and use of clean energy. Looking forward, Austin Energy expects its obligations to provide electricity to its customers will continue to grow, while some of its available resources will diminish significantly. This will cause the gap between demand and supply to grow over time. Measures need to be taken to close the gap and a number of diverse strategies are proposed.

Austin Energy's most recent *Ten-Year Energy Resource Plan* features a number of significant changes from all previous plans. These changes are:

1. The Holly Power Plant will close in December 31, 2007 rather than 2009.
2. Investment in renewable energy resources will be much more aggressive, in order to meet the target of achieving 20% of Austin Energy's energy supply from renewable resources by 2020.
3. Investment in energy efficiency and peak load management to meet the target of achieving 15% of Austin Energy's energy supply from energy efficiency efforts by 2020.
4. No specific thermal generation projects are in the current plan, as there is no expected need for additional capacity until 2008.

The proposed *Energy Resource Plan* provides flexibility in the early years because long-term commitments can be deferred since adequate resources are available. The primary objectives are minimizing cost while also maintaining as much flexibility as possible in order to respond to changes in customer demand, energy markets and technology. Technological advances, fuel and power price volatility, and potentially dramatic restructuring of the Texas electricity wholesale market make flexibility essential. In addition to these overarching objectives, a number of specific targets have been adopted with conservation, renewables and early closure of Holly Power Plant becoming key components of the plan. Existing capacity of 2,668 MW will continue to be supplied by the South Texas Project, Fayette Power Plant, Sand Hill Energy Center (including the new combined cycle) and Decker Power Plant. Excluded from this capacity is Holly Power Plant (a total of 588 MW). Holly Units 1 and 2 are planning closure by December 2004 and Holly Units 3 and 4 are targeted for December 2007.

New growth will first be met by increasing participation and adding new programs that encourage peak load management and energy efficiency. This increased emphasis on demand side management will reduce forecasted load requirements by an estimated 12% by the end of the ten-year study period. The majority of the remaining energy requirements will be met with cost effective renewable resources. Renewables will be increased by approximately 1% of total energy requirements per year to achieve a 20% target by 2020. AE has an obligation to provide affordable electricity to its customers. Since its customers believe that a clean and safe environment is important, renewable resources are a good fit for Austin Energy within the context of a diversified energy portfolio.

Investments with a life in excess of 20 years carry risk due to uncertainties in the market, development of more efficient/economical technologies or from a variety of other uncontrollable circumstances. Due to these risks, strategic investment decisions should be made "just in time," as further information is gained. This is the essence of AE's long-term risk management strategy. By staging investments, AE would be using the passage of time to acquire deep familiarity and the option to expand, while still limiting its downside risk until the value becomes clearer. Staying abreast of changing technology and market trends will be highly valuable.

It is the opportunity to capture this effect that makes this approach so appealing today. We must scan the range of new opportunities and choose to compete only where we have significant familiarity and advantages. Our goal is to balance increased renewables and DSM with system reliability, customer expectations, ERCOT requirements, affordable pricing, and others.

We have incorporated into our *Energy Resource Plan* several items in response to City Council direction related to clean energy and the environment. Austin Energy will actively support mandatory carbon controls at the national level.

In addition, we have recently amended our *Energy Resource Plan* to ensure a strong commitment to solar energy. To that end, Austin Energy will develop and implement the following:

1. A photovoltaic (PV) rebate program that will feature rebate levels of $5.00 per watt for PV made outside of Austin and $6.25 per watt for PV made locally (pending legal review) that will be highest PV rebate level in the country.
2. A highly visible public awareness program that will involve the installation of PV education projects at middle schools, branch libraries and community centers.
3. A highly visible community PV demonstration project that will create the first zero-energy affordable home subdivision.
4. A commitment to support a solar rebate program for a minimum of ten years.
5. Conduct a study that will determine the comprehensive value of solar energy.

As further commitment to solar energy, Austin Energy is setting the following solar goals:

Year	Solar Goal (Cumulative MW)
2007	15
2010	30
2014	50
2020	100

As mentioned above and requested by the Resource Management Commission, the Utility will sponsor a study to determine the comprehensive value of solar energy. This study will factor in avoided costs related to transmission and distribution, generation, peak demand requirements and the value of local economic development, among other factors. That composite value, coupled with the declining cost of solar cells, will serve as the guide for the price that Austin Energy will pay for any additional solar energy above and beyond that secured from the rebate program. In addition, Austin Energy will establish a cap per recipient of solar rebates similar to those in its Commercial Rebate Program. This will ensure that Austin Energy will pursue its solar goals in a cost effective manner.

IMPLEMENTATION

An important point of departure from the traditional approach to planning at Austin Energy was the adoption of the General Decision Framework, a six-phase systematic decision-making framework designed to help make better decisions by improving the overall decision-making process. The more complex (or important) the decision is, the greater the value of such a systematic decision process.

The General Decision Framework was successfully utilized in the *Ten-Year Energy Resource Plan* planning process, which was highlighted by a highly deliberative, collaborative, rigorous process in evaluating and ultimately selecting the best available options that could be easily defended.

The expectation is that this systematic approach to decision making will become a distinguishing feature of Austin Energy's planning processes. Towards that end the Leadership Team has begun using the General Decision Framework as a basis to develop the Five-Year Plan, which itself will serve as the essential bridge from the strategic plan to the annual budget process.

The Leadership Team used the decision-planning phase of the framework to reach the following key decisions regarding how it intends to approach the Five-Year Plan:

- Utilize cross-functional project teams to conduct various elements of the decision process. Each cross-functional team will have a representative from each of the business units.
- Establish a decision framing cross-functional team to be responsible for developing a decision framework pertaining specifically to the Five-Year Plan process.
- Establish other cross-functional teams as needed to be responsible for conducting the planning process from the standpoint of the various strategic objectives.
- Establish a team charter for each cross-functional team, specifying purpose, deliverable, deadlines, etc.

This approach toward the Five-Year Plan planning process starts a fundamental change from the traditional approach. The expectation is that the planning and budgeting processes are an integrated part of the overall strategic process. Austin Energy is moving toward a comprehensive planning process characterized by a systemic decision process that reflect a risk management approach, shared objectives and initiatives, and long-rang view.

APPENDIX

AUSTIN ENERGY'S COMPLIANCE WITH CITY COUNCIL STRATEGIC PLANNING POLICY

Austin Energy produced the 2003 Strategic Plan to position itself in a rapidly changing electric utility environment. The most important element of the change facing Austin Energy will be the challenge to traditional energy sources. Supply availability and environmental impact issues surrounding traditional fossil fuel resources pose major questions. The answers to these questions will fundamentally change the utility industry over the next twenty years.

In recognition of the significant change that is underway in the energy sector worldwide and in keeping with Austin's long-standing commitment to environmental stewardship, the Austin City Council has established a strategic energy policy for Austin Energy in its adoption of Resolutions 030828-38 and 030925-02 ("the Energy Policy Resolutions").

Resolution 030838-38 calls on Austin Energy "to develop and incorporate strategies in its Strategic Plan that will ensure Austin remains a national and international leader in the development and use of clean energy." Specifically, Council has directed Austin Energy to develop strategies that at a minimum (1) produce a strategic planning process that includes progressive and ambitious renewable energy and energy conservation programs and, the nation's leading Renewable Portfolio Standard; (2) place emphasis on economic development for successful development, recruitment and retention of clean energy business enterprises; (3) pursue a risk management approach, which positions Austin Energy for a transition to a clean energy future through the successful identification and incorporation of promising energy technologies; and (4) include mitigation of carbon emissions from current and future fossil fuel facilities to reduce the negative effects of global warming.

Resolution 030925-02 directs Austin Energy to negotiate and execute a Memorandum of Understanding (MOU) with the World Wildlife Fund (WWF), to partner with them and other utilities in taking a responsible approach to global warming by supporting essential CO_2 emission reduction policies, including a "switch" from fossil fuel to more renewables within the electric generation portfolio. As part of the MOU, Council has charged Austin Energy to (1) establish a goal to achieve a minimum of 20% of the energy in its portfolio mix from renewable sources by January 1, 2020; (2) set an energy efficiency goal of 15% by 2020; and (3) support binding limits on national power sector CO_2 emissions.

Austin Energy believes that the 2003 Strategic Plan is in full compliance with the Energy Policy Resolutions. It accomplishes the majority of what Council has called for immediately and creates the framework to achieve the remainder. More specifically, the 2003 Strategic Plan addresses 030838-38 in that it embraces ambitious strategies and objectives that will ensure Austin's clean energy leadership role in the future. The plan sets out robust conservation objectives and adopts the nation's leading Renewable Portfolio Standard. It also incorporates a risk management strategy aimed at moving Austin Energy successfully toward a clean energy future. The Renewable Portfolio Standard and energy efficiency objectives will mean that Austin will meet 35% of its energy needs from renewable sources (20%) or energy efficiency measures (15%) by the year 2020. Achievement of these objectives will help mitigate carbon

emissions and their impact on global warming. The 2003 Strategic Plan also sets the stage for Austin Energy to participate in the advancement of a Clean Energy Industry in Austin.

Resolution 030925-02 is also addressed by the 2003 Strategic Plan. The resolution calls for Austin Energy to pursue a responsible approach to "switch" from fossil fuels to more renewable energy sources. For Austin Energy, the 2003 Strategic Plan represents a starting point for the transition from a traditional electric utility to a clean energy future. Additionally, the renewable energy and energy efficiency goals set forth in 030925-02 are key strategic objectives within the plan's energy resource strategy. Further, the strategies and commitments in the 2003 Strategic Plan will serve as a framework for the development of a MOU with the WWF.

RESOLUTION NO. 030828-38

WHEREAS, Austin's environmental stewardship is a community priority and is a major reason for our renowned quality of life; and,

WHEREAS, Austin's community-owned electric utility, Austin Energy, is a national leader in promoting and using environmentally-friendly renewable energy and energy efficiency programs; and,

WHEREAS, Austin Energy can play a strategic economic development role by helping create new jobs in Austin; and

WHEREAS, Austin Energy's GreenChoice program ranks number one in the nation in green power sales according to the U.S. Department of Energy, with 2002's sales double the amount sold by second place Sacramento and third place Denver combined; and,

WHEREAS, Austin Energy has sold more than half a billion kWh of green power to customers since the GreenChoice program's inception in 2000; and,

WHEREAS, to meet the community's demand for clean energy, Austin Energy has purchased approximately 100 MW of renewables, about three percent of its overall energy resources, well on the way to meeting the 1999 Council-established goal of five percent renewables by 2005; and,

WHEREAS, Austin's commitment to clean energy and the environment is renowned nationally and internationally, which among other benefits, has helped to attract major successful clean energy events, such as the International Green Building Conference, the American Wind Energy Association Conference, and the American Solar Energy Society Conference; and,

WHEREAS, Austin's and its neighboring communities' visible and tangible support of clean energy has been instrumental in Central Texas becoming home to 80 clean energy business enterprises that generate more than $250 million in annual revenues and employ approximately 2,600 people; and,

WHEREAS, Austin is extremely well positioned to become the future Clean Energy Capital of the World; **NOW, THEREFORE,**

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF AUSTIN:

That the City Council directs the City Manager to have Austin Energy develop and incorporate strategies in its Strategic Plan that will ensure Austin remains a national and international leader in the development and use of clean energy; and,

BE IT FURTHER RESOLVED:

That Austin Energy's clean energy strategies shall feature at a minimum:

1. A strategic planning process that includes progressive and ambitious renewable energy and energy conservation programs and, the nation's leading Renewable Portfolio Standard.

2. An emphasis on economic development for successful development, recruitment and retention of clean energy business enterprises.
3. A risk management approach, which positions Austin Energy for a transition to a clean energy future through the successful identification and incorporation of promising energy technologies.
4. Mitigation of carbon emissions from current and future fossil fuel facilities to reduce the negative effects of global warming.

ADOPTED: August 28, **2003** **ATTEST:** Shirley A. Brown

Shirley A. Brown
City Clerk

RESOLUTION NO. 030925-02

WHEREAS, Austin's environmental stewardship is a community priority and is a major reason for our renowned quality of life; and,

WHEREAS, Austin's community-owned electric utility, Austin Energy, is a national leader in promoting and using environmentally-friendly renewable energy and energy efficiency programs; and,

WHEREAS, Austin Energy's GreenChoice program ranks number one in the nation in "green power" sales, with clean energy sales of more than half a billion kWh to customers since the program's inception in 2000; and,

WHEREAS, to meet the community's demand for clean energy, Austin Energy has purchased approximately 100 MW of renewables, about three percent of its overall energy resources, well on the way to meeting the 1999 Council-established goal of five percent renewables by December 31, 2004; and,

WHEREAS, deriving a large portion of Austin's electric power needs from sources such as natural gas, coal, and nuclear fission—which produce large amounts of either carbon dioxide or other environmental pollutants—may be considered inconsistent with Austin's environmental values and with the City's goal to become the Clean Energy Capital of the World; and,

WHEREAS, burning fossil fuels—coal, natural gas and oil—emits carbon dioxide (CO_2) into the atmosphere where it builds up, blankets the earth and traps in heat, causing global warming; and,

WHEREAS, global warming is arguably the most pervasive environmental problem, with the potential for widespread damage to habitats, biodiversity, and life on earth; and,

WHEREAS, on August 28, 2003, Council directed the City Manager to have Austin Energy develop and incorporate strategies in its Strategic Plan that will ensure Austin remains a national and international leader in the development and use of clean energy; and,

WHEREAS, Council directed that those clean energy strategies would feature the nation's leading Renewable Portfolio Standard and mitigation of carbon emissions from current and future fossil fuel facilities to reduce the negative effects of global warming; **NOW, THEREFORE,**

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OFAUSTIN:

That Austin Energy shall negotiate and execute a Memorandum of Understanding (MOU) with the World Wildlife Fund (WWF), to partner with them and other utilities in taking a responsible approach to global warming by supporting essential CO_2 emission reduction policies, including a "switch" from fossil fuels to more renewables within the electric generation portfolio; and,

BE IT FURTHER RESOLVED:

That as part of the MOU, Austin Energy will:

1. Establish a goal to achieve a minimum of 20 percent of the energy in its portfolio mix from renewable sources by January 1, 2020; and,
2. Set a goal of increasing energy efficiency by 15 percent by 2020; and,
3. Support binding limits on national power sector CO_2 emissions.

ADOPTED: September 25, **2003** **ATTEST:** Shirley A. Brown

Shirley A. Brown
City Clerk

Resource Management Commission
Amendments to Austin Energy's Proposed Energy Resource Plan
November 12, 2003
Vote: 7-0-0-0-2

Motion by: J. Hoffner

Second by: M. Kuhn

For: C. Barron, G. Hsieh, A. Martinez, K. Houser, J. Beckage

Against: 0

Abstain: 0

Absent: 0

Vacant: 2

Motion: Passed

WHEREAS, The Resource Management Commission has reviewed Austin Energy's Proposed Energy Resource Plan; and

WHEREAS, The Resource Management Commission has developed recommended amendments to Austin Energy's Proposed Resource Plan; and

WHEREAS, The Resource Management Commission supports the City's Commercial Energy Efficiency Programs and desires that these amendments be incorporated into Austin Energy's Proposed Resource Plan; and

WHEREAS, The Resource Management Commission reserves the right to introduce additional amendments to Austin Energy's Proposed Resource Plan, if necessary.

THEREFORE, BE IT RESOLVED that the Resource Management Commission recommends that the City Council approve Austin Energy's Proposed Resource Plan with the following recommended amendments, and include additional amendments after agreed upon by Austin Energy Management and the Resource Management Commission.

A. Amendments with Long Term Implications. Those that should be carried out in a parallel path, but should not delay the implementation of any rebate programs.

1. Austin Energy should work with the Commission to carry out a detailed study to determine the comprehensive value of peak, distributed generation with solar electricity. A study was carried out in 1994 that indicates that solar electricity is worth up to $2/watt. The new study should include a comprehensive accounting for the values associated with the following but not necessarily limited to:
   - All environmental savings
   - Fuel savings
   - Economic development
   - Renewable Energy Credits
   - Transmission and Distribution savings
   - Price predictability and hedge against fuel price increases
   - Security and reliability
   - Time of use value

2. Austin Energy should adopt a formal interconnect guideline (or principle) that reduces barriers to allowing customers to connect. The features should include; only reasonable insurance requirements, a streamlined permitting process, and an interconnect contract that is easy to understand and execute.

3. Austin Energy should adopt clear, fair and simple interconnect standards and specifications for ensuring that solar electric installations are safe and reliable. The specifications should note UL, IEEE and NEC standards.

4. Austin Energy should commit to working with the Resource Management Commission for setting realistic short term and long-term goals for solar electric installations that contribute to effective economic development within the City of Austin.

5. Austin Energy should commit to a 10-year solar program.

6. Any rebates that are implemented should be retroactively available to qualified participants starting with the date of City Council approval of the Strategic Plan.

B. Amendments, which should be included that affect the short- term requirements of the plan.

1. Any rebate program should be streamlined and not involve a complicated process.

2. Austin Energy should study rebate programs being implemented by other utilities and states and design the Austin program using the best attributes of those programs while adding further innovations.

3. Rebates should be available for any type of solar electric generating technology such as concentrator, thermal, or PV, as long as it meets the AUSTIN ENERGY interconnection requirements including UL and IEEE standards.

4. The rebate program should start as soon as possible with design consideration taken to ensure that the program is meaningful and without flaws or loopholes.

Approved, Adán Martinez, Chair November 12, 2003

Austin Energy Resource, Generation, and Climate Protection Plan to 2020

INTRODUCTION

The City Council adopted the Austin Climate Protection Plan (ACPP) in 2007 to build a more sustainable community. Every City department was subsequently tasked to create action plans intended to ensure that departmental operations were consistent with the ACPP. Austin Energy developed this Resource, Generation, and Climate Protection Plan to 2020 (the Plan) to meet these objectives.

This document is a resource planning tool that brings together demand and energy management options over the planning horizon. Developing the Plan involved extensive analysis of the expected risks, costs, and opportunities to meet the future demand for electricity services. The goals outlined in this document are based on Austin Energy's current understanding of technology and of national, state and local energy policies. The Plan also benefited from substantial input from citizens, customer groups, utility advisory commissions and a Council appointed Taskforce. Much of this input is included under the "Additional Objectives and Initiatives" section of the Plan.

This Plan is designed to be flexible and dynamic. As circumstances change, the City must maintain the flexibility to modify elements to respond to a range of factors, including economic conditions, customer load, fuel prices and availability, infrastructure build-out, technological development, law and regulations, policy direction, and customer needs. Therefore, as conditions change, the Plan will be adapted and modified to manage risk, maintain system and service reliability, achieve policy goals, and meet customer demand for excellence in all aspects of service. As each significant implementation step is undertaken through contracts, purchases or other arrangements, Austin Energy's recommendations to the City Council will be supported by assessment of impacts on all customers and by charting the progress each step will make toward achieving the goals outlined in this Plan.

Austin Energy will review the Plan annually and issue a report on performance against goals. An example of the format and kind of data that will be provided in these Annual Reports is included as Exhibit A. Austin Energy will reassess the Plan in a public forum every two years. Every major Resource decision and Plan change will, as always, be taken before the City Council for review and authorization.

AUSTIN ENERGY'S MISSION

Outlined below is a description of how the Plan meets each element of Austin Energy's mission *to deliver clean, affordable, reliable energy and excellent customer service*. This plan demonstrates that customers and our community can indeed expect equitable, economic, and environmentally responsible electric services.

Clean. The Plan establishes clean energy goals to meet by 2020. The initial implementation strategy to achieve these goals is to escalate the use of renewables, increase energy efficiency, and load shifting. This will reduce current and future reliance on fossil fuel generation to meet Austin Energy customer load and will reduce CO_2 to better position the utility regarding probable future federal requirements. The Plan would also reduce nitrogen oxide (NOx) and volatile organic compound (VOC) emissions, to help keep Austin in compliance with national ambient clean air standards.

Affordable. Austin Energy strives to optimize rates and services in a responsible manner. A fundamental benchmark that will guide implementation of the Plan is affordability. Austin Energy must be financially sound, the cost of electric service must be affordable for all classes of customers (with particular attention to the low income and disadvantaged), and rates must be competitive to ensure the retention and attraction of businesses for a strong local economy. As the City moves forward with implementation of the Plan, customer bills will be compared to those for similar customers in other major metropolitan areas, including, Houston, San Antonio, Dallas-Fort Worth and other areas within the Austin MSA. An appropriate affordability measure will be established for each customer class in the upcoming financial analysis. Available data (rates, average monthly bills for residential, commercial, and industrial, and other affordability benchmarks) will be included in Austin Energy's Annual Report. Austin Energy will develop and adopt an affordability goal for rates and services for all classes of customers by no later than December 31, 2010 and prior to any new major resource acquisition of 10 MW or more or an aggregate of 10 MW from a single program.

Reliable. Implementation of the proposed plan will be guided by power quality and reliability requirements to meet the needs of our community. In serving as a road map, the recommended plan will respond to system needs, changing technologies and market conditions to ensure consistent power quality and reliability. Transmission and distribution reliability goals will be targeted to meet or exceed current goals. Power quality and reliability history will be detailed in the Annual Report.

Excellent Customer Service. The process for implementation and ongoing review of the Resource, Generation, and Climate Protection Plan to 2020 will be transparent. Through the Annual Report, biennial Plan reassessment, and informed decision making process, the City Council and Austin Energy customers will be provided vital information detailing progress toward goals and any necessary Plan adjustments. The goal in the implementation of this Plan is to consistently demonstrate that proposed actions, to the highest degree possible, meet the goal of providing clean, affordable, and reliable energy.

GOALS SUMMARY

Austin Energy adopts the following changes and additions to its current resource planning goals, with a target of meeting these goals by 2020:

- Increase the energy efficiency goal from 700 MW to 800 MW
- Increase the renewable energy goal from 30% to 35%
- Increase the solar component of the renewable energy goal from 100 MW to 200 MW
- Establish a CO_2 reduction goal of 20% below 2005 level

Figure 1 shows a scenario developed and presented by Austin Energy during the public participation and Task Force discussions that demonstrates the type and pace of investments that may be followed in meeting these goals. Specific resource investments will be evaluated continually by Austin Energy, reinforcing that the plan is adaptable to changing legal/regulatory, market, and economic conditions. As explained further in this plan, however, each individual investment will be considered by the Council and subject to public review.

Austin Energy Recommendation

Generation Resources in MW

Year	Coal/Nuclear	Gas	Biomass	Wind	Solar	Renewable Energy %
2009	1,029	1,444	12	439	1	10%
2010		100			30	10%
2011				(77)* 200		15%
2012			100			17%
2013				150		25%
2014					30	25%
2015		200		100		28%
2016			50		20	30%
2017				(126)* 200	30	33%
2018					20	32%
2019					30	32%
2020				115	40	35%
Total	1,029	1,744	162	1,001	201	

* Wind contracts expire.

Figure 1

Coal/Nuclear. The Plan (Figure 1) recognizes current ownership levels in the South Texas Project (STP) and the Fayette Power Plant (FPP). Plan implementation would effectively reduce by about 24% the amount of energy Austin Energy receives from the FPP by 2020 to meet customer load. That reduction figures prominently in the Austin Energy goal to reduce its greenhouse gas emissions within the planning horizon by 20% from 2005 levels.

Natural gas. The proposed plan calls for the build out of the gas-fueled Sand Hill Energy Center to add 200 megawatts of combined cycle capacity. This is in addition to the installation underway of 100 MW of peaking units at the facility. That installation began last year and is expected to be completed by this summer.

Biomass. A total of 150 MW of biomass-fueled generation is projected to be developed. The Council has approved a 20-year contract through which Austin Energy will purchase the annual output of a 100 MW wood chip-fueled biomass plant currently under construction 10 miles northwest of Nacogdoches, Texas. The plant is being built by a Southern Company subsidiary and is expected to go online in 2012. An additional 50 MW of biomass is anticipated in later years.

Wind. The majority of the Austin Energy renewables goal will be met through wind-generated power. As an early adopter of wind energy resources, Austin Energy now has wind contracts for about 200 MW of wind capacity that will expire by 2020. The proposed Plan calls for total wind capacity by 2020 of 1,000 MW.

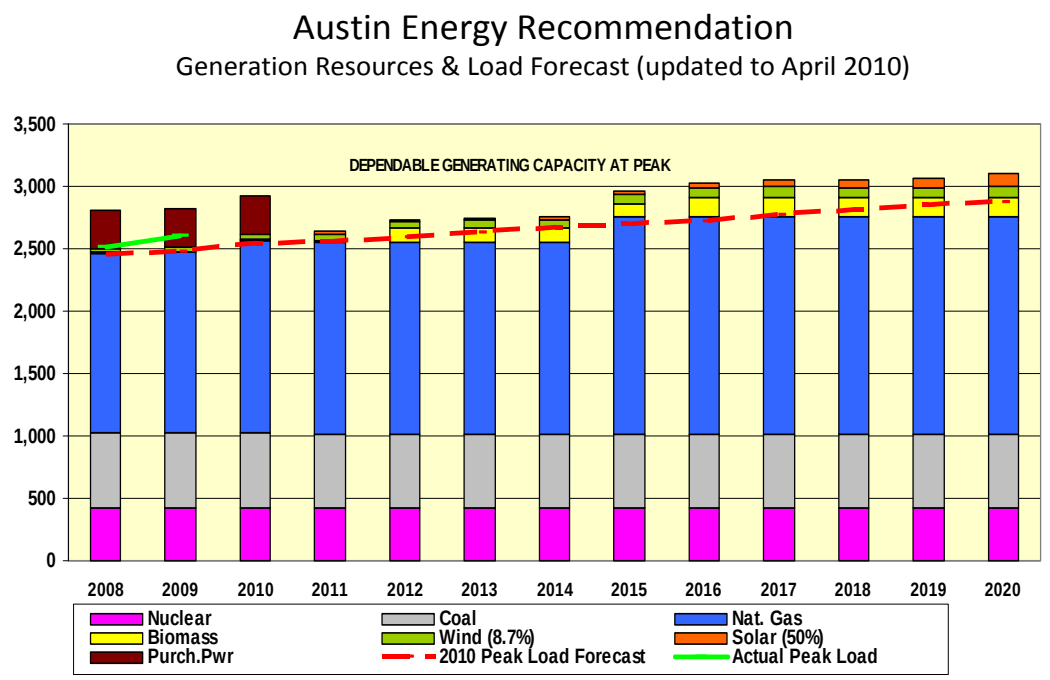


Figure 2

Solar. Installed solar capacity will increase from 100 MW to 200 MW by 2020. In February 2009, the Council approved a 25-year contract under which Austin Energy will purchase the annual output of a 30 MW solar farm to be built near Webberville on Austin Energy property. That project being built by Gemini Solar Development Company, is expected to be on line by 2011 and will be one of the nation's largest solar projects.

Plan implementation (Figure 2) will provide a reserve versus projected peak demand through 2020. The projected peak demand, represented by the dotted red line, also takes into account an increase from 700 to 800 MW of energy efficiency and load shifting proposed by 2020.

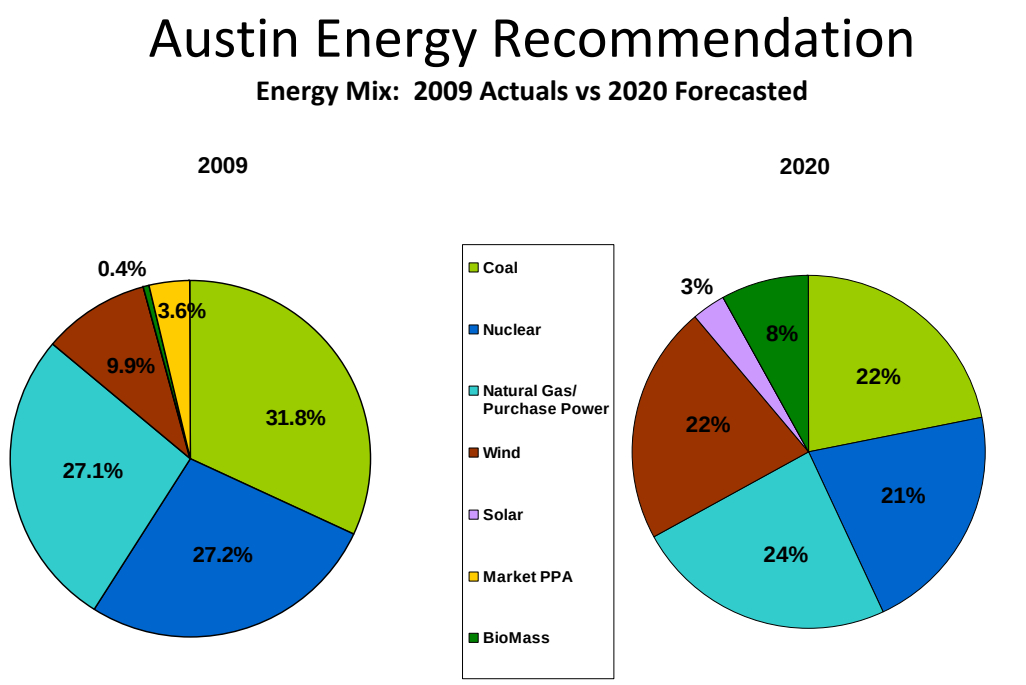


Figure 3

The generation mix by fuel type (Figure 3) that would result from Plan implementation reflects a decrease in natural gas use from about 30% today to 24% in 2020; 8% of power generated by biomass, 3% by solar with a drop in coal-generated power from 32% to 22% and a drop in the percentage of nuclear-generated power from 25% to 21%.

Additional Objectives and Initiatives

Austin Energy's Resource and Climate Protection Plan benefited from review by customers, the City of Austin Electric Utility Commission, the City of Austin Resource Management Commission, and the Council Appointed Generation Resource Planning Task Force. Following

is a summary of this input. The status of each objective is listed as either "underway" (signifying that Austin Energy is already working toward accomplishing the initiative or is ready to launch) or "to be studied" (signifying work has not yet begun).

Affordability & Due Diligence

1. Develop and adopt an affordability goal for rates and services for all classes of customers by no later than December 31, 2010 *and prior to any new major resource acquisition of 10 MW or more or an aggregate of 10 MW from a single program.* (underway)

2. Work with stakeholders to develop a framework through which the utility will distribute information and receive feedback on each proposed future investment from Request For Proposal (RFP)/Bid development to delivery of a project recommendation for Council approval. This process will include provision of information sufficient to allow meaningful input from stakeholders over the planning horizon up through and in advance of the approval process for the Electric Utility Commission, Resource Management Commission, and City Council. (underway)

3. Prior to taking action to acquire a generation resource of 10 MW or more or an aggregate of 10 MW from a single program and to the extent practicable and consistent with sound management and financial responsibility, present such action for approval at least once to each applicable commission and twice to City Council. (underway)

4. Promote robust community involvement in revisions to the Austin Energy business model. (underway)

5. Assist in Electric Utility Commission (EUC) hearings regarding whether the current ordinance defining what information Austin Energy considers competitive and therefore confidential should be amended. In addition to addressing specific stakeholder questions, the hearings will include a review of each item in the Competitive Matters ordinance to validate rationale for that item's inclusion moving forward. A key test should be whether similar information is made available by other U.S. public power utilities. (underway)

6. Ensure that any future resource planning advisory or stakeholder groups include representatives of residential and low income customer advocacy organizations. (underway)

Customer Assistance

7. Evaluate the potential to expand energy efficiency and weatherization programs for low income citizens and explore the feasibility of providing these services to those with incomes at or below up to 400 percent of the federal poverty guideline. (underway)

8**.** Conduct a study to determine income levels, energy burden and population sizes for residential customers with household incomes up to 400 percent of the federal poverty guideline. (to be studied)

9. Develop a neighborhood-by-neighborhood approach for low-income energy efficiency program delivery where such an approach offers an opportunity to improve program delivery effectiveness, fairness, and efficiency and identifying and assisting the most energy intensive low income neighborhoods. (underway)

10. Evaluate the potential to establish distributed resource incentive programs tailored to low and medium income customers and identify available funding mechanisms to help offset the cost of such incentives. (to be studied)

11. Continue to design and implement programs that target and reach residential energy efficiency opportunities in residential rental living spaces. (to be studied)

Energy Efficiency

12. Energy efficiency will be the first priority in meeting new load growth. (underway)

13. Conduct an energy efficiency potential study and, if viable and cost effective, increase the energy efficiency goal from 800 MW to 1,000 MW. (to be studied)

14. Regularly review the maximum investments and incentives offered for energy efficiency-related customer improvements and make adjustments as appropriate to encourage customer participation, while ensuring fiscal responsibility. (underway)

15. Study the capability of increasing the maximum investment per KW or kWh of savings that Austin Energy is willing to make in customer improvements and increase or eliminate the cap for Austin Energy investment in individual customer improvements that both reduce peak and total demand for energy, so long as such investment is financially sound and not unduly risky. (underway)

16. Continue to explore and, as appropriate, implement innovative rate design changes for energy efficiency. (underway)

17. Investigate and, as appropriate, establish innovative methods for enhancing the cost-effectiveness of energy efficiency program delivery, including but not limited to, auction systems. (underway)

18. Continue to analyze and report on impacts and opportunities resulting from the Energy Conservation and Audit Disclosure (ECAD) Ordinance and make recommendations to the Council on improvements or modifications to the ordinance as may be warranted. (underway)

19. Develop, market and implement energy efficiency and conservation programs to convert the existing housing stock as nearly as possible to zero net energy capability. (underway)

20. Continue to develop for implementation, building code changes that progress toward achieving a Zero Energy Capable Homes standard by 2015. (underway)

21. Consider initiating a pilot project to measure and communicate to owners and tenants of rental properties the benefits of energy efficiency upgrades in rental housing, and the utilization of the results of the pilot to develop a program that will realize energy efficiency savings potential in both commercial and rental property, as warranted by the results of a comprehensive energy efficiency potential study. (to be studied)

22. Assess development of an auction system for a portion of Austin Energy's commercial efficiency and conservation programs targeted to obtaining the greatest DSM savings per dollar invested by Austin Energy. (to be studied)

23. Establish a system for the examination and vetting of new energy efficiency ideas and programs submitted from within the community or by industry experts. (to be studied)

24. Enhance existing and, as appropriate, establish new channels for obtaining and evaluating customer and stakeholder proposals for new or modified energy efficiency programs. (underway)

25. Continue to take a leadership role in evaluating, developing, and implementing renewables and energy efficiency programs under Texas House Bill 1937, which allows for innovative financing. (underway)

26. Develop a plan for distribution system efficiency improvements. (to be studied)

27. Examine the potential for refocusing energy efficiency programs to target base load efficiency programs that reduce carbon emissions. (underway)

Renewables

28. Undertake a comprehensive assessment of non-solar renewable energy resource options in the utility's service territory. (to be studied)

Wind

29. Seek to develop ownership rights in wind generation resources where this approach offers benefits over purchased power arrangements. (underway)

30. Develop a comprehensive strategy for the deployment and use of energy storage technologies including assessment of compressed air energy storage in order to effectively improve the value of wind energy generation. (to be studied)

31. Continue to explore non-traditional wind energy deployment options, including small- or community-scale wind farms, hybrid wind/solar generation facilities, and hybrid wind/storage projects. (underway)

32. Continue to support development of increased transmission capacity in the Electric Reliability Council of Texas where such development offers economic and operational benefits to Austin Energy. (underway)

Solar

33. Develop a portfolio approach to solar energy generation facility siting, financing and ownership. (underway)

34. Continue to develop and improve incentives and strategies aimed at increasing local solar energy technology manufacturing capacity. (to be studied)

35. Develop a plan for the development of the full potential for solar energy generation and conversion in the utility service territory.(to be studied)

36. Study and report on the potential for establishing a distributed renewable energy goal and an associated distributed renewable energy generation development plan. (to be studied)

37. Monitor and report on the development of the distributed renewable energy generation sector in Austin, including projects developed independently of Austin Energy program support. (to be studied)

38. Continue promotion of solar thermal hot water use. (underway)

Biomass

39. Study the opportunity to develop small scale biomass energy generation systems in and near the utility service territory. (to be studied)

Other Generation Resources

Coal

40. The expected impact of the proposed Resource & Climate Protection Plan is a reduction in the average annual capacity factor needed to serve AE's load from the Fayette Power Plant (FPP) to about 64%. Periodically review the plan with the target of accelerating the phase down and toward eventual closure of FPP by 2020, if economically and technologically feasible. This review will include an assessment of the following: (to be studied)

- revenue and operational savings from potential sale of the plant
- carbon reduction impacts and value upon closure
- projected revenues from wholesale market sales in ERCOT
- impact of criteria pollutant emissions on the potential for the Austin area falling into non-attainment with federal clean air standards and attendant costs

41. Evaluate whether generating revenue for the City through carbon-based "off-system" sales is consistent with the Austin Climate Protection Plan. (to be studied)

42. Continue to investigate and where appropriate, implement technologies and programs that result in NOx emissions reductions and capture and storage of CO_2 emissions associated with the Fayette Power Plant. (underway in part, capture and storage of CO_2 to be studied)

43. Continue to investigate the potential for biomass co-firing at the Fayette Power Plant. (underway)

Natural Gas

44. Continue with plans to add 200 MW of new combined-cycle gas-fired generation at the Sand Hill facility in order to realize fuel cost savings and carbon emissions reductions. (underway)

45. Continually assess whether the long term risk of natural gas price fluctuations has been sufficiently minimized due to shale gas or other factors that, subject to compliance with environmental regulations and goals, natural gas generation capacity should be substituted for other resources in order to substantially reduce costs. (underway)

46. Expand systems for utilization of reclaimed water for cooling generation equipment at the Sand Hill facility. (to be studied)

Nuclear

47. Continue participation in the operation and ownership of STP Units 1 and 2; Austin Energy will not participate in proposed STP Units 3 and 4. (underway)

48. Evaluate any cost-effective offers of power from nuclear energy facilities through purchased power agreements. (to be studied)

Other

49. Conduct an analysis of the community economic development impact of Austin Energy generation facilities and planned expansion. (to be studied)

50. Conduct an analysis of the use of water by Austin Energy's generation facilities and its impact on the community. (to be studied)

51. Conduct a combined heat and power potential study. (to be studied)

52. Continue to investigate geothermal generation resource acquisitions. (to be studied)

CO_2 Reduction Goals

53. As an outcome of this Plan or at such time as a federal carbon cap is approved, Austin Energy will adopt a CO_2 cap consistent with the City Council's evolving guidance on the Plan. (to be studied)

54. Facilitate public participation and reassess the Resource and Climate Protection Plan at appropriate intervals to the extent practicable. (underway)

55. Attempt to substitute low- or zero-carbon emissions generation resources for carbon-emitting resources whenever such substitution is also consistent with the achievement of economic, financial, operational, reliability, and risk objectives. In determining consistency with these objectives, Austin Energy will consider and compare the long-term costs and benefits of resource options, and report the results of such analysis to the Council and Commissions in the course of securing approval for resource development or acquisition. (underway)

56. Through the plan, offset carbon emissions from any new generation resource, by a reduction in operating capacity of an existing resource, by reduction of energy use through demand-side management or distributed renewable energy or the purchase of carbon offsets. (to be studied)

57. Conduct a review based on current state of knowledge of the impact of carbon fuel emissions on global warming and impact of criteria pollutants from the plant on Austin area compliance with federal clean air standards and the attendant utility related cost if the community should fall into non-attainment. (to be studied)

Complementary Strategies

58. Continue work to transform its basic business model to effectively address and integrate increased deployment of distributed energy resources, including distributed energy generation. Among the issues that Austin Energy will address on an on-going basis are unbundled rate structures, service offerings that rely less on volumetric pricing structures, rationalization of fuel charge-related costs, modifications to GreenChoice® product offerings, and products and services demonstrated in the Pecan Street Project Energy Internet Demonstration Project. Work to reflect business model changes and opportunities in upcoming reviews of electric rates. (underway)

59. Continue active participation in the development and deployment of smart grid technologies, and continue with an active and leadership role in the Pecan Street Project. (underway)

60. Continue and, as appropriate, expand efforts to increase electric vehicle utilization and facilitate integration of electric vehicles in the utility service area. (underway)

61. Maintain and enhance the utility's role in developing and implementing green collar job initiatives to grow and strengthen the local workforce. (underway)

62. Develop and implement plans for increasing local contractor, M/WBE contractor, and veterans opportunities in working with the utility. (underway)

RESOLUTION NO. 20070215-023

WHEREAS, the City of Austin's mission is to make Austin the most livable city in the country; and

WHEREAS, the Inter-Governmental Panel on Climate Change has found unequivocally that climate change constitutes a serious and growing threat and that human activities are the primary source of increased atmospheric concentrations of global warming gases; and

WHEREAS, global scientific consensus predicts as a consequence of global warming costly and dangerous disruptions, including increased risk of flooding, drought and coastal storms, accelerated spread of disease and invasive species, severe property damage, economic loss, and threat to human life; and

WHEREAS, the United States represents less than five percent of the world's population but contributes more than thirty percent of the world's greenhouse gas emissions; and

WHEREAS, climate change calls for national and international responses, but ultimately greenhouse gas emissions are generated locally; and

WHEREAS, the federal government has failed to enact meaningful responses to reverse the threat of global warming; and

WHEREAS, leading U.S. companies have called for immediate measures to halt and reverse the threat of global warming; and

WHEREAS, cities and states throughout the U.S. are adopting greenhouse gas emission reduction targets and strategies; and

WHEREAS, the City of Austin continues to take a leadership role in addressing worldwide environmental concerns; **NOW, THEREFORE,**

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF AUSTIN:

That the City Council directs the City Manager to develop and implement, and to report to the City Council annually upon the implementation and progress of, such policies, procedures, timelines and targets as are necessary to make Austin the leading city in the nation in the effort to reduce and reverse the negative impacts of global warming, including but not limited to the following initiatives:

1) Make all City of Austin facilities, fleets and operations totally carbon-neutral by 2020 through measures including:

   a. powering all City facilities with renewable energy by 2012;

   b. making the entire City fleet of vehicles carbon neutral by 2020 through the use of electric power, non-petroleum fuels, new technologies, mitigation, and other measures as necessary, prioritizing the earliest possible conversion to such fuels and

technologies and establishing timelines and benchmarks for such conversions;

c. developing and implementing departmental climate protection plans, including policies, procedures, targets, benchmarks and reporting for maximum achievable reduction of greenhouse gas emissions and energy consumption in all City departments;

d. developing an employee climate protection education program, programs and incentives to help employees reduce their personal impact on climate change, and training to help employees engage in community outreach for climate protection.

2) Make Austin Energy the leading utility in the nation for greenhouse gas reductions through measures including:

a. achieving 700 MW of new savings through energy efficiency and conservation efforts by 2020;

b. meeting 30 percent of all energy needs through the use of renewable resources by 2020, including at least 100 MW of solar power;

c. establishing a CO2 cap and developing and implementing a CO2 reduction plan for existing utility emissions;

d. achieving carbon neutrality on any new generation units using carbon-based fuels through the utilization of lowest-emission technologies, carbon capture and sequestration if it is proven to be reliable, mitigation and other prudent measures.

3) Implement the most energy efficient building codes in the nation and aggressively pursue energy efficiency retrofits and upgrades to existing building stock through measures including:

a. implementing building codes requiring all new single-family homes to be zero net energy capable by 2015;

b. implementing building codes to increase energy efficiency in all other new private and public sector buildings by at least 75 percent by 2015;

c. implementing policies identifying opportunities for energy efficiency retrofits and upgrades, and requiring all cost-effective retrofits and upgrades for all properties at the point of sale;

d. developing enhanced technical assistance and marketing incentives and standards for the Green Building Program, developing policies requiring achievement of upper-tier ratings in cases where green building is mandated as a product of City programs or negotiations, and developing an optional "Carbon Neutral" certification to accompany green building ratings.

4) Establish an interdepartmental City Climate Action Team responsible for creating an inventory of greenhouse gases generated from all sources community-wide, working with stakeholders and technical advisors, establishing short-term and long-term targets for reducing these emissions, and reporting back to the City Council in no more than one year with a comprehensive plan for meeting those targets. Key areas for study and policy development include but are not limited to:

a. transportation;
b. land use planning;
c. emerging technologies;
d. waste management;
e. natural areas, landscapes and other carbon sinks;
f. multi-generational community education.

5) Develop and implement a program to assist all citizens, businesses, organizations and visitors in achieving carbon neutrality through the following measures:

a. develop an Austin-specific online "carbon footprint calculator;"

b. make available individually-tailored carbon footprint appraisals to organizations as necessary;

c. develop a menu of greenhouse gas reduction strategies for local implementation that citizens and organizations can fund through the

purchase of "carbon offset" credits, thereby reducing their own carbon footprint;

d. develop a program for recognition of households, businesses and other organizations achieving carbon neutrality;

e. promote carbon neutrality among visitors by providing mechanisms and incentives for the purchase of offset credits by travelers, conventions, tradeshows and festivals.

6) Cooperate with other local and regional entities to provide technical and investigational assistance and to coordinate region-wide greenhouse gas reduction strategies.

7) Support all appropriate Federal and State policies and legislation that will lead to the reduction of greenhouse gas emissions.

ADOPTED: February 15, 2007 **ATTEST:** Shirley A. Gentry
Shirley A. Gentry
City Clerk

Late Backup

On April 22, 2010 City Council approved the Austin Energy Resource, Generation, and Climate Protection Plan (aka Resource Plan) with resource and timeline goals of achieving 35 percent of annual energy supply from qualifying renewable sources, and 800 MW of energy efficiency measures, by 2020. Council delayed implementation of the flexible, dynamic Resource Plan until an affordability "matrix" - a method to measure the plan's affordability, was identified.

This RCA authorizes staff to move forward with implementing the Resource Plan, including an affordability goal which staff presented to Council at their January 27, 2011 meeting. The affordability goal, intended to make the Resource Plan as predictable as possible, calls for Austin Energy to operate so as to control all-in (base, fuel, riders, etc.) rate increases to residential, commercial, and industrial customers to 2% or less per year. In addition, the goal is to maintain AE's current all-in competitive rates in the lower 50 percent of Texas rates overall. The affordability goal will apply immediately upon implementation of Austin Energy's revised rates, based on the review currently underway which will reset AE's revenue requirements in 2012.

In addition to the acquisition of generation resources and meeting energy efficiency targets, the Resource Plan implementation centers around four related activities:

1. Financial Measurements and Benchmarking: AE has completed a benchmarking study of its rates, both for residential and for commercial and industrial customers, against rates in other areas of the State. Staff recommends that this benchmarking be updated annually to compare AE customer costs to other Texas utilities and retail electric providers using internal staff resources and available public data. AE plans to update the benchmarking reports annually and report to City Council during the Five-Year Financial Forecast each Spring. This will allow the City Council to gauge whether progress towards achieving the Resource Plan's goals is keeping the utility in its current favorable position relative to the State average.
2. Affordability Tracking: Staff will track adherence to the affordability goal, by forecasting and tracking AE's revenue requirements based on the Plan's components and other utility operating expenditures and planned capital investments. Monitoring performance towards the affordability goal will allow the City Council to determine whether Resource Plan investments or the timeline goal should be adjusted.
3. Cost of Service and Rate Design: A rate review includes determining revenue requirements, a Cost of Service study, and rate design. To remain financially sustainable, AE must produce sufficient revenue from its retail rates to cover its revenue requirements and allow for ongoing operating expenses and capital improvement. A Cost of Service study will provide an analytic basis for identifying the true costs incurred by Austin Energy to provide service to different types of customers. The Cost of Service study will be followed by a reassessment of the electric rate structure. The rate structure will determine the financial incentives for customers' electricity use, particularly for investments in energy efficiency and solar on homes. The rate review will be carried out in a structured public process that will consider input from all customer classes.
4. Pricing Electric Service based on Rates Design: The final step in AE's rate review will be the pricing of electric service. This step will take place before the Electric Utility Commission and the City Council in a formal rate setting process.

The first three activities are underway. Preliminary work on the Cost of Service study began in October 2010. Results of that study and options for rate design will be presented to the public in early 2011. The proceedings to set prices will take place in late 2011, with new rates expected to be implemented in 2012.

AE will update the benchmarking and affordability forecast each Spring. These tools will give the City Council and the Austin community the information needed to assess progress toward the objectives of achieving the goals of the Resource Plan and keeping the costs of electric service affordable for Austin residents. The first update and report to City Council is planned during the Five-Year Financial Forecast in the Spring of 2011.

The benefits of implementing the generation plan for consumers and the utility include lower CO2 emissions, increases in renewable energy and energy efficiency, and a rate design that will incentivize energy efficiency. Consumers will benefit from lower usage through energy efficiency improvements and an overall cleaner environment. Benefits to the utility include lower long-term CO2 emissions costs, reduced utility load and revenue through increased energy efficiency and delay of costly additions for power supply. The utility will also maintain affordable and competitive rates with careful timing of renewable additions which will better position the utility for the long term.
At minimum, Council will receive an update on the Generation Plan every two years.

ORDINANCE NO. 20120607-055

AN ORDINANCE PRESCRIBING AND LEVYING RATES AND CHARGES FOR SALES MADE AND SERVICES RENDERED IN CONNECTION WITH THE ELECTRIC LIGHT AND POWER SYSTEM OF THE CITY OF AUSTIN FOR RESIDENTIAL, COMMERCIAL, PUBLIC, AND OTHER USES OF ELECTRIC LIGHT AND POWER SOLD AND SERVED BY THE CITY OF AUSTIN.

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF AUSTIN:

PART 1. The monthly rates and charges for sales made and services rendered by any part of the electric light and power works and system of the City of Austin are hereby established, levied, fixed, and prescribed pursuant to the retail rate schedules attached hereto as Exhibit A and incorporated by reference.

PART 2. Service rendered under these retail rate schedules shall be provided pursuant to City Code Section 15-9, Utility Service Regulations, and the Utility Criteria Manual, as both may be amended from time to time, and such other rules and regulations as may be prescribed by the City of Austin.

PART 3. These retail rate schedules have been adopted after a complete investigation of facts and policies bearing upon them, including formation of a Public Involvement Committee, five hearings before the Electric Utility Commission, twelve Council work session meetings, and three public hearings before the Council. Based on such investigation and hearings, the City Council finds and determines that these rates and charges are fair, just, and reasonable; are equal, uniform, and nondiscriminatory; are necessary to meet the operating and maintenance expenses and provide for depreciation and replacement of assets of the electric system, to provide for reasonable extensions and additions thereto in order to render efficient service, and to pay principal and interest on revenue bonds; and are sufficient to provide only a reasonable and proper return on the fair value of the electric system's properties dedicated to the furnishing of electric service.

PART 4. The Council further finds that the 2009 test year data, adjusted for known and measurable changes, support an annual utility revenue requirement of $1,123,477,268 under current City financial and reserve policies. To mitigate the magnitude of rate increase required to achieve this requirement, the Council adopts these retail rate schedules to achieve annual revenues of $1,089,529,780. It is the intent of the City Council to move toward full recovery of utility revenue requirements through the further examination of reserve policies, prudent cost reduction measures, and allocations of off-system sales net revenues, the implementation of revised retail rate schedules by October 1, 2014 (to the extent then supported by most recent available test year data), and the

automatic expiration of all existing fixed-rate service contracts pursuant to their terms on May 31, 2015.

PART 5. These retail rate schedules reflect a consolidation of customer classes and a move toward rates based upon cost-of-service but adjusted to mitigate rate shock and support the community priorities of energy efficiency, peak demand reduction, and assistance to low-income customers.

PART 6. The Council adopts as policy the use of the A&E 4CP methodology to allocate production demand costs among customer rate classes.

PART 7. The Council adopts a policy of targeting a debt-to-equity ratio of 60/40 for financing electric utility capital projects until October 1, 2014, and reaffirms the current long-term policy of maintaining a 50/50 ratio.

PART 8. The Council finds that a tiered residential rate structure promotes energy efficiency and peak demand reduction.

PART 9. The Council finds that a discount for Independent School Districts and a rate cap for group worship facilities currently receiving residential service are fair, just, and reasonable, and support the community priorities of well-funded public education and avoidance of unplanned-for budget impacts.

PART 10. The Council finds that rising utility rates affect low-income residential households and that it is necessary and reasonable to provide discounted rates, targeted energy efficiency programs, and bill payment assistance for residential customers with an inability to pay due to poverty. To mitigate the effect of the rate increase on low-income residential households, the Council establishes a Customer Assistance Program as set forth in the Community Benefit Charge Rate Schedule.

PART 11. The retail rate schedules established herein shall be effective on all bills rendered on or after October 1, 2012, at which time all other ordinances, resolutions, or orders in conflict with this ordinance are repealed. The rate schedules set forth in Ordinance No. 20110912-007, as amended by Ordinances Nos. 20111208-133 and 20120524-141, shall continue in full force and effect on all bills rendered before October 1, 2012.

PART 12. The Council adopts as policy that Austin Energy's rates should be reviewed at least once every five years. The Council will establish a process for rate policy development and decision making that will ensure that all customer classes have an opportunity to participate and that their interests are considered. As part of this process, the City will hire a consumer advocate who is knowledgeable and experienced in ratemaking issues to represent residential and small business customers. The City may

also hire an impartial hearing examiner to conduct the review and make recommendations.

PART 13. This ordinance takes effect on June 18, 2012.

PASSED AND APPROVED

June 7, 2012 §

Lee Leffingwell
Mayor

APPROVED: Karen M. Kennard
City Attorney

ATTEST: Shirley A. Gentry
City Clerk

EXHIBIT A
CITY OF AUSTIN ELECTRIC RATE SCHEDULES

RESIDENTIAL

Application

This rate applies to electric service for residential purposes to single-family dwellings and single metered apartment units. This rate does not apply if a portion of the dwelling or unit is used for non-residential purposes unless such use qualifies as a home occupation as defined by City Code Section 25-2-900. This rate does not apply to electric service for separately-metered non-residential uses at the same premises, such as water wells, gates, barns, garages, boat docks, pools, and lighting.

Character of Service

Service under this rate schedule shall be provided pursuant to City Code Section 15-9, Utility Service Regulations, and the Utility Criteria Manual, as both may be amended from time to time, and such other rules and regulations as may be prescribed by the City of Austin. Electric service of one standard character will be delivered to one point of service on the customer's premises and measured through one meter unless at Austin Energy's sole discretion additional metering is required.

Monthly Charges

	Billing Months October Through May	Billing Months June Through September
Customer Charge	$10.00	$10.00
Energy Charges		
First 0- 500 kWh	1.8 ¢ Per kWh	3.3 ¢ Per kWh
From 501-1,000 kWh	5.6 ¢ Per kWh	8.0 ¢ Per kWh
From 1,001-1,500 kWh	7.2 ¢ Per kWh	9.1 ¢ Per kWh
From 1,501-2,500 kWh	8.4 ¢ Per kWh	11.0 ¢ Per kWh
From 2,501 kWh and greater	9.6 ¢ Per kWh	11.4 ¢ Per kWh
Power Supply Adjustment	See Below	See Below
Community Benefit Charge	See Community Benefit Charge Schedule	
Regulatory Charge	See Regulatory Charge Schedule	

Power Supply Adjustment – plus an adjustment for variable costs, calculated under the Power Supply Adjustment rate schedule, multiplied by the billable kWh.

A customer's bill for electric service of at least 10 days under this rate schedule shall not be less than the customer charge.

Time-Of-Use Option

In lieu of the Charges above, customers receiving service under this rate schedule may choose the following time-of-use charges to be applied for a term of not less than twelve consecutive billing months.

CITY OF AUSTIN ELECTRIC RATE SCHEDULES

Customers selecting this time-of-use option shall permit Austin Energy to install all equipment necessary for time-of-use metering and permit reasonable access to all electric service facilities installed by Austin Energy for inspection, maintenance, repair, removal, or data recording purposes. Customers selecting this option are not eligible to participate in levelized billing. Austin Energy may administratively suspend availability of this time-of-use rate option to additional customers.

Monthly Time-Of-Use Charges

	Billing Months October Through May	Billing Months June Through September
Customer Charge	$12.00	$12.00
Energy Charges		
Total Monthly kWh 0-500		
Off-Peak	-0.924 ¢ Per kWh	0.493 ¢ Per kWh
Mid-Peak	1.201 ¢ Per kWh	5.040 ¢ Per kWh
On-Peak	0.000 ¢ Per kWh	9.761 ¢ Per kWh
Total Monthly kWh 501-1,000		
Off-Peak	-0.427 ¢ Per kWh	1.188 ¢ Per kWh
Mid-Peak	3.673 ¢ Per kWh	6.218 ¢ Per kWh
On-Peak	0.000 ¢ Per kWh	11.003 ¢ Per kWh
Total Monthly kWh 1,001-1,500		
Off-Peak	-0.014 ¢ Per kWh	2.182 ¢ Per kWh
Mid-Peak	4.891 ¢ Per kWh	7.134 ¢ Per kWh
On-Peak	0.000 ¢ Per kWh	12.196 ¢ Per kWh
Total Monthly kWh 1,501-2,500		
Off-Peak	0.692 ¢ Per kWh	2.679 ¢ Per kWh
Mid-Peak	6.282 ¢ Per kWh	7.934 ¢ Per kWh
On-Peak	0.000 ¢ Per kWh	13.031 ¢ Per kWh
Total Monthly kWh 2,501 plus		
Off-Peak	4.170 ¢ Per kWh	6.158 ¢ Per kWh
Mid-Peak	9.761 ¢ Per kWh	9.512 ¢ Per kWh
On-Peak	0.000 ¢ Per kWh	14.979 ¢ Per kWh
Power Supply Adjustment	See Below	See Below
Community Benefit Charge	See Community Benefit Charge Schedule	
Regulatory Charge	See Regulatory Charge Schedule	

CITY OF AUSTIN ELECTRIC RATE SCHEDULES

Power Supply Adjustment – plus an adjustment for variable costs, calculated under the Power Supply Adjustment rate schedule, multiplied by the billable kWh.

A customer's bill for electric service of at least 10 days under this rate schedule shall not be less than the customer charge.

Time-Of-Use Periods

	Billing Months October Through May
Off-Peak Hours	10:00 P.M. – 6:00 A.M. Everyday
Mid-Peak Hours	6:00 A.M. – 10:00 P.M. Everyday
On-Peak Hours	None

	Billing Months June Through September
Off-Peak Hours	10:00 P.M. – 6:00 A.M. Everyday
Mid-Peak Hours	6:00 A.M. – 2:00 P.M. and 8:00 P.M. – 10:00 P.M. Monday – Friday
	6:00 A.M. – 10:00 P.M. Saturday – Sunday
On-Peak Hours	2:00 P.M. – 8:00 P.M. Monday – Friday

GreenChoice Option

Service under this rate schedule is eligible for application of the GreenChoice Energy Rider.

CITY OF AUSTIN ELECTRIC RATE SCHEDULES

RESIDENTIAL SOLAR

Application

This rider applies to any customer receiving residential electric service who owns and operates an on-site solar photovoltaic system with a capacity of 20 kW or less that is interconnected with Austin Energy's electric distribution system.

Monthly Charges

Billable kWh under this rate schedule shall be based on the customer's total energy consumption during the billing month, including energy delivered by Austin Energy's electric system and energy consumed from an on-site solar system. All non-kWh-based charges under this rate schedule shall remain unaffected by the application of this rider.

Solar Credit

For each billing month the customer shall receive a non-refundable credit equal to the metered kWh output of the customer's photovoltaic system, times the current Value-of-Solar Factor plus any carry-over credit from the previous billing month. The Value-of-Solar Factor shall initially be $0.128 per kWh, and shall be administratively adjusted annually, beginning with each year's January billing month, based upon the marginal cost of displaced energy, avoided capital costs, line loss savings, and environmental benefits.

Any amount of solar credit in excess of the customer's total charges for electric service under the residential rate schedule shall be carried forward and applied to the customer's next electric bill. The customer's carry-over credit, if any, shall be reset to zero in the first billing month of each calendar year.

CITY OF AUSTIN ELECTRIC RATE SCHEDULES

SECONDARY VOLTAGE LESS THAN 10 kW

Application

This rate applies to secondary voltage (less than 12,470 volts nominal line to line) electric service, to which no other specific rate schedule applies, to any customer whose kW demand did not meet or exceed 10 kW at any interval during the most recent June through September billing months, or as determined by Austin Energy if insufficient usage history is available.

Character of Service

Service under this rate schedule shall be provided pursuant to City Code Section 15-9, Utility Service Regulations, and the Utility Criteria Manual, as both may be amended from time to time, and such other rules and regulations as may be prescribed by the City of Austin. Electric service of one standard character will be delivered to one point of service on the customer's premises and measured through one meter unless at Austin Energy's sole discretion additional metering is required.

Monthly Charges

	Billing Months October Through May	Billing Months June Through September
Customer Charge	$18.00	$18.00
Energy Charge	4.598 ¢ Per kWh	6.198 ¢ Per kWh
Power Supply Adjustment	See Below	See Below
Community Benefit Charge	See Community Benefit Charge Schedule	
Regulatory Charge	See Regulatory Charge Schedule	

Power Supply Adjustment – plus an adjustment for variable costs, calculated under the Power Supply Adjustment rate schedule, multiplied by the billable kWh.

Time-Of-Use Option

In lieu of the Charges above, customers receiving service under this rate schedule may choose the following time-of-use charges to be applied for a term of not less than twelve consecutive billing months. Customers selecting this time-of-use option shall permit Austin Energy to install all equipment necessary for time-of-use metering and permit reasonable access to all electric service facilities installed by Austin Energy for inspection, maintenance, repair, removal, or data recording purposes. Customers selecting this option are not eligible to participate in levelized billing. Austin Energy may administratively suspend availability of this time-of-use rate option to additional customers.

CITY OF AUSTIN ELECTRIC RATE SCHEDULES

Monthly Time-Of-Use Charges

	Billing Months October Through May	Billing Months June Through September
Customer Charge	$21.60	$21.60
Demand Charge		
On-Peak	$0.00 Per Billed kW	$3.00 Per Billed kW
Mid-Peak	$1.50 Per Billed kW	$0.00 Per Billed kW
Energy Charge		
Off-Peak	0.798 ¢ Per kWh	0.798 ¢ Per kWh
Mid-Peak	5.847 ¢ Per kWh	5.847 ¢ Per kWh
On-Peak	0.000 ¢ Per kWh	9.188 ¢ Per kWh
Power Supply Adjustment	See Below	See Below
Community Benefit Charge	See Community Benefit Charge Schedule	
Regulatory Charge	See Regulatory Charge Schedule	

Power Supply Adjustment – plus an adjustment for variable costs, calculated under the Power Supply Adjustment rate schedule, multiplied by the billable kWh.

Time-Of-Use Periods

	Billing Months October Through May
Off-Peak Hours	10:00 P.M. – 6:00 A.M. Everyday
Mid-Peak Hours	6:00 A.M. – 10:00 P.M. Everyday
On-Peak Hours	None

	Billing Months June Through September
Off-Peak Hours	10:00 P.M. – 6:00 A.M. Everyday
Mid-Peak Hours	6:00 A.M. – 2:00 P.M. and 8:00 P.M. – 10:00 P.M. Monday – Friday
	6:00 A.M. – 10:00 P.M. Saturday – Sunday
On-Peak Hours	2:00 P.M. – 8:00 P.M. Monday – Friday

CITY OF AUSTIN ELECTRIC RATE SCHEDULES

GreenChoice® Option

Service under this rate schedule is eligible for application of the GreenChoice Energy Rider.

Terms And Conditions

The monthly electric bill for any Independent School District account served under this rate schedule will be discounted by an effective rate of 10%.

For service under this rate schedule to a customer that received the group religious worship rate under the Residential Service rate schedule on June 6, 2012, the customer's total monthly electric bill for that account shall not exceed an amount equaling the billed kWh usage times an initial rate of $0.125 per kWh, but shall not be less than the Customer Charge. This initial rate shall be adjusted to include any increase or decrease in the Fuel, Regulatory, and Community Benefit Charge implemented after June 7, 2012.

A customer's bill for electric service of at least 10 days under this rate schedule shall not be less than the customer charge.

SECONDARY VOLTAGE GREATER THAN OR EQUAL TO 10 kW BUT LESS THAN 50 kW

Application

This rate applies to electric service at a secondary voltage (less than 12,470 volts nominal line to line), for which no other specific rate is provided, to a customer whose demand for power was greater than or equal to 10 kW but was less than 50 kW at any interval during the most recent June through September billing months, or as determined by Austin Energy if insufficient usage history is available. This rate shall apply for not less than twelve months following the last month in which the required demand level was met. If a customer has made significant changes in their connected load which prevents the customer from meeting or exceeding the minimum kW threshold of this rate schedule and these changes have been verified by Austin Energy, the twelve month requirement may be waived by Austin Energy.

Character of Service

Service under this rate schedule shall be provided pursuant to City Code Section 15-9, Utility Service Regulations, and the Utility Criteria Manual, as both may be amended from time to time, and such other rules and regulations as may be prescribed by the City of Austin. Electric service of one standard character will be delivered to one point of service on the customer's premises and measured through one meter unless at Austin Energy's sole discretion additional metering is required.

Monthly Charges

	Billing Months October Through May	Billing Months June Through September
Customer Charge	$25.00	$25.00
Electric Delivery	$4.00 Per Billed kW	$4.00 Per Billed kW
Demand Charge	$5.15 Per Billed kW	$6.15 Per Billed kW
Energy Charge	2.414 ¢ Per kWh	2.914 ¢ Per kWh
Power Supply Adjustment	See Below	See Below
Community Benefit Charge	See Community Benefit Charge Schedule	
Regulatory Charge	See Regulatory Charge Schedule	

Power Supply Adjustment – plus an adjustment for variable costs, calculated under the Power Supply Adjustment rate schedule, multiplied by the billable kWh.

Time-Of-Use Option

In lieu of the Charges above, customers receiving service under this rate schedule may choose the following time-of-use charges to be applied for a term of not less than twelve consecutive billing months. Customers selecting this time-of-use option shall permit Austin Energy to install all equipment necessary for time-of-use metering and permit reasonable access to all electric service facilities installed by Austin

CITY OF AUSTIN ELECTRIC RATE SCHEDULES

Energy for inspection, maintenance, repair, removal, or data recording purposes. Customers selecting this option are not eligible to participate in levelized billing. Austin Energy may administratively suspend availability of this time-of-use rate option to additional customers.

Monthly Time-Of-Use Charges

	Billing Months October Through May	Billing Months June Through September
Customer Charge	$30.00	$30.00
Electric Delivery	$4.00 Per Billed kW	$4.00 Per Billed kW
Demand Charge		
On-Peak	$0.00 Per Billed kW	$6.50 Per Billed kW
Mid-Peak	$3.25 Per Billed kW	$0.00 Per Billed kW
Energy Charge		
Off-Peak	-0.067 ¢ Per kWh	-0.067 ¢ Per kWh
Mid-Peak	3.912 ¢ Per kWh	3.912 ¢ Per kWh
On-Peak	0.000 ¢ Per kWh	6.544 ¢ Per kWh
Power Supply Adjustment	See Below	See Below
Community Benefit Charge	See Community Benefit Charge Schedule	
Regulatory Charge	See Regulatory Charge Schedule	

Power Supply Adjustment – plus an adjustment for variable costs, calculated under the Power Supply Adjustment rate schedule, multiplied by the billable kWh.

Time-Of-Use Periods

	Billing Months October Through May
Off-Peak Hours	10:00 P.M. – 6:00 A.M. Everyday
Mid-Peak Hours	6:00 A.M. – 10:00 P.M. Everyday
On-Peak Hours	None

	Billing Months June Through September
Off-Peak Hours	10:00 P.M. – 6:00 A.M. Everyday
Mid-Peak Hours	6:00 A.M. – 2:00 P.M. and 8:00 P.M. – 10:00 P.M. Monday – Friday
	6:00 A.M. – 10:00 P.M. Saturday – Sunday

CITY OF AUSTIN ELECTRIC RATE SCHEDULES

On-Peak Hours	2:00 P.M. – 8:00 P.M. Monday – Friday

GreenChoice® Option

Service under this rate schedule is eligible for application of the GreenChoice Energy Rider.

Terms And Conditions

Except as noted below, Billed kW shall be measured as the kilowatt demand during the fifteen-minute interval of greatest use during the billing month as determined by Austin Energy's metering equipment, adjusted for power factor corrections as follows:

When power factor during the interval of greatest use is less than 90 percent as indicated or recorded by metering equipment installed by Austin Energy, Billed kW shall be determined by multiplying kilowatt demand during the fifteen-minute interval of greatest use by 90 percent and dividing by the indicated or recorded power factor during the interval of greatest use.

For example:

The kilowatt demand during the fifteen-minute interval of greatest monthly use	= 13.5 kW
The power factor during the fifteen-minute interval of greatest monthly use	= 86.7%
The Billed kW = 13.5 kW x 0.90 power factor / 0.867 power factor	= 14.0 kW

A customer's bill for electric service of at least 10 days under this rate schedule shall not be less than the customer charge.

For service under this rate schedule to a customer that received the group religious worship rate under the Residential Service rate schedule on June 6, 2012, Billed kW shall be the kilowatt demand during the fifteen-minute interval of greatest use during weekday days (excluding weekends) during the current billing month as indicated or recorded by metering equipment installed by Austin Energy, adjusted for power factor as described above. Such worship customer's total monthly electric bill for that account shall not exceed an amount equaling the billed kWh usage times an initial rate of $0.125 per kWh, but shall not be less than the Customer Charge. This initial rate shall be adjusted to include any increase or decrease in the Fuel, Regulatory, and Community Benefit Charge implemented after June 7, 2012.

The monthly electric bill for any Independent School District account served under this rate schedule will be discounted by an effective rate of 10%.

CITY OF AUSTIN ELECTRIC RATE SCHEDULES

SECONDARY VOLTAGE GREATER THAN OR EQUAL TO 50 kW

Application

This rate applies to electric service at a secondary voltage (less than 12,470 volts nominal line to line), for which no other specific rate is provided, to a customer whose demand for power met or exceeded 50 kW at any interval during the most recent June through September billing months, or as determined by Austin Energy if insufficient usage history is available. This rate shall apply for not less than twelve months following the last month in which the required demand level was met. If a customer has made significant changes in their connected load which prevents the customer from meeting or exceeding the minimum kW threshold of this rate schedule and these changes have been verified by Austin Energy, the twelve month requirement may be waived by Austin Energy.

Character of Service

Service under this rate schedule shall be provided pursuant to City Code Section 15-9, Utility Service Regulations, and the Utility Criteria Manual, as both may be amended from time to time, and such other rules and regulations as may be prescribed by the City of Austin. Electric service of one standard character will be delivered to one point of service on the customer's premises and measured through one meter unless at Austin Energy's sole discretion additional metering is required.

Monthly Charges

	Billing Months October Through May	Billing Months June Through September
Customer Charge	$65.00	$65.00
Electric Delivery	$4.50 Per Billed kW	$4.50 Per Billed kW
Demand Charge	$6.85 Per Billed kW	$7.85 Per Billed kW
Energy Charge	1.747 ¢ Per kWh	2.247 ¢ Per kWh
Power Supply Adjustment	See Below	See Below
Community Benefit Charge	See Community Benefit Charge Schedule	
Regulatory Charge	See Regulatory Charge Schedule	

Power Supply Adjustment – plus an adjustment for variable costs, calculated under the Power Supply Adjustment rate schedule, multiplied by the billable kWh.

Time-Of-Use Option

In lieu of the Charges above, Customers may choose the following time-of-use charges to be applied for a term of not less than twelve consecutive billing months. Customers selecting this time-of-use option shall permit Austin Energy to install all equipment necessary for time-of-use metering and permit reasonable access to all electric service facilities installed by Austin Energy for inspection, maintenance, repair, removal, or data recording purposes. Customers selecting this option are not eligible to participate in

CITY OF AUSTIN ELECTRIC RATE SCHEDULES

levelized billing. Austin Energy may administratively suspend availability of this time-of-use rate option to additional customers.

Monthly Time-Of-Use Charges

	Billing Months October Through May	Billing Months June Through September
Customer Charge	$68.25	$68.25
Electric Delivery	$4.50 Per Billed kW	$4.50 Per Billed kW
Demand Charge		
On-Peak	$0.00 Per Billed kW	$8.00 Per Billed kW
Mid-Peak	$4.00 Per Billed kW	$0.00 Per Billed kW
Energy Charge		
Off-Peak	-0.222 ¢ Per kWh	-0.222 ¢ Per kWh
Mid-Peak	3.565 ¢ Per kWh	3.565 ¢ Per kWh
On-Peak	0.000 ¢ Per kWh	6.070 ¢ Per kWh
Power Supply Adjustment	See Below	See Below
Community Benefit Charge	See Community Benefit Charge Schedule	
Regulatory Charge	See Regulatory Charge Schedule	

Power Supply Adjustment – plus an adjustment for variable costs, calculated under the Power Supply Adjustment rate schedule, multiplied by the billable kWh.

Time-Of-Use Periods

	Billing Months October Through May
Off-Peak Hours	10:00 P.M. – 6:00 A.M. Everyday
Mid-Peak Hours	6:00 A.M. – 10:00 P.M. Everyday
On-Peak Hours	None

	Billing Months June Through September
Off-Peak Hours	10:00 P.M. – 6:00 A.M. Everyday
Mid-Peak Hours	6:00 A.M. – 2:00 P.M. and 8:00 P.M. – 10:00 P.M. Monday – Friday
	6:00 A.M. – 10:00 P.M. Saturday – Sunday
On-Peak Hours	2:00 P.M. – 8:00 P.M. Monday – Friday

CITY OF AUSTIN ELECTRIC RATE SCHEDULES

GreenChoice® Option

Service under this rate schedule is eligible for application of the GreenChoice Energy Rider.

Terms And Conditions

Except as noted below, Billed kW shall be the kilowatt demand during the fifteen-minute interval of greatest use during the current billing month as indicated or recorded by metering equipment installed by Austin Energy and adjusted for power factor corrections as follows:

When power factor during the interval of greatest use is less than 90 percent as indicated or recorded by metering equipment installed by Austin Energy, Billed kW shall be determined by multiplying kilowatt demand during the fifteen-minute interval of greatest use by 90 percent and dividing by the indicated or recorded power factor during the interval of greatest use.

For example:

The kilowatt demand during the fifteen-minute interval of greatest monthly use	= 135 kW
The power factor during the fifteen-minute interval of greatest monthly use	= 86.7%
The Billed kW = 135 kW x 0.90 power factor / 0.867 power factor	= 140 kW

A customer's bill for electric service of at least 10 days under this rate schedule shall not be less than the customer charge.

For service under this rate schedule to a customer that received the group religious worship rate under the Residential Service rate schedule on June 6, 2012, Billed kW shall be the kilowatt demand during the fifteen-minute interval of greatest use during weekday days (excluding weekends) during the current billing month as indicated or recorded by metering equipment installed by Austin Energy and adjusted for power factor corrections as described above. Such worship customer's total monthly electric bill for that account shall not exceed an amount equaling the billed kWh usage times an initial rate of $0.125 per kWh, but shall not be less than the Customer Charge. This initial rate shall be adjusted to include any increase or decrease in the Fuel, Regulatory, and Community Benefit Charge implemented after June 7, 2012.

The monthly electric bill for any Independent School District account served under this rate schedule will be discounted by an effective rate of 10%.

CITY OF AUSTIN ELECTRIC RATE SCHEDULES

PRIMARY VOLTAGE LESS THAN 3 MW

Application

This rate applies to electric service at a primary voltage (12,470 to 69,000 volts nominal line to line) to any customer whose demand for power did not meet or exceed 3,000 kW at any interval during the most recent June through September billing months, or as determined by Austin Energy if insufficient usage history is available. The customer shall own, maintain, and operate all facilities and equipment on the customer's side of the point of delivery.

Character of Service

Service under this rate schedule shall be provided pursuant to City Code Section 15-9, Utility Service Regulations, and the Utility Criteria Manual, as both may be amended from time to time, and such other rules and regulations as may be prescribed by the City of Austin. Electric service of one standard character will be delivered to one point of service on the customer's premises and measured through one meter unless at Austin Energy's sole discretion additional metering is required.

Monthly Charges

	Billing Months October Through May	Billing Months June Through September
Customer Charge	$250.00	$250.00
Electric Delivery	$2.50 Per Billed kW	$2.50 Per Billed kW
Demand Charge	$9.00 Per Billed kW	$10.00 Per Billed kW
Energy Charge	0.763 ¢ Per kWh	1.263 ¢ Per kWh
Power Supply Adjustment	See Below	See Below
Community Benefit Charge	See Community Benefit Charge Schedule	
Regulatory Charge	See Regulatory Charge Schedule	

Power Supply Adjustment – plus an adjustment for variable costs, calculated under the Power Supply Adjustment rate schedule, multiplied by the billable kWh.

Time-Of-Use Option

In lieu of the Charges above, customers receiving service under this rate schedule may choose the following time-of-use charges to be applied for a term of not less than twelve consecutive billing months. Customers selecting this time-of-use option shall permit Austin Energy to install all equipment necessary for time-of-use metering and permit reasonable access to all electric service facilities installed by Austin Energy for inspection, maintenance, repair, removal, or data recording purposes. Customers selecting this option are not eligible to participate in levelized billing. Austin Energy may administratively suspend availability of this time-of-use rate option to additional customers.

CITY OF AUSTIN ELECTRIC RATE SCHEDULES

Monthly Time-Of-Use Charges

	Billing Months October Through May	Billing Months June Through September
Customer Charge	$262.50	$262.50
Electric Delivery	$2.50 Per Billed kW	$2.50 Per Billed kW
Demand Charge		
On-Peak	$0.00 Per Billed kW	$10.50 Per Billed kW
Mid-Peak	$9.10 Per Billed kW	$0.00 Per Billed kW
Energy Charge		
Off-Peak	-0.862 ¢ Per kWh	-0.862 ¢ Per kWh
Mid-Peak	2.042 ¢ Per kWh	2.042 ¢ Per kWh
On-Peak	0.000 ¢ Per kWh	3.963 ¢ Per kWh
Power Supply Adjustment	See Below	See Below
Community Benefit Charge	See Community Benefit Charge Schedule	
Regulatory Charge	See Regulatory Charge Schedule	

Power Supply Adjustment – plus an adjustment for variable costs, calculated under the Power Supply Adjustment rate schedule, multiplied by the billable kWh.

Time-Of-Use Periods

	Billing Months October Through May
Off-Peak Hours	10:00 P.M. – 6:00 A.M. Everyday
Mid-Peak Hours	6:00 A.M. – 10:00 P.M. Everyday
On-Peak Hours	None

	Billing Months June Through September
Off-Peak Hours	10:00 P.M. – 6:00 A.M. Everyday
Mid-Peak Hours	6:00 A.M. – 2:00 P.M. and 8:00 P.M. – 10:00 P.M. Monday – Friday
	6:00 A.M. – 10:00 P.M. Saturday – Sunday
On-Peak Hours	2:00 P.M. – 8:00 P.M. Monday – Friday

CITY OF AUSTIN ELECTRIC RATE SCHEDULES

GreenChoice® Option

Service under this rate schedule is eligible for application of the GreenChoice Energy Rider.

Terms And Conditions

Billed kW shall be measured as the kilowatt demand during the fifteen-minute interval of greatest use during the billing month as determined by Austin Energy's metering equipment, adjusted for power factor as follows:

When power factor during the interval of greatest use is less than 90 percent as indicated or recorded by metering equipment installed by Austin Energy, Billed kW shall be determined by multiplying kilowatt demand during the fifteen-minute interval of greatest use by 90 percent and dividing by the indicated or recorded power factor during the interval of greatest use.

For example:

The kilowatt demand during the fifteen-minute interval of greatest monthly use = 1,350 kW

The power factor during the fifteen-minute interval of greatest monthly use = 86.7%

The Billed kW = 1,350 kW x 0.90 power factor / 0.867 power factor = 1,400 kW

A customer's bill for electric service of at least 10 days under this rate schedule shall not be less than the customer charge.

The monthly electric bill for any Independent School District account served under this rate schedule will be discounted by an effective rate of 10%.

PRIMARY VOLTAGE GREATER THAN OR EQUAL TO 3 MW AND LESS THAN 20 MW

Application

This rate applies to electric service at a primary voltage (12,470 to 69,000 volts nominal line to line) to any customer whose demand for power met or exceeded 3,000 kW but was less than 20,000 kW at any interval during the most recent June through September billing months, or as determined by Austin Energy if insufficient usage history is available. This rate shall apply for not less than twelve months following the last month in which the required demand level was met. If a customer has made significant changes in their connected load which prevents the customer from meeting or exceeding the minimum kW threshold of this rate schedule and these changes have been verified by Austin Energy, the twelve month requirement may be waived by Austin Energy. The customer shall own, maintain, and operate all facilities and equipment on the customer's side of the point of delivery.

Character of Service

Service under this rate schedule shall be provided pursuant to City Code Section 15-9, Utility Service Regulations, and the Utility Criteria Manual, as both may be amended from time to time, and such other rules and regulations as may be prescribed by the City of Austin. Electric service of one standard character will be delivered to one point of service on the customer's premises and measured through one meter unless at Austin Energy's sole discretion additional metering is required.

Monthly Charges

	Billing Months October Through May	Billing Months June Through September
Customer Charge	$2,000.00	$2,000.00
Electric Delivery	$3.50 Per Billed kW	$3.50 Per Billed kW
Demand Charge	$10.25 Per Billed kW	$11.25 Per Billed kW
Energy Charge	0.765 ¢ Per kWh	1.265 ¢ Per kWh
Power Supply Adjustment	See Below	See Below
Community Benefit Charge	See Community Benefit Charge Schedule	
Regulatory Charge	See Regulatory Charge Schedule	

Power Supply Adjustment – plus an adjustment for variable costs, calculated under the Power Supply Adjustment rate schedule, multiplied by the billable kWh.

Time-Of-Use Option

In lieu of the Charges above, customers receiving service under this rate schedule may choose the following time-of-use charges to be applied for a term of not less than twelve consecutive billing months. Customers selecting this time-of-use option shall permit Austin Energy to install all equipment necessary

CITY OF AUSTIN ELECTRIC RATE SCHEDULES

for time-of-use metering and permit reasonable access to all electric service facilities installed by Austin Energy for inspection, maintenance, repair, removal, or data recording purposes. Customers selecting this option are not eligible to participate in levelized billing. Austin Energy may administratively suspend availability of this time-of-use rate option to additional customers.

Monthly Time-Of-Use Charges

	Billing Months October Through May	Billing Months June Through September
Customer Charge	$2,000.00	$2,000.00
Electric Delivery	$3.50 Per Billed kW	$3.50 Per Billed kW
Demand Charge		
On-Peak	$0.00 Per Billed kW	$12.90 Per Billed kW
Mid-Peak	$11.50 Per Billed kW	$0.00 Per Billed kW
Energy Charge		
Off-Peak	-1.211 ¢ Per kWh	-1.211 ¢ Per kWh
Mid-Peak	1.263 ¢ Per kWh	1.263 ¢ Per kWh
On-Peak	0.000 ¢ Per kWh	2.899 ¢ Per kWh
Power Supply Adjustment	See Below	See Below
Community Benefit Charge	See Community Benefit Charge Schedule	
Regulatory Charge	See Regulatory Charge Schedule	

Power Supply Adjustment – plus an adjustment for variable costs, calculated under the Power Supply Adjustment rate schedule, multiplied by the billable kWh.

Time-Of-Use Periods

	Billing Months October Through May
Off-Peak Hours	10:00 P.M. – 6:00 A.M. Everyday
Mid-Peak Hours	6:00 A.M. – 10:00 P.M. Everyday
On-Peak Hours	None

	Billing Months June Through September
Off-Peak Hours	10:00 P.M. – 6:00 A.M. Everyday
Mid-Peak Hours	6:00 A.M. – 2:00 P.M. and 8:00 P.M. – 10:00 P.M. Monday – Friday 6:00 A.M. – 10:00 P.M. Saturday – Sunday

CITY OF AUSTIN ELECTRIC RATE SCHEDULES

On-Peak Hours	2:00 P.M. – 8:00 P.M. Monday – Friday

GreenChoice® Option

Service under this rate schedule is eligible for application of the GreenChoice Energy Rider.

Terms And Conditions

Billed kW shall be measured as the kilowatt demand during the fifteen-minute interval of greatest use during the billing month as determined by Austin Energy's metering equipment, adjusted for power factor as follows:

When power factor during the interval of greatest use is less than 90 percent as indicated or recorded by metering equipment installed by Austin Energy, Billed kW shall be determined by multiplying kilowatt demand during the fifteen-minute interval of greatest use by 90 percent and dividing by the indicated or recorded power factor during the interval of greatest use.

For example:

The kilowatt demand during the fifteen-minute interval of greatest monthly use	= 10,350 kW
The power factor during the fifteen-minute interval of greatest monthly use	= 86.7%
The Billed kW = 10,350 kW x 0.90 power factor / 0.867 power factor	= 10,400 kW

A customer's bill for electric service of at least 10 days under this rate schedule shall not be less than the customer charge.

PRIMARY VOLTAGE GREATER THAN OR EQUAL TO 20 MW

Application

This rate applies to electric service at a primary voltage (12,470 to 69,000 volts nominal line to line) to a customer whose demand for power met or exceeded 20,000 kW at any interval during the most recent June through September billing months, or as determined by Austin Energy if insufficient usage history is available. This rate shall apply for not less than twelve months following the last month in which the required demand level was met. If a customer has made significant changes in their connected load which prevents the customer from meeting or exceeding the minimum kW threshold of this rate schedule and these changes have been verified by Austin Energy, the twelve month requirement may be waived by Austin Energy. The customer shall own, maintain, and operate all facilities and equipment on the customer's side of the point of delivery.

Character of Service

Service under this rate schedule shall be provided pursuant to City Code Section 15-9, Utility Service Regulations, and the Utility Criteria Manual, as both may be amended from time to time, and such other rules and regulations as may be prescribed by the City of Austin. Electric service of one standard character will be delivered to one point of service on the customer's premises and measured through one meter unless at Austin Energy's sole discretion additional metering is required.

Monthly Charges

	Billing Months October Through May	Billing Months June Through September
Customer Charge	$2,500.00	$2,500.00
Electric Delivery	$3.50 Per Billed kW	$3.50 Per Billed kW
Demand Charge	$11.00 Per Billed kW	$12.00 Per Billed kW
Energy Charge	0.529 ¢ Per kWh	1.029 ¢ Per kWh
Power Supply Adjustment	See Below	See Below
Community Benefit Charge	See Community Benefit Charge Schedule	
Regulatory Charge	See Regulatory Charge Schedule	

Power Supply Adjustment – plus an adjustment for variable costs, calculated under the Power Supply Adjustment rate schedule, multiplied by the billable kWh.

Time-Of-Use Option

In lieu of the Charges above, customers receiving service under this rate schedule may choose the following time-of-use charges to be applied for a term of not less than twelve consecutive billing months. Customers selecting this time-of-use option shall permit Austin Energy to install all equipment necessary for time-of-use metering and permit reasonable access to all electric service facilities installed by Austin

CITY OF AUSTIN ELECTRIC RATE SCHEDULES

Energy for inspection, maintenance, repair, removal, or data recording purposes. Customers selecting this option are not eligible to participate in levelized billing. Austin Energy may administratively suspend availability of this time-of-use rate option to additional customers.

Monthly Time-Of-Use Charges

	Billing Months October Through May	Billing Months June Through September
Customer Charge	$2,500.00	$2,500.00
Electric Delivery	$3.50 Per Billed kW	$3.50 Per Billed kW
Demand		
On-Peak	$0.00 Per Billed kW	$13.13 Per Billed kW
Mid-Peak	$11.73 Per Billed kW	$0.00 Per Billed kW
Energy		
Off-Peak	-0.981 ¢ Per kWh	-0.981 ¢ Per kWh
Mid-Peak	1.775 ¢ Per kWh	1.775 ¢ Per kWh
On-Peak	0.000 ¢ Per kWh	3.599 ¢ Per kWh
Power Supply Adjustment	See Below	See Below
Community Benefit Charge	See Community Benefit Charge Schedule	
Regulatory Charge	See Regulatory Charge Schedule	

Power Supply Adjustment – plus an adjustment for variable costs, calculated under the Power Supply Adjustment rate schedule, multiplied by the billable kWh.

Time-Of-Use Periods

	Billing Months October Through May
Off-Peak Hours	10:00 P.M. – 6:00 A.M. Everyday
Mid-Peak Hours	6:00 A.M. – 10:00 P.M. Everyday
On-Peak Hours	None

	Billing Months June Through September
Off-Peak Hours	10:00 P.M. – 6:00 A.M. Everyday
Mid-Peak Hours	6:00 A.M. – 2:00 P.M. and 8:00 P.M. – 10:00 P.M. Monday – Friday 6:00 A.M. – 10:00 P.M. Saturday – Sunday

CITY OF AUSTIN ELECTRIC RATE SCHEDULES

On-Peak Hours	2:00 P.M. – 8:00 P.M. Monday – Friday

GreenChoice® Option

Service under this rate schedule is eligible for application of the GreenChoice Energy Rider.

Terms And Conditions

Billed kW shall be measured as the kilowatt demand during the fifteen-minute interval of greatest use during the billing month as determined by Austin Energy's metering equipment, adjusted for power factor as follows:

When power factor during the interval of greatest use is less than 90 percent as indicated or recorded by metering equipment installed by Austin Energy, Billed kW shall be determined by multiplying kilowatt demand during the fifteen-minute interval of greatest use by 90 percent and dividing by the indicated or recorded power factor during the interval of greatest use.

For example:

The kilowatt demand during the fifteen-minute interval of greatest monthly use	= 31,000 kW
The power factor during the fifteen-minute interval of greatest monthly use	= 86.7%
The Billed kW = 31,000 kW x 0.90 power factor / 0.867 power factor	= 32,180 kW

A customer's bill for electric service of at least 10 days under this rate schedule shall not be less than the customer charge.

TRANSMISSION VOLTAGE

Application

This rate applies to electric service at a transmission voltage (69,000 volts or above nominal line to line). The customer shall own, maintain, and operate all facilities and equipment on the customer's side of the point of delivery.

Character of Service

Service under this rate schedule shall be provided pursuant to City Code Section 15-9, Utility Service Regulations, and the Utility Criteria Manual, as both may be amended from time to time, and such other rules and regulations as may be prescribed by the City of Austin. Electric service of one standard character will be delivered to one point of service on the customer's premises and measured through one meter unless at Austin Energy's sole discretion additional metering is required.

Monthly Charges

	Billing Months October Through May	Billing Months June Through September
Customer Charge	$2,500.00	$2,500.00
Demand Charge	$11.00 Per Billed kW	$12.00 Per Billed kW
Energy Charge	0.615 ¢ Per kWh	0.815 ¢ Per kWh
Power Supply Adjustment	See Below	See Below
Community Benefit Charge	See Community Benefit Charge Schedule	
Regulatory Charge	See Regulatory Charge Schedule	

Power Supply Adjustment – plus an adjustment for variable costs, calculated under the Power Supply Adjustment rate schedule, multiplied by the billable kWh.

Time-Of-Use Option

In lieu of the Charges above, customers receiving service under this rate schedule may choose the following time-of-use charges to be applied for a term of not less than twelve consecutive billing months. Customers selecting this time-of-use option shall permit Austin Energy to install all equipment necessary for time-of-use metering and permit reasonable access to all electric service facilities installed by Austin Energy for inspection, maintenance, repair, removal, or data recording purposes. Customers selecting this option are not eligible to participate in levelized billing. Austin Energy may administratively suspend availability of this time-of-use rate option to additional customers.

CITY OF AUSTIN ELECTRIC RATE SCHEDULES

Monthly Time-Of-Use Charges

	Billing Months October Through May	Billing Months June Through September
Customer Charge	$2,500.00	$2,500.00
Demand		
On-Peak	$0.00 Per Billed kW	$11.45 Per Billed kW
Mid-Peak	$10.05 Per Billed kW	$0.00 Per Billed kW
Energy		
Off-Peak	-0.974 ¢ Per kWh	-0.974 ¢ Per kWh
Mid-Peak	1.741 ¢ Per kWh	1.741 ¢ Per kWh
On-Peak	0.000 ¢ Per kWh	3.537 ¢ Per kWh
Power Supply Adjustment	See Below	See Below
Community Benefit Charge	See Community Benefit Charge Schedule	
Regulatory Charge	See Regulatory Charge Schedule	

Power Supply Adjustment – plus an adjustment for variable costs, calculated under the Power Supply Adjustment rate schedule, multiplied by the billable kWh.

Time-Of-Use Periods

	Billing Months October Through May
Off-Peak Hours	10:00 P.M. – 6:00 A.M. Everyday
Mid-Peak Hours	6:00 A.M. – 10:00 P.M. Everyday
On-Peak Hours	None

	Billing Months June Through September
Off-Peak Hours	10:00 P.M. – 6:00 A.M. Everyday
Mid-Peak Hours	6:00 A.M. – 2:00 P.M. and 8:00 P.M. – 10:00 P.M. Monday – Friday
	6:00 A.M. – 10:00 P.M. Saturday – Sunday
On-Peak Hours	2:00 P.M. – 8:00 P.M. Monday – Friday

CITY OF AUSTIN ELECTRIC RATE SCHEDULES

GreenChoice® Option

Service under this rate schedule is eligible for application of the GreenChoice Energy Rider.

Terms And Conditions

Billed kW shall be measured as the kilowatt demand during the fifteen-minute interval of greatest use during the billing month as determined by Austin Energy's metering equipment, adjusted for power factor as follows:

When power factor during the interval of greatest use is less than 90 percent as indicated or recorded by metering equipment installed by Austin Energy, Billed kW shall be determined by multiplying kilowatt demand during the fifteen-minute interval of greatest use by 90 percent and dividing by the indicated or recorded power factor during the interval of greatest use.

For example:

The kilowatt demand during the fifteen-minute interval of greatest monthly use = 31,000 kW

The power factor during the fifteen-minute interval of greatest monthly use = 86.7%

The Billed kW = 31,000 kW x 0.90 power factor / 0.867 power factor = 32,180 kW

A customer's bill for electric service of at least 10 days under this rate schedule shall not be less than the customer charge.

CITY OF AUSTIN ELECTRIC RATE SCHEDULES

THERMAL ENERGY STORAGE

Application

This rate applies to any customer who shifts from the Thermal Energy Storage period (TES period) at least the lesser of 20% of the customer's normal on-peak June through September billed demand or 1,000 kW through the use of thermal energy storage technology. The normal on-peak June through September billed demand shall be the maximum June through September billed demand recorded prior to taking service on this rate, or as may be determined by Austin Energy.

Character of Service

Service under this rate schedule shall be provided pursuant to City Code Section 15-9, Utility Service Regulations, and the Utility Criteria Manual, as both may be amended from time to time, and such other rules and regulations as may be prescribed by the City of Austin. Electric service of one standard character will be delivered to one point of service on the customer's premises and measured through one meter unless at Austin Energy's sole discretion additional metering is required.

Monthly Charges: Secondary Voltage Customers

	Billing Months October Through May	Billing Months June Through September
Customer Charge	$206.02	$206.02
Electric Delivery	$5.19 Per Billed kW	$5.19 Per Billed kW
Demand		
On-Peak	$0.00 Per Billed kW	$11.77 Per Billed kW
Mid-Peak	$10.34 Per Billed kW	$0.00 Per Billed kW
Energy		
Off-Peak	-1.38 ¢ Per kWh	-1.38 ¢ Per kWh
Mid-Peak	0.93 ¢ Per kWh	0.93 ¢ Per kWh
On-Peak	0.000 ¢ Per kWh	2.50 ¢ Per kWh
Power Supply Adjustment	See Below	See Below
Community Benefit Charge	See Community Benefit Charge Schedule	
Regulatory Charge	See Regulatory Charge Schedule	

Power Supply Adjustment – plus an adjustment for variable costs, calculated under the Power Supply Adjustment rate schedule, multiplied by the billable kWh.

CITY OF AUSTIN ELECTRIC RATE SCHEDULES

Monthly Charges: Primary Voltage Less Than 3 MW Customers

	Billing Months October Through May	Billing Months June Through September
Customer Charge	$850.21	$850.21
Electric Delivery	$2.73 Per Billed kW	$2.73 Per Billed kW
Demand		
On-Peak	$0.00 Per Billed kW	$10.23 Per Billed kW
Mid-Peak	$8.86 Per Billed kW	$0.00 Per Billed kW
Energy		
Off-Peak	-1.41 ¢ Per kWh	-1.41 ¢ Per kWh
Mid-Peak	0.87 ¢ Per kWh	0.87 ¢ Per kWh
On-Peak	0.000 ¢ Per kWh	2.33 ¢ Per kWh
Power Supply Adjustment	See Below	See Below
Community Benefit Charge	See Community Benefit Charge Schedule	
Regulatory Charge	See Regulatory Charge Schedule	

Power Supply Adjustment – plus an adjustment for variable costs, calculated under the Power Supply Adjustment rate schedule, multiplied by the billable kWh.

Time-Of-Use Periods

	Billing Months October Through May
Off-Peak Hours	10:00 P.M. – 6:00 A.M. Everyday
Mid-Peak Hours	6:00 A.M. – 10:00 P.M. Everyday
On-Peak Hours	None

	Billing Months June Through September
Off-Peak Hours	10:00 P.M. – 6:00 A.M. Everyday
Mid-Peak Hours	6:00 A.M. – 2:00 P.M. and 8:00 P.M. – 10:00 P.M. Monday – Friday
	6:00 A.M. – 10:00 P.M. Saturday – Sunday
On-Peak Hours	2:00 P.M. – 8:00 P.M. Monday – Friday

CITY OF AUSTIN ELECTRIC RATE SCHEDULES

Thermal Energy Storage (TES) Periods

	Billing Months October Through May
TES Off-Peak Hours	All
TES On-Peak Hours	None

	Billing Months June Through September
TES Off-Peak Hours	6:30 p.m. to 3:30 p.m. Monday through Friday, all day Saturday, Sunday, Independence Day, and Labor Day
TES On-Peak Hours	3:30 p.m. to 6:30 p.m. Monday through Friday

GreenChoice® Option

Service under this rate schedule is eligible for application of the GreenChoice Energy Rider.

Terms And Conditions

Billed kW for the Electric Delivery and Regulatory Charges shall be measured as the kilowatt demand during the fifteen-minute interval of greatest use during the billing month as determined by Austin Energy's metering equipment, adjusted for power factor as set forth below.

Billed kW for the Demand Charge shall be calculated as follows, and shall be adjusted for power factor as set forth below:

> For the June through September billing months, the billed kW shall be the highest 15-minute demand recorded during the TES on-peak period. The June through September billed kW shall not be less than 50% of the normal on-peak June through September billed kW. If more than 50% of the customer's load is attributable to cooling, the 50% floor will be waived.
>
> For the October through May billing months, the billed kW shall be the highest 15-minute demand recorded during the Mid-Peak period of the month, or 90% of the June through September billed kW set in the previous June through September billing months, whichever is less.

When power factor during the interval of greatest use is less than 90 percent as indicated or recorded by metering equipment installed by Austin Energy, billed kW shall be determined by multiplying kW demand during the 15-minute interval of greatest use during the appropriate time period by 90 percent and dividing by the indicated or recorded power factor during the interval of greatest use.

CITY OF AUSTIN ELECTRIC RATE SCHEDULES

For example:

The kilowatt demand during the 15-minute interval of greatest monthly use	= 1,000 kW
The power factor during the 15-minute interval of greatest monthly use	= 86.7%
The billed kW = 1,000 kW x (0.90 power factor / 0.867 power factor)	= 1,380 kW

The customer shall enter into a separate agreement with Austin Energy for this rate.

The customer shall continue to be served under the terms and conditions of, and shall continue to comply with, all rules and regulations of Austin Energy as amended from time to time during the term of this agreement. The customer shall permit Austin Energy to install all equipment necessary for time-of-use metering and to permit reasonable access to all service facilities installed by Austin Energy for inspection, maintenance, repair, removal, or data recording purposes.

The TES on-peak period load shall be shifted, not eliminated or replaced by alternative fuels.

DISTRIBUTED GENERATION FROM RENEWABLE SOURCES RIDER

Application

This Rider is available to any non-residential customer who owns and operates an on-site generating system powered by a renewable resource with a capacity of not more than 20 kW that is interconnected with Austin Energy's electric system. A renewable energy technology is any technology that exclusively relies on an energy source that is naturally regenerated over a short time and derived directly from the sun, indirectly from the sun, or from moving water or other natural movements and mechanisms of the environment. Renewable energy technologies include those that rely on energy derived directly from the sun, on wind, geothermal, hydroelectric, wave, or tidal energy, or on biomass or biomass-based waste products, including landfill gas. A renewable energy technology does not rely on energy resources derived from fossil fuels, waste products from fossil fuels, or waste products from inorganic sources.

Conditions of Service

All charges, character of service, and terms and conditions of the rate schedule under which the customer receives service apply except as expressly altered by this rider. The customer shall comply with applicable Austin Energy interconnection requirements, including submittal of any required interconnection application and signed agreement. The customer is responsible for the costs of interconnecting with Austin Energy's electric system, including transformers, service lines, or other equipment determined necessary by Austin Energy for safe installation and operation of the customer's equipment. The customer is responsible for any costs associated with required inspections and permits.

Metering

Metering under this rider shall be by a single meter capable of registering the flow of electricity in both directions to determine the customer's net energy flow.

Net Energy

The customer's billed kWh shall be the customer's monthly net energy (kWh) use, which is the energy delivered by Austin Energy to the customer less any energy delivered from the customer's system to the Austin Energy distribution system during the billing month. If in any billing month the customer's monthly net energy use is negative, the customer's electric bill shall be credited as follows:

> If the Power Supply Adjustment applies, the monthly credit equals the monthly net energy times the Power Supply Adjustment (¢/kWh).
>
> If the GreenChoice Energy Rider applies, the monthly credit equals the monthly net energy times the Green Power Charge (¢/kWh).
>
> If the Fuel Adjustment Clause applies, the monthly credit equals the monthly net energy times the Fuel Rate (¢/kWh).

Any charges not collected on a kWh basis are not altered by this calculation. Any credit shall be applied to the customer's bill for electric service. Any credit in excess of the customer's total charges for electric

service, excluding the customer charge, shall be carried forward and applied to the customer's next electric bill.

LIGHTING

Customer-Owned, Non-Metered Lighting

Application

This rate applies to non-metered electric service to the Texas Department of Transportation for sign lighting and safety illumination at various locations in the Austin Energy service area.

Character of Service

Service under this rate schedule shall be provided pursuant to City Code Section 15-9, Utility Service Regulations, and the Utility Criteria Manual, as both may be amended from time to time, and such other rules and regulations as may be prescribed by the City of Austin.

Monthly Charges

	Billing Months October Through May	Billing Months June Through September
Energy Charge	2.604 ¢ Per kWh	2.604 ¢ Per kWh
Power Supply Adjustment	See Below	See Below
Community Benefit Charge	See Community Benefit Charge Schedule	
Regulatory Charge	See Regulatory Charge Schedule	

Power Supply Adjustment – plus an adjustment for variable costs, calculated under the Power Supply Adjustment rate schedule, multiplied by the billable kWh.

Customer-Owned, Metered Lighting

Application

This rate applies to electric service to metered athletic field accounts whose connected load is more than 85% attributable to lighting as verified by Austin Energy. The monthly electric bill for any Independent School District account served under this rate schedule will be discounted by an effective rate of 10%.

Character of Service

Service under this rate schedule shall be provided pursuant to City Code Section 15-9, Utility Service Regulations, and the Utility Criteria Manual, as both may be amended from time to time, and such other rules and regulations as may be prescribed by the City of Austin. Electric service of one standard character will be delivered to one point of service on the customer's premises and measured through one meter unless at Austin Energy's sole discretion additional metering is required.

CITY OF AUSTIN ELECTRIC RATE SCHEDULES

Monthly Charges

	Billing Months October Through May	Billing Months June Through September
Customer Charge	$15.00 Per Month	$15.00 Per Month
Energy Charge	5.483 ¢ Per kWh	6.983 ¢ Per kWh
Power Supply Adjustment	See Below	See Below
Community Benefit Charge	See Community Benefit Charge Schedule	
Regulatory Charge	See Regulatory Charge Schedule	

Power Supply Adjustment – plus an adjustment for variable costs, calculated under the Power Supply Adjustment rate schedule, multiplied by the billable kWh.

A customer's bill for electric service of at least 10 days under this rate schedule shall not be less than the customer charge.

City of Austin - Owned Outdoor Lighting

Application

This rate applies to electric service to non-metered outdoor lighting owned and operated by the City of Austin other than Service Area Lighting.

Character of Service

Service under this rate schedule shall be provided pursuant to City Code Section 15-9, Utility Service Regulations, and the Utility Criteria Manual, as both may be amended from time to time, and such other rules and regulations as may be prescribed by the City of Austin.

Monthly Charges

	Billing Months October Through May	Billing Months June Through September
Fixture Charge		
100 Watt High Pressure Sodium	$7.03 Per Fixture	$7.03 Per Fixture
175 Watt Mercury Vapor	$12.05 Per Fixture	$12.05 Per Fixture
250 Watt High Pressure Sodium	$18.07 Per Fixture	$18.07 Per Fixture
400 Watt Mercury Vapor	$28.12 Per Fixture	$28.12 Per Fixture
Power Supply Adjustment	See Below	See Below

CITY OF AUSTIN ELECTRIC RATE SCHEDULES

Power Supply Adjustment – plus an adjustment for variable costs, calculated under the Power Supply Adjustment rate schedule, multiplied by the billable kWh.

Service Area Lighting

Application

This rate applies to electric service for illumination and the operation of traffic signals on all public streets, highways, and expressways or thoroughfares (other than non-metered lighting maintained by the Texas Department of Transportation) within the Austin Energy service area. Revenues received through the Service Area Lighting component of the Community Benefit Charge are applied to offset these charges.

Charges

	Billing Months October Through May	Billing Months June Through September
Energy Charge	23.219 ¢ Per kWh	23.219 ¢ Per kWh
Regulatory Charge	See Regulatory Charge Schedule	

GREENCHOICE ENERGY RIDER

Application

The charges set forth in this rider apply to those customers who choose to participate in City of Austin's GreenChoice® program. By subscribing to the GreenChoice program, participants will assist City of Austin in adding renewable energy resources by paying a Green Power Charge as provided by this rider. The Green Power Charges for Batches 3, 4, and 5 apply to those customers who have existing subscriptions or contracts for those Batches. The Batch-6 Green Power Charge applies to those customers who subscribe to the GreenChoice program after January 1, 2009.

GreenChoice participants pay a Green Power Charge, rather than the normal Fuel Adjustment Factor or Power Supply Adjustment, on that portion of their monthly energy use that is designated as GreenChoice energy. Subscriptions to GreenChoice shall continue for the full term of this rider unless terminated sooner in accordance with the terms of this rider. Aside from the Green Power Charge, participants' usage will otherwise be priced in accordance with all applicable rate schedules and riders otherwise governing participant's electric service, including all energy rates, demand rates, and other charges and adjustments that may apply to participant's service.

Participants' subscriptions under this rider will support City of Austin's acquisition of renewable energy. This energy cannot be directed to any one particular destination on the ERCOT electric grid, including participant's premises. Participants' subscriptions may be satisfied by Renewable Energy Credits (RECs) as provided for in the Public Utility Regulatory Act. The availability of energy from the renewable sources in question may vary from time to time and is dependent upon weather conditions, force majeure, and third-party actions for which City of Austin cannot be responsible.This may produce periodic shortfalls of GreenChoice energy during the term of this rider.

Participation in the GreenChoice program is contingent upon the participant's remaining a City of Austin customer for the duration of the GreenChoice program as set forth by this rider. If participant's electric service is involuntarily terminated by City of Austin, or if participant discontinues electric service and relocates outside of the Austin Energy service area, participation in the GreenChoice program shall end immediately. If participant relocates to another premise within Austin Energy's service area, participant may cancel its participation within 15 days of the relocation. If participant chooses another electric provider after any deregulation of the Austin electric retail market, City of Austin may terminate participant's participation in this program at City of Austin's sole discretion. Participants who are terminated from the GreenChoice program or who cancel their participation shall be ineligible for further subscriptions to the program. Subscriptions are not transferable from customer to customer.

Character of Service

Each GreenChoice participant will receive electric service under the applicable rate schedule.

Residential Service and Secondary Voltage:

Batch-3 Green Power Charge:	$0.0330 per kWh
Batch-4 Green Power Charge:	$0.0350 per kWh
Batch-5 Green Power Charge:	$0.0550 per kWh

CITY OF AUSTIN ELECTRIC RATE SCHEDULES

Batch-6 Green Power Charge:	$0.0570 per kWh

With respect to residential service and secondary voltage participants, the Green Power Charge will be applied to the participant's entire monthly consumption until December 31, 2013 for Batch 3, until June 30, 2015 for Batch 4, until December 31, 2023 for Batch 5, and until December 31, 2021 for Batch 6. In order to participate in the GreenChoice program under this rider, a residential service customer or general service non-demand customer must subscribe to the program as required by City of Austin.

Primary Voltage:

Batch-3 Green Power Charge:	$0.0330 per kWh
Batch-4 Green Power Charge:	$0.0350 per kWh
Batch-5 Green Power Charge:	$0.0550 per kWh
Batch-6 Green Power Charge:	$0.0570 per kWh

All eligible customers other than residential service or secondary voltage customers must enter into a separate written agreement with City of Austin that either specifies a monthly quantity of GreenChoice energy or designates 100% of the customer's monthly energy consumption as GreenChoice usage. The resulting monthly portion of the participant's consumption will be subject to the applicable Green Power Charge for the term of the agreement, not to exceed December 31, 2013 for Batch 3 participants, June 30, 2015 for Batch 4 participants, December 31, 2023 for Batch 5 participants, and December 31, 2021 for Batch 6.

Energy Resale

Energy available from a contract supply source because of subscription agreement expiration or cancellation and allocated to earlier Batches may be resold at the current Batch rate and term for a period not to exceed the remaining term of the original supply contract.

CITY OF AUSTIN ELECTRIC RATE SCHEDULES

ELECTRIC VEHICLE PUBLIC CHARGING PILOT PROGRAM

Application

This rate applies to electric service to a customer through a public electric vehicle charging station under the Electric Vehicle Public Charging Pilot Program.

Rate

Six-month subscription:	$23.095 for unlimited charging
Non-subscription:	$1.85 per hour of charging

All other terms and conditions of the program shall be administratively determined.

POWER SUPPLY ADJUSTMENT

Application

The Power Supply Adjustment (PSA) provides for the recovery and crediting of ERCOT settlements, fuel costs, and purchased power agreement costs, and an adjustment for the over/under-recovery balance for the period preceding the adjustment of the PSA. The PSA, to the extent not recovered through the closed Fuel Adjustment Clause, comprises the following costs (PSA costs):

- ERCOT Settlements – charges and credits from ERCOT, other than the Administrative and Nodal Fees;
- Fuel Costs – costs for fuel and fuel transportation, and hedging gains and losses;
- Net Purchased Power Costs – costs and offsetting revenues associated with short and long term purchased power agreements, and costs for distributed generation production; and

The PSA shall be administratively determined by estimating the sum of all net costs that will be attributable to the PSA Costs during the twelve month period following the effective date of the PSA, and adding to that sum the positive or negative balance of any existing over- or under-recovery of PSA Costs. The PSA shall be the resulting sum divided by projected service area sales, less GreenChoice sales, for the twelve month period following the effective date of the PSA. For any particular customer, the PSA shall be adjusted by the following voltage level factors:

Secondary Voltage:	1.0049
Primary Voltage:	0.9821
Transmission Voltage:	0.9696

If, at any time, the balance of PSA costs recovered since the date of the last PSA adjustment is more than 110% of PSA costs actually incurred during such period, and such over-recovery is projected to remain above 110% after 12 months from the date of the last PSA adjustment, the PSA shall be adjusted to eliminate the over-recovery balance within the next 12 months.

If, at any time, the balance of PSA costs recovered since the date of the last PSA adjustment is less than 90% of PSA costs actually incurred, and such under-recovery is projected to remain less than 90% after 12 months from the date of the last PSA adjustment, the PSA may be adjusted to eliminate the under-recovery balance within the next 12 months.

At least once each year, the City Manager will publicly present a report to the City Council that provides the underlying calculations for the PSA by customer class. These calculations will break out fuel costs, ERCOT charges and credits, including ancillary service sales, and purchased power costs and revenues, including bilateral sales. They will also show the extent of over- or under-recovery of PSA costs for the previous twelve months.

Within 30 days of any adjustment of the PSA to eliminate over- or under-recovery of costs, the City Manager will publicly present a report to the City Council that provides the underlying calculations for the PSA both pre- and post-adjustment by customer class.

CITY OF AUSTIN ELECTRIC RATE SCHEDULES

COMMUNITY BENEFIT CHARGE

Application:

The Community Benefit Charge recovers certain costs incurred by the utility as a benefit to Austin Energy's service area customers and the greater community. This charge shall be determined through the City budget process, and includes three specific programs and services provided to customers throughout Austin Energy's service area. Service Area Lighting (SAL) recovers the cost of street lighting (other than lighting maintained by TxDOT) and the operation of traffic signals throughout the entire Austin Energy service area. Energy Efficiency Services (EES) recovers the cost of energy efficiency rebates and related costs, solar rebates, and the Green Building program offered by Austin Energy throughout its service area.

The Customer Assistance Program (CAP) funds programs to help qualifying low-income and other disadvantaged residential customers, including bill discounts, payment assistance, and free weatherization services. The Customer Assistance Program is available to residential customers receiving assistance from Medicaid, the Supplemental Nutritional Assistance Program (SNAP), the Children's Health Insurance Program (CHIP), and the Telephone Lifeline Program. Medicaid and SNAP recipients will be given priority for program funding, followed by CHIP and then Telephone Lifeline recipients. Customers enrolled in the CAP are exempt from the monthly Customer Charge and the CAP component of the Community Benefit Charge, shall receive a minimum 10 percent discount on kilowatt-hour-based charges, and are eligible for additional bill-payment assistance and weatherization assistance. Eligible residential customers will be matched for automatic enrollment through a third-party, though self-enrollment will be available directly through Austin Energy. Funding for the CAP shall be made available at the level of revenues collected through the CAP component of the Community Benefit Charge, including unexpended but re-appropriated funds. Information regarding the CAP shall be made available quarterly, including the number of residential customers enrolled automatically and through self-enrollment, the total and average amount of benefits provided, and the number of residential customers referred to the low-income weatherization program. With Council approval funds unspent at the end of a fiscal year shall be rolled over to the next fiscal year's budget for the CAP and low-income weatherization programs.

Customer Class	SAL (¢/kwh)	EES (¢/kwh)	CAP (¢/kwh)	**Community Benefit Charge**
Residential	0.093	0.289	0.172	0.554 ¢ Per kWh
Secondary Voltage < 10 kW	0.096	0.300	0.065	0.461 ¢ Per kWh
Secondary Voltage ≥ 10 kW < 50 kW	0.076	0.238	0.065	0.379 ¢ Per kWh
Secondary Voltage ≥ 50 kW	0.068	0.213	0.065	0.346 ¢ Per kWh
Primary Voltage < 3 MW	0.058	0.182	0.065	0.305 ¢ Per kWh
Primary Voltage ≥ 3 MW < 20 MW	0.054	0.169	0.065	0.288 ¢ Per kWh
Primary Voltage ≥ 20 MW	0.051	0.158	0.065	0.274 ¢ Per kWh
Transmission Voltage	0.045	0.141	0.065	0.251 ¢ Per kWh
Thermal Energy Storage – Secondary	0.068	0.213	0.065	0.346 ¢ Per kWh
Thermal Energy Storage – Primary	0.058	0.182	0.065	0.305 ¢ Per kWh
Customer-Owned, Non-Metered Lighting	0.048	-	0.065	0.113 ¢ Per kWh
Customer-Owned, Metered Lighting	0.081	-	0.065	0.146 ¢ Per kWh

CITY OF AUSTIN ELECTRIC RATE SCHEDULES

REGULATORY CHARGE

Application

The Regulatory Charge recovers the following costs, excluding any costs recovered through the closed Fuel Adjustment Clause:

ERCOT transmission service charges;
NERC/TRE regulatory fees and penalties;
The ERCOT Nodal and Administrative Fees; and
Other material regulatory fees or penalties specific to the electric industry.

Changes to the Regulatory Charge shall be determined after notice and public hearing under City Code Section 2-5-45.

Customer Class	Current Charge
Residential	0.728 ¢ Per kWh
Secondary Voltage < 10 kW	0.711 ¢ Per kWh
Secondary Voltage ≥ 10 kW < 50 kW	$ 2.47 Per kW
Secondary Voltage ≥ 50 kW	$ 2.59 Per kW
Primary Voltage < 3 MW	$ 2.28 Per kW
Primary Voltage ≥ 3 MW < 20 MW	$ 2.92 Per kW
Primary Voltage ≥ 20 MW	$ 2.91 Per kW
Transmission Voltage	$ 2.48 Per kW
Thermal Energy Storage – Secondary	$ 2.59 Per kW
Thermal Energy Storage – Primary	$ 2.28 Per kW
Customer-Owned, Non-Metered Lighting	0.094 ¢ Per kWh
Customer-Owned, Metered Lighting	0.316 ¢ Per kWh
Service Area Street And Traffic Lighting	0.092 ¢ Per kWh

CITY OF AUSTIN ELECTRIC RATE SCHEDULES

STANDBY CAPACITY (CLOSED)

THIS RATE SCHEDULE IS CLOSED TO NEW CUSTOMERS. This rate applies to a customer who received service under this rate schedule on June 7, 2012 under a contract with Austin Energy.

Character of Service

Service under this rate schedule shall be provided pursuant to City Code Section 15-9, Utility Service Regulations, and the Utility Criteria Manual, as both may be amended from time to time, and such other rules and regulations as may be prescribed by the City of Austin. Electric service of one standard character will be delivered to one point of service on the customer's premises and measured through one meter.

Monthly Standby Capacity Rate:

$2.62 per kilowatt of Primary Voltage Standby Capacity
$2.23 per kilowatt of Primary Voltage Standby Capacity – State of Texas accounts
$2.41 per kilowatt of Transmission Voltage Standby Capacity
$1.93 per kilowatt of Transmission Voltage Standby Capacity – State of Texas accounts

Standby Capacity:

The Standby Capacity will be equivalent to the maximum demand of the load to be served by Austin Energy during a scheduled or unscheduled outage of the customer's power production facilities or as stipulated in the contract between Austin Energy and the customer.

Minimum Bill:

Customer will be assessed a monthly Minimum Bill equal to the Standby Capacity Rate times the Standby Capacity.

LARGE PRIMARY SERVICE SPECIAL CONTRACT RIDER II (CLOSED)

Definitions

FULL REQUIREMENTS service means full and exclusive generation, transmission, and distribution, (i.e., "bundled") service as presently supplied by City of Austin (sometimes referred to as City) to customer; provided, however, that the customer may self-generate up to 500 kW of its requirements from customer-owned, on site renewable energy technology, subject to the terms and condition of Austin Energy's Distributed generation from Renewable Sources Rider.

Application

THIS RIDER IS CLOSED TO NEW CUSTOMERS. This rate applies to a customer that executed a separate contract for this service on or after October 9, 2006, in form and substance acceptable to Austin Energy, but before May 24, 2012. This rate is unavailable to customers that did not execute a contract for this service before May 24, 2012. The contract requires the customer to remain a full requirements customer of Austin Energy through May 31, 2015, on which date customer's contract and the terms of this rider shall terminate; provided, however, that if Austin Energy subsequently adopts a rate schedule that provides more favorable rates, terms, or conditions than provided by this rider and which describes a customer class for which customer's large primary service accounts qualify, customer may terminate its contract and receive service pursuant to such subsequent rate schedule. Austin Energy enters and executes the contract and assumes its obligation in its proprietary capacity as the owner and operator of a utility enterprise increasingly in competition with other power suppliers for the attraction and retention of industrial loads, and in order to induce customer to remain a customer of Austin Energy.

The Rider TOU – Thermal Energy Storage and the Optional Time-of-Use Rate may be attached to this rate.

Character of Service

Service under this rate schedule shall be provided pursuant to City Code Section 15-9, Utility Service Regulations, and the Utility Criteria Manual, as both may be amended from time to time, and such other rules and regulations as may be prescribed by the City of Austin. Electric service of one standard character will be delivered to one point on the customer's premises and measured through one meter.

Charges

	Billing Months May Through October	Billing Months November Through April
Demand Charge	$12.54 Per Billed kW	$11.40 Per Billed kW
Energy Charge	1.110 ¢ Per kWh	1.110 ¢ Per kWh

Fuel Adjustment Clause (FAC) – plus an adjustment for variable costs, calculated according to the Fuel Adjustment Clause Rate schedule, multiplied by all kWh.

CITY OF AUSTIN ELECTRIC RATE SCHEDULES

Minimum Bill:

Customer will be assessed a monthly Minimum Bill of $12.00 if the above calculations result in a charge of less than $12.00.

Billing Demand:

The kilowatt demand during the fifteen-minute interval of greatest use during the current billing month as indicated or recorded by metering equipment installed by Austin Energy. When customer's power factor during the interval of greatest use is less than 85 percent, Billing Demand shall be determined by multiplying the indicated demand by 85 percent and dividing by the lower peak power factor; provided, however, the power factor adjustment specified in this paragraph shall be superseded by any subsequent rate schedule or ordinance governing power factor that may be enacted or amended by the City of Austin from time to time.

Optional Time-Of-Use Rate:

At the option of the customer, a separate agreement may be entered into between Austin Energy and the customer for a time-of-use incentive rate. The customer shall permit Austin Energy to install all equipment necessary for time-of-use metering and to permit reasonable access to all electric service facilities installed by Austin Energy for inspection, maintenance, repair, removal, or data recording purposes.

	Billing Months May Through October	**Billing Months November Through April**
Demand Charge	$12.54 Per Billed kW	$11.40 Per Billed kW
Energy Charge		
Off-Peak	0.560 ¢ Per kWh	(0.290) ¢ Per kWh
On-peak	2.410 ¢ Per kWh	1.710 ¢ Per kWh

Billing demand will be based on the fifteen-minute interval of greatest use during an On-Peak period for the current billing month. All other adjustments will be included as described above (See Billing Demand).

Fuel Adjustment Clause (FAC) – plus an adjustment for variable costs, calculated according to the Fuel Adjustment Clause Rate schedule, multiplied by all kWh.

On-Peak: 1:00 p.m. to 9:00 p.m., Monday through Friday; May 1 through October 31. 8:00 a.m. to 10:00 p.m., Monday through Sunday; November 1 through April 30.

Off-Peak: 9:00 p.m. to 1:00 p.m., Monday through Friday; all day Saturday, Sunday, Memorial Day, Independence Day, and Labor Day; May 1 through October 31. 10:00 p.m. to 8:00 a.m., Monday through Sunday; November 1 through April 30.

Terms and Conditions:

CITY OF AUSTIN ELECTRIC RATE SCHEDULES

The special contract rate is effective through May 31, 2015.

Notwithstanding any provision of this rate schedule, neither customer nor Austin Energy shall be precluded from challenging the legal validity of any statute, regulations or other provisions of the law.

This Special Contract Rider shall be extended to all of a qualifying customer's accounts having a maximum demand of at least 500 kW.

Upon request, customers receiving service under this Special Contract Rider will be provided dual feed service with reserve capacity and maintenance under the long term contract provisions of the Special Contract Rider, except that the customer will be responsible for the initial assessment fee, customer requested changes to the initial assessment, and facilities design and construction costs, as established in the fee schedule. Dual feed service with reserve capacity is electric service provided to the customer's premises(s) through two (or more) independent distribution feeders, with one feeder in normal service and the other in back-up service. Capacity is reserved for the second feeder, and is placed into service upon an outage of the primary feeder.

If it is determined at any time by Austin Energy that the customer violated the provisions of this rate schedule or the contract implementing the rate schedule, then the customer will be immediately billed on the otherwise applicable rate schedule from the date service was first commenced under this rate schedule. The difference, plus interest at one percent (1%) per month, or the maximum allowable legal interest rate, whichever is less, from the date service was first commenced under this rate schedule, shall immediately become due by customer to Austin Energy.

The contract executed under this rate schedule shall address the rights of Austin Energy and the customer relating to the transfer or assignment of rights under this rate schedule.

LARGE PRIMARY SERVICE SPECIAL CONTRACT INDUSTRIAL RIDER (CLOSED)

Application

THIS RIDER IS CLOSED TO NEW CUSTOMERS. This rate applies to electric service to any customer that qualifies for service and executed a contract under the Large Primary Service – Special Contract Rider I or II and thereafter has (1) reached a billing demand of at least 25,000 kilowatts during any two months within the previous six months, (2) maintained an average load factor of at least 85% during the previous six months and (3) received service under this rider before May 24, 2012. This rate is unavailable to customers that did not receive service under this rider before May 24, 2012. Any action by the customer resulting in measurable reduction in peak demand or energy use may be taken into account by Austin Energy, in its sole discretion, when applying the demand and load factor requirements of this tariff. Austin Energy will also take into account up to 20 kilowatts of power generated by customer-owned, on-site renewable energy technology in accordance with the Distributed Generation from Renewable Sources Rider, when applying the demand requirement of this tariff.

The customer shall continue to receive service under the Large Primary Service – Special Contract Rider I or II rate schedule, as applicable, and comply with terms of its Large Primary Service Special Contract; provided, that customer at its option shall receive the energy and billing demand rates specified by this Rider for accounts which meet criteria (1) and (2) above, so long as this Rider remains in effect.
The Rider TOU – Thermal Energy Storage and the Optional Time-of-Use Rate may be attached to this rate.

Charges

	Billing Months May Through October	Billing Months November Through April
Demand Charge	$12.23 Per Billed kW	$11.12 Per Billed kW
Energy Charge	1.080 ¢ Per kWh	1.080 ¢ Per kWh

Fuel Adjustment Clause (FAC) – plus an adjustment for variable costs, calculated according to the Fuel Adjustment Clause Rate schedule, multiplied by all kWh.

Optional Time-Of-Use Rate:

	Billing Months May Through October	Billing Months November Through April
Customer Charge	$0.00 Per Month	$0.00 Per Month
Electric Delivery	$0.00 Per Billed kW	$0.00 Per Billed kW
Demand Charge	$12.23 Per Billed kW	$11.12 Per Billed kW
Energy Charge		

CITY OF AUSTIN ELECTRIC RATE SCHEDULES

Off-Peak	0.550 ¢ Per kWh	(0.300) ¢ Per kWh
On-Peak	2.350 ¢ Per kWh	1.67 ¢ Per kWh

Billing demand will be based on the fifteen-minute interval of greatest use during an On-Peak period for the current billing month. All other adjustments will be included as described above (See Billing Demand).

Fuel Adjustment Clause (FAC) – plus an adjustment for variable costs, calculated according to the Fuel Adjustment Clause Rate schedule, multiplied by all kWh.

On-Peak: 1:00 p.m. to 9:00 p.m., Monday through Friday; May 1 through October 31. 8:00 a.m. to 10:00 p.m., Monday through Sunday; November 1 through April 30.

Off-Peak: 9:00 p.m. to 1:00 p.m., Monday through Friday; all day Saturday, Sunday, Memorial Day, Independence Day, and Labor Day; May 1 through October 31. 10:00 p.m. to 8:00 a.m., Monday through Sunday; November 1 through April 30.

CITY OF AUSTIN ELECTRIC RATE SCHEDULES

FUEL ADJUSTMENT CLAUSE (CLOSED)

Application

This clause applies to customers receiving service under the Large Primary Service – Special Contract Rider II or Large Primary Special Service – Industrial Rider.

Fuel Rate:

The Fuel Rate is expressed by the following formula:

$$\text{Fuel Rate} = \frac{F + I}{S} + \frac{(E + T) - A}{S}$$

In the Fuel Rate Formula:

F is the estimated cost of fuels and related expenses, including refunds and the cost of purchased power for the twelve (12) month period used to calculate the FAC year for service-area sales.

I is 1) the estimated fees and charges from the Electric Reliability Council of Texas (ERCOT) Independent System Operator (ISO) incurred by Austin Energy when providing energy and capacity needed to meet its service-area obligations for the twelve (120 month period used to calculate the FAC and 2) the estimated cost of the ERCOT ISO Administrative Fee for the 12 month period used to calculate the FAC.

S is the estimated service-area sales of kWh for the twelve (12) month period used to calculate the FAC.

E is the actual cost of fuels and related expenses, including refunds and the cost of purchased power, less any fuel costs for off system sales of energy for the latest twelve (12) month period of data available.

T is 1) the actual fees and charges from ERCOT ISO incurred by Austin Energy when providing energy and capacity needed to meet its service-area obligations and 2) the actual Administrative Fee for the latest twelve (12) month period of data available.

A is the actual cost recovered from service-area sales for the latest twelve (12) month period of data available.

The fuel rate shall be effective January 1st, unless adjusted for over- or under-recovery.

If, at any time, there is more than a ten percent over-recovery from the total projected fuel and purchased power costs for the twelve month period used to calculate those costs, Austin Energy shall initiate a review of the FAC to project whether the over-recovery will be within ten percent for the remaining months of the twelve month period used to calculate those costs. If the review indicates an over-recovery of more than ten percent of the remainder of the period, Austin Energy shall adjust the FAC for the next twelve months to eliminate over-recovery.

If, at any time, there is more than a ten percent projected under-recovery from the total projected fuel and purchased power costs for the twelve month period used to calculate those costs, Austin Energy will

CITY OF AUSTIN ELECTRIC RATE SCHEDULES

initiate a review of the FAC to project whether the under-recovery will be within ten percent for the remaining months of the twelve month period used to calculate those costs. If the review indicates an under-recovery of more than ten percent for the remainder of the period, Austin Energy may adjust the FAC for the next twelve to eliminate under-recovery.

Calculation:

The Fuel Rate will be multiplied by the following voltage level adjustment factors:

Secondary Multiplier:	1.004854
Primary Multiplier:	0.974939
Transmission Multiplier:	0.964826

At least once each year, the City Manager will publicly present a report to the City Council that provides the underlying calculations for the Fuel Rate by customer class. These calculations will break out fuel costs, ERCOT charges and credits, including ancillary service sales, and purchased power costs and revenues, including bilateral sales. They will also show the extent of over- or under-recovery of Fuel Rate costs for the previous twelve months.

Within 30 days of any adjustment of the Fuel Rate to eliminate over- or under-recovery of costs, the City Manager will publicly present a report to the City Council that provides the underlying calculations for the Fuel Rate both pre- and post-adjustment by customer class.

CITY OF AUSTIN ELECTRIC RATE SCHEDULES

TRANSMISSION SERVICE ADJUSTMENT RIDER (CLOSED)

Application:

This clause applies to customers receiving service under the Large Primary Service – Special Contract Rider II or Large Primary Special Service – Industrial Rider.

Monthly Rate:

The customer's transmission service adjustment charge will be determined by multiplying the customer's billed kilowatt hours (kWh) or, in the case of a customer subject to a billing demand charge, the customer's billed kilowatt demand (kW), by the Transmission Service Adjustment Factor (TSAF) applicable to the customer's rate classification. The TSAF shall be calculated for each rate class using the following formula:

$$TSAF = \frac{((PSR_{cym} - PSR_{08m}) \times 4CP_{cym} \times CLS_{cym}) + OU}{B}$$

Where:

PSR_{cym} is the transmission postage stamp rate published in the Electric Reliability Council of Texas (ERCOT) wholesale transmission service charge matrix most recently approved by the Public Utility Commission of Texas pursuant to PUCT Substantive Rule 25.192.

PSR_{08m} is the 2008 matrix-year ERCOT postage stamp rate of $22.72772 per kW.

$4CP_{cym}$ is Austin Energy's average kilowatt share of the ERCOT average coincident peak demand for the months of June through September used in the calculation of the PSR_{cym}.

CLS_{cym} is the rate class's percentage load share of the $4CP_{cym}$, determined using Austin Energy's metering data.

B is the total billed kWh for the rate class, or the total billed kW for the rate class if the class is subject to a billing demand charge, for the time period used in the calculation of the PSR_{cym}.

OU is the amount of Austin Energy's over-collection or under-collection of ERCOT transmission service charges with respect to the prior wholesale transmission service charge matrix, calculated as follows:

$$OU = (TSC_{pym} - (PSR_{08m} - 4CP_{pym}) - TSR_{pym}) \times CLS_{pym}$$

Where:

TSC_{pym} is the amount of actual ERCOT transmission service charges incurred by Austin Energy since the last adjustment to the TSAF.

$4CP_{pym}$ is Austin Energy's average kilowatt share of the ERCOT average coincident peak demand for the months of June through September used in the calculation of the postage stamp rate for the prior wholesale transmission service charge matrix.

CITY OF AUSTIN ELECTRIC RATE SCHEDULES

TSR_{pym} is the amount billed by Austin Energy to all rate classes under this rider since the last adjustment to the TSAF.

CLS_{pym} is the rate class's percentage load share of the $4CP_{cym}$ determined using Austin Energy's metering data.

Until the first adjustment of the TSAF after the effective date of this rider, OU shall equal zero. The TSAF applicable to each rate class may be administratively adjusted to reflect any changes made to the annual ERCOT wholesale transmission service charge matrix.

ICA 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.

ANSWER:

A. Please see Attachment 1 for a listing of the items which make up the "community programs unspecified" on Slide 23.
B. The following table lists the programs that also receive funding by other City departments.

Program	**City Department**
Grants for Technology Operations	Telecommunications & Regulatory Affairs
Clean Air Force (AE)	Austin Transportation
Sickle Cell	Health & Human Services
Greater Austin Chamber of Commerce	Economic Development
Leadership Austin	Management Services
Austin Partners in Education	ARR, AWU, Financial Services, Management Services, PWD, and WPD

C. Community Programs are corporate sponsorships for various organizations. Austin Energy funds Community Programs as a means of providing partnership and support to community, customer and civic organizations and events. These community support programs include assisting in educational and health programs, clean air, and local economic and technology development. Some programs are directly related to the electric industry and Austin Energy's mission to deliver clean, affordable, reliable energy and excellent customer service. For example, the Austin Energy Regional Science Festival is organized and sponsored by AE. Science Fest exposes elementary through high school aged children – AE's and Austin tech companies' future work force – to advanced engineering and science challenges. Requests for funding are received through various channels, including City Council offices, City Manager's office, General Manager's office, AE's Community Outreach email address, and individual utility staff. Some requestors are long-running, recurring/budgeted sponsored programs. The budget for Community Programs is approved annually by City Council. Funding approval of individual programs is granted by the utility's General Manager or the City Manager's Office. The administrative process of funding programs is handled by Regulatory Affairs & Corporate Communications and Finance.

Prepared by: KN/DS/JV
Sponsored by: Mark Dombroski /Mark Dreyfus

Actual 2010
Austin Habitat for Humanity
City of Austin – Austin Energy
Communicard Inc.
International Hispanic Network
Soul Tree Collective Inc.
A.S.P. Enterprises Inc.
Alliance to Save Energy
American Heart Association Inc.
Greater Austin Chamber of Commerce
National Forum for Black Public Administrators
National Fuel Funds Network, Inc.
Pennwell Corporation
Progressive Arts Collective
Seedling Foundation
Texas Renewable Energy
Town Lake Trail Foundation
University of Texas at Austin

Actual 2011
City of Austin – Austin Energy
Austin Lyric Opera
Austin Revitalization Authority
University of Texas at Austin
Hispanic Chamber of Commerce
Intl Soc Arboriculture
Mat Reg Med CTR
Social Interprices, Inc.
African American Arts Technical Resource Center
American Heart Association Inc.
Austin Parks Foundation
Greater Austin Chamber of Commerce
Greater Austin Hispanic
Greater Austin Performing Arts Center Inc.
National Forum for Black Public Administrators
Nikkei Business Publications America, Inc.
Power Across Texas
Progressive Arts Collective
Regents of the University of Idaho
Soul Tree Collective, Inc.
Texas CHP Inititative
Texas Public Power Association
The Institute of Electrical and Electronics Engineering
Vasquez, John N.

Actual 2012
Communicard Inc.
Austin History Center
City of Austin – Austin Energy
Greater Austin Chamber of Commerce
Huston Tillotson University
Social Interprices, Inc.
African American Arts Technical Resource Center
American Heart Association Inc.
Keep Austin Beautiful
KUT Capital Campaign
Seedling Foundation
Texas Public Power Association
Texas Renewable Energy Industries Association
University of Texas at Austin
American Diabetes Association

Actual 2013
City of Austin – Austin Energy
Communicard Inc.
Bellas Artes Alliance
Fiestas Patrias of Austin TX Inc.
Johnny Degollado
Texas Renewable Energy Industries Association
American Diabetes Association
Austin History Center Association Inc.
Ballet Austin
CleanTX Foundation, Inc.
Greater Austin Chamber of Commerce
Greater Austin Hispanic
Greater Austin Performing Arts Center Inc.
Huston-Tillotson University
National Forum for Black Public Administrators
NLIEC Financial Offie
Seedling Foundation
Texas Center for Policy Review
Texas Nature Conservancy
Texas Public Power Association
Texas Renewable Energy Industries Association
Women in Jazz Association
Brisa Communications, LLC

Actual 2014
City of Austin – Austin Energy
Austin Partners in Education
Austin History Center

University of Texas at Austin
American Diabetes Association
Asian American Resource Center
Austin Community Foundation for the Capital Area
Austin Independent School District
Ballet Austin
CleanTX Foundation, Inc.
COTA Racing & Entertainment LLC
Family Eldercare, Inc.
Greater Austin Asian Chamber of Commerce
Greater Austin Chamber of Commerce
Greater Austin Performing Arts Center Inc.
Hispanic Chamber of Commerce of Austin
Huston-Tillotson University
Large Public Power Council
Mexic-Arte Museum
National Forum for Black Public Administrators
Seedling Foundation
Solar Car Challenge Foundation
Telefutura Television Group, Inc.
Texas Public Power Association
Texas Renewable Energy Industries Association
Utility Arborist Association Inc.
W Austin
Women in Jazz Association
Young Men's Business League

Actual 2015
City of Austin
City of Austin – Austin Energy
American Diabetes Association
Austin Branch NAACP
ausTIN CANs Supporters
Austin Community Foundation for the Capital Area
Austin History Center Association Inc.
Austin Partners in Education
Ballet Austin
Community Key, Inc.
Energy Storage Association
Greater Austin Chamber of Commerce
Greater Austin Performing Arts Center Inc.
Hispanic Chamber of Commerce of Austin
Huston-Tillotson University
Leadership Austin
Links Foundation Inc.
Power Across Texas

Seedling Foundation
SXSW LLC
Texas Public Power Association
Texas Renewable Energy Industries Association
The South Central Partnership for Energy Efficiency
University of Texas at Austin
Zpryme Research & Consulting, LLC

ICA 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.

ANSWER:

A. Please see the Tariff Package on pages 6-45 to 6-47 for Austin Energy's complete discussion about a multi-year rate change for all customer classes.

Austin Energy's cost of service study indicates that the Residential class is more than $53 million below its class cost of service. By proposing rates for the first year only, Austin Energy has established its best recommendation for distributing the $17.5 million of additional revenues and for making structural changes to the underlying fundamentals of the rate design. Given the complexity of the variables and the multitude of policy levers available for the City Council's use in its final rate setting, Austin Energy recognizes that in this proceeding, customers and stakeholders may advocate for addressing a multi-year, stepped plan for moving customer classes to cost of service. Austin Energy believes that a collaborative dialogue on this subject is in the best interest of the community and may lead to recommendations for Council action for years two and beyond.

B. The City Council can adopt changes to the residential rates, the customer charge and rate design at any time, including prior to the filing of a new rate case. One option for Council action in this proceeding would be to adopt a plan that implements rate adjustments over a number of years. Whether the City Council chooses to follow a multi-year plan based on the 2015 cost of service study that emphasizes gradualism or chooses to require Austin Energy to file a new rate case is at the discretion of the City Council. The process for adopting those changes would be developed and directed by Council.

Prepared by: BE
Sponsored by: Mark Dreyfus

ICA 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.

ANSWER:

A. In this sentence, "additional charges" simply refers to any change in rates that would increase the amount of revenue collected from the Residential class as opposed to the revenue neutral changes Austin Energy is proposing in the adjustments to the tiered rates. There are myriad different potential changes that the City Council could adopt, including increased customer charge or higher overall energy charges. However, Austin Energy has not recommended any changes in this Tariff Package.
B. No additional charges have been recommended in the Tariff Package.

Prepared by: BE
Sponsored by: Mark Dreyfus

ICA 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)

ANSWER:

Please see Austin Energy's Response to ICA RFI No. 2-8. Austin Energy's 2015 cost of service study determined that the Residential class is more than $53 million below its class cost of service. Austin Energy believes that in fairness to all customer classes some amount of adjustment will be required to bring the Residential class closer to its cost of service. How close, how quickly, and by what mechanisms are all policy levers available to the City Council and could be determined in this rate review process or under a different process at the discretion of the City Council.

Prepared by: BE
Sponsored by: Mark Dreyfus

ICA 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.

ANSWER:

See AE's Response to NXP/Samsung RFI No. 1-23.

Prepared by: JO
Sponsored by: Mark Dombroski

ICA 2-12 Referring to Figure 6.11, do the charts refer to customers inside the city, outside of the city customers, or an average?

ANSWER:

Figure 6.11 shows actual Inside City customer account usage within the test year for six different types of representative residential customers.

Prepared by: CM
Sponsored by: Mark Dombroski

ICA 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.

ANSWER:

The bill frequency data for both residential and CAP customers broken down by inside and outside city limits can be found within the 'AE RFP' model under the following sheet names:

- WP H-3.1.1
- WP H-3.1.1.1
- WP H-3.1.2
- WP H-3.1.2.1

Prepared by: CM
Sponsored by: Mark Dombroski

ICA 2-14 Explain the rationale for using a three tier residential rate structure for customers outside of the city and 5 tiers inside?

ANSWER:

A three tier structure for residential customers outside of the City was adopted as one element of a comprehensive settlement reached in PUC Docket No. 40627. Austin Energy is proposing to maintain the three tier residential rate structure for customers located outside the City in keeping with the spirit of the settlement reached in that proceeding. See Tariff Package, p. 14 and 20.

Prepared by: BE
Sponsored by: Mark Dreyfus

ICA 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?

ANSWER:

A. The current criterion for use of the fund is provided in AE's financial policy #16. Austin Energy recommends that any funds remaining after closing the Emergency Reserve, after fully funding the Contingency Reserve, should be deposited into the Power Supply Stabilization Reserve. Further, Austin Energy recommends that the Power Supply Stabilization Reserve be funded going forward from net credit balances remaining in the Power Supply Adjustment over or under account balance upon the annual PSA revaluing, rather than included as a credit in the calculation of the subsequent PSA. This recommended funding process ties the funding source to the use of funds. Austin Energy recommends that the Power Supply Stabilization Reserve maintain a cash balance between 90 and 120 days of Net Power Supply.
B. Not applicable.
C. Yes.
D. No.
E. The revenue requirement contained in the Tariff Package was derived using existing financial policy (i.e. 90 days cash on hand). If City Council chooses to adopt Austin Energy's recommendations to change the reserve policies, Austin Energy recommends that the Power Supply Stabilization Reserve maintain a cash balance between 90 and 120 days of Net Power Supply expenses. Please see Bates stamp 471-476 of Austin Energy's Tariff Package.
F. No, customers will receive credits, subject to funding in the Rate Stabilization Fund. 120 days would be an established target and actual funding available is dependent on actual power expenses, actual customer

load and timing of actual PSA changes. Overages in the Rate Stabilization Fund would be included as a credit to the PSA.

Prepared by: RM
Sponsored by: Mark Dombroski

ICA 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.

ANSWER:

The table below lists the utilities whose prepaid programs Austin Energy researched.

Survey of Utility Prepay Programs by Services Included				
Utility	**Electric**	**Sewer**	**Water**	**Gas**
Jacksonville Electric Authority (JEA)	Yes	Yes	Yes	not applicable
Memphis, Light, Gas & Water (MLGW)	Yes	Yes	Yes	Yes
Orlando Utilities Commission (OUC)	Yes	Yes	Yes	not applicable
Denton Municipal Electric	Yes	Yes	Yes	not applicable
City of Ocala Utility Services	Yes	Yes	Yes	not applicable
City of Tallahassee	Yes	Yes	Yes	Yes
Note: each Utility prorates fixed (non-metered) charges in addition to metered				

Prepared by: JG
Sponsored by: Kerry Overton

ICA 2-17 Referring to the answer to AELIC 2-4-C, describe what Austin Energy means by "full deployment."

ANSWER:

Beginning April 1, 2016, Austin Energy will conduct a small pilot project which offers prepaid service to no more than 300 customers. At the conclusion of the six-month project, the Executive Steering Committee will evaluate the program in order to determine what next steps, if any, may be taken. One such next step the Executive Steering Committee could make is to recommend "full deployment" of the program. In this case, Austin Energy would start work to integrate the prepaid service with all of its applicable systems, including issuing a full request for proposals to select a third-party system vendor. Once this work was complete, the prepaid program would then become another service which helps customers understand and manage their energy consumption.

Prepared by: RM
Sponsored by: Kerry Overton

ICA 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.

ANSWER:

A. For Time-of-Use and Plug-In Electric Vehicle Charging see Attachment 1. For Prepayment, see Attachment 2.
B. For Time-of-Use and Plug-In Electric Vehicle Charging, see Attachment 3. For Prepayment, see Attachment 2.
C. The Residential Service Pilot programs were presented to City Council for approval as part of the 2015-16 budget process. The pilot rates were included in Volume 2 on pages 544 through 549. The budget document is available on the City of Austin website below. Additionally, for Prepayment, see Attachment 4.

https://www.austintexas.gov/financeonline/finance/financial_docs.cfm?ws=1&pg=1

Prepared by: CM
Sponsored by: Mark Dombroski

Pilot TOU Rates

	Non-Summer (Oct - May)		***Summer (June - Sept)***	
Customer Charge				
Single-Phase	$	10.00	$	10.00
Three-Phase	$	15.00	$	15.00
Fuel Charges (instead of PSA)				
Weekday				
Off-Peak (10p-7a)	$	0.02393	$	0.02586
Mid-Peak (7a-3p; 6-10p)	$	0.03097	$	0.03078
On-Peak (3-6p)	$	0.03139	$	0.11894
Weekend				
Off-Peak (All day)	$	0.02393	$	0.02586
Usage Charges (Base, CBC, and Reg.)				
0 - 500	$	0.04439	$	0.04439
501 - ,1000	$	0.08389	$	0.08389
1,001 - 1,500	$	0.09877	$	0.09877
1,501 - 2,500	$	0.09877	$	0.09877
2,500+	$	0.09877	$	0.09877

Residential Customer - 4416.369 kWh (Austin)

Line No.	Description	Rates Winter	Rates Summer	Bills Winter	Bills Summer	
	A	B	C	D	E	
1	***Current Inclining Rates***					
2	Customer Charge	$ 10.00	$ 10.00	$ 10.00	$ 10.00	
3						
4	Usage Charges	Inclining-Winter	Inclining-Summer			
5	0 - 500	$ 0.06928	$ 0.08878	$ 34.64	$ 44.39	
6	501 - ,1000	$ 0.10728	$ 0.13128	$ 53.64	$ 65.64	
7	1,001 - 1,500	$ 0.12298	$ 0.14453	$ 61.49	$ 72.27	
8	1,501 - 2,500	$ 0.12298	$ 0.14453	$ 122.98	$ 144.53	
9	2,500+	$ 0.12298	$ 0.14453	$ 235.68	$ 276.97	
10	Total Usage Charges			$ 508.43	$ 603.80	
11						
12	Total Monthly Bill			$ 518.43	$ 613.80	18.40%
13						
14						
15	***Proposed TOU Rates***					
16	Basic Charges					
17	Customer Charge	$ 10.00	$ 10.00	$ 10.00	$ 10.00	
18	Delivery Charge	$ -	$ -	$ -	$ -	
19						
20	Fuel Charges					
21	Off-Peak	$ 0.02393	$ 0.02586	$ 24.46	$ 24.40	
22	Mid-Peak	$ 0.03097	$ 0.03078	$ 55.27	$ 52.13	
23	On-Peak	$ 0.03139	$ 0.11894	$ 12.14	$ 59.40	
24						
25						
26	Weekend/Holidays					
27	Off-Peak	$ 0.02393	$ 0.02586	$ 29.27	$ 33.09	
28						
29	Total Fuel Charges			$ 121.14	$ 169.02	
30						
31	Usage Charges	Linear-Winter	Linear-Summer			
32	0 - 500	$ 0.04439	$ 0.04439	$ 22.20	$ 22.20	
33	501 - ,1000	$ 0.08389	$ 0.08389	$ 41.95	$ 41.95	
34	1,001 - 1,500	$ 0.09877	$ 0.09877	$ 49.39	$ 49.39	
35	1,501 - 2,500	$ 0.09877	$ 0.09877	$ 98.77	$ 98.77	
36	2,500+	$ 0.09877	$ 0.09877	$ 189.28	$ 189.28	
37	Total Usage Charges			$ 401.57	$ 401.57	
38						
39						
40	Total Monthly Bill			$ 532.71	$ 580.59	8.99%
41						2.75%

Over/Under

Description	Winter	Summer	$ Yr Diff.
Current Inclining	$ -	$ -	
Proposed TOU	$ 14.28	$ (33.21)	$ (18.60)

kWhs	*City Limits*	*Usage Rates*
4,416	*Outside*	*Weighted*

Shifting	*Base Rates*
0.0%	*No*

Renewable Adder
$ 0.02110

$ 0.04221	$ 0.04221	$ (0.00218)	$ (0.00218)	
$ 0.08321	$ 0.08321	$ (0.00068)	$ (0.00068)	
$ 0.09754	$ 0.09754	$ (0.00123)	$ (0.00123)	
$ 0.11188	$ 0.11188	$ 0.01311	$ 0.01311	
$ 0.12121	$ 0.12121	$ 0.02244	$ 0.02244	

-5.41%

Month (Net Bill Amounts) [TOU - Inclining]

Customer	1	2	3	4	5	6	7	8	9	10	11	12	Total
1	$ 1.03	$ 0.45	$ 0.20	$ 0.16	$ 0.17	$ (2.48)	$ (2.13)	$ (1.49)	$ (1.63)	$ 0.26	$ 0.21	$ 1.03	$ (4.22)
2	$ 0.72	$ 0.60	$ 0.62	$ 0.83	$ 1.21	$ 0.47	$ 2.92	$ 2.82	$ 4.65	$ 0.60	$ 0.54	$ 0.65	$ 16.63
3	$ 0.42	$ 0.33	$ 0.09	$ 0.26	$ 0.49	$ (5.93)	$ (5.23)	$ (6.91)	$ (3.85)	$ 1.15	$ 0.42	$ 0.24	$ (18.52)
4	$ 3.20	$ 2.79	$ 0.87	$ 0.21	$ 0.23	$ 3.18	$ 2.96	$ (0.56)	$ 2.79	$ 0.60	$ 1.88	$ 2.93	$ 21.08
5	$ 2.10	$ 1.75	$ 0.85	$ 0.63	$ 1.13	$ (13.84)	$ (14.06)	$ (16.32)	$ (10.87)	$ 0.46	$ 0.80	$ 1.83	$ (45.54)
6	$ 2.46	$ 0.88	$ 0.91	$ 1.40	$ 1.91	$ (5.99)	$ (2.73)	$ (6.27)	$ (6.14)	$ 1.62	$ 0.24	$ 1.46	$ (10.25)
7	$ 5.26	$ 4.33	$ 3.07	$ 3.04	$ 3.30	$ (11.34)	$ (10.44)	$ (12.92)	$ (7.33)	$ 3.97	$ 3.45	$ 5.16	$ (10.45)
8	$ 8.27	$ 6.03	$ 4.34	$ 3.13	$ 3.25	$ (9.83)	$ (10.68)	$ (12.32)	$ (9.38)	$ 3.05	$ 5.29	$ 7.65	$ (1.20)
9	$ 9.89	$ 9.46	$ 8.73	$ 10.15	$ 10.79	$ (27.29)	$ (32.77)	$ (35.53)	$ (27.98)	$ 11.86	$ 8.80	$ 10.58	$ (43.31)
10	$ 15.39	$ 14.58	$ 10.59	$ 9.80	$ 10.25	$ (28.75)	$ (22.21)	$ (30.52)	$ (17.52)	$ 11.39	$ 10.15	$ 12.18	$ (4.67)
11	$ 0.36	$ 0.29	$ 0.20	$ 0.12	$ 0.16	$ (1.83)	$ (1.66)	$ (2.02)	$ (1.68)	$ 0.22	$ 0.11	$ 0.16	$ (5.57)
12	$ 0.55	$ 0.47	$ 0.16	$ 0.11	$ (0.03)	$ (3.55)	$ (2.76)	$ (2.15)	$ (2.28)	$ 0.09	$ 0.21	$ 0.38	$ (8.80)
13	$ 3.65	$ 2.93	$ 1.85	$ 1.49	$ 1.35	$ (6.10)	$ (6.26)	$ (6.95)	$ (5.06)	$ 1.54	$ 2.12	$ 3.43	$ (6.01)
14	$ 3.77	$ 2.95	$ 0.75	$ 0.25	$ 0.22	$ (9.82)	$ (10.79)	$ (11.93)	$ (10.42)	$ 0.68	$ 1.20	$ 1.78	$ (31.36)
15	$ 3.32	$ 2.94	$ 1.11	$ 0.73	$ 1.51	$ (11.84)	$ (8.15)	$ (13.17)	$ (9.13)	$ 0.92	$ 1.91	$ 2.10	$ (27.75)
16	$ 4.21	$ 3.25	$ 2.48	$ 2.63	$ 2.87	$ (8.51)	$ (8.18)	$ (9.47)	$ (7.33)	$ 2.97	$ 2.69	$ 3.98	$ (8.41)
17	$ 8.47	$ 6.46	$ 4.48	$ 4.26	$ 4.73	$ (15.79)	$ (15.94)	$ (22.97)	$ (12.58)	$ 3.82	$ 4.19	$ 6.53	$ (24.34)
18	$ 12.24	$ 9.43	$ 6.81	$ 3.98	$ 4.06	$ (5.15)	$ (11.81)	$ (20.89)	$ (14.59)	$ 4.87	$ 7.74	$ 11.05	$ 7.74
19	$ 10.79	$ 9.71	$ 9.60	$ 9.11	$ 12.03	$ (22.00)	$ (21.05)	$ (23.76)	$ (19.92)	$ 13.34	$ 10.50	$ 10.93	$ (0.72)
20	$ 23.66	$ 18.93	$ 15.49	$ 12.85	$ 16.94	$ (74.98)	$ (37.31)	$ (42.70)	$ (38.73)	$ 19.97	$ 17.23	$ 23.97	$ (44.68)
													$ (250.35)
													17

Month (TOU Bill Amounts)

Customer	1	2	3	4	5	6	7	8	9	10	11	12	Total
1	$ 60.02	$ 42.09	$ 24.38	$ 23.18	$ 24.11	$ 34.17	$ 38.16	$ 63.33	$ 47.03	$ 27.22	$ 27.24	$ 65.60	$ 476.53
2	$ 37.56	$ 37.54	$ 39.79	$ 46.50	$ 60.88	$ 104.76	$ 130.08	$ 91.68	$ 46.42	$ 37.99	$ 36.16	$ 36.18	$ 705.54
3	$ 45.84	$ 39.35	$ 36.99	$ 43.32	$ 55.34	$ 90.61	$ 110.41	$ 121.83	$ 91.30	$ 63.81	$ 49.99	$ 44.55	$ 793.34
4	$ 153.87	$ 121.85	$ 66.58	$ 33.10	$ 44.86	$ 85.13	$ 114.83	$ 130.53	$ 102.49	$ 40.84	$ 96.55	$ 167.64	$ 1,158.27
5	$ 115.53	$ 99.75	$ 80.74	$ 63.06	$ 86.60	$ 135.36	$ 140.82	$ 153.32	$ 116.74	$ 58.26	$ 76.03	$ 124.58	$ 1,250.79
6	$ 122.70	$ 69.15	$ 72.15	$ 73.57	$ 93.77	$ 119.77	$ 104.33	$ 143.96	$ 136.33	$ 75.36	$ 44.48	$ 87.52	$ 1,143.09
7	$ 206.56	$ 177.67	$ 145.82	$ 123.49	$ 144.66	$ 218.66	$ 246.86	$ 265.45	$ 208.12	$ 156.20	$ 162.85	$ 225.07	$ 2,281.41
8	$ 296.75	$ 233.10	$ 196.65	$ 138.55	$ 137.18	$ 227.57	$ 280.06	$ 305.49	$ 217.87	$ 129.83	$ 221.80	$ 340.42	$ 2,725.27
9	$ 344.22	$ 338.76	$ 331.16	$ 384.15	$ 466.63	$ 643.62	$ 715.20	$ 763.20	$ 674.12	$ 477.05	$ 306.51	$ 428.28	$ 5,872.90
10	$ 841.89	$ 743.82	$ 494.06	$ 354.03	$ 414.60	$ 558.83	$ 659.71	$ 711.50	$ 527.19	$ 439.82	$ 466.16	$ 693.84	$ 6,905.45
11	$ 33.50	$ 29.79	$ 22.62	$ 16.23	$ 19.76	$ 26.95	$ 28.98	$ 31.89	$ 31.47	$ 21.41	$ 19.72	$ 33.38	$ 315.70
12	$ 45.25	$ 36.58	$ 29.53	$ 24.22	$ 25.38	$ 35.40	$ 41.08	$ 33.65	$ 39.58	$ 24.62	$ 33.68	$ 42.61	$ 411.58
13	$ 126.61	$ 103.40	$ 80.43	$ 66.95	$ 68.92	$ 85.65	$ 103.60	$ 106.13	$ 87.07	$ 67.86	$ 95.70	$ 152.14	$ 1,144.46
14	$ 143.00	$ 108.55	$ 54.60	$ 49.26	$ 57.14	$ 71.22	$ 91.24	$ 105.90	$ 86.58	$ 58.47	$ 61.31	$ 88.84	$ 976.1[illegible]
15	$ 120.89	$ 103.93	$ 74.45	$ 69.13	$ 98.94	$ 152.71	$ 115.63	$ 153.66	$ 117.92	$ 67.35	$ 98.83	$ 114.16	$ 1,287.6[illegible]
16	$ 153.58	$ 119.87	$ 103.97	$ 92.34	$ 116.24	$ 155.87	$ 166.44	$ 180.06	$ 140.47	$ 101.65	$ 103.12	$ 154.84	$ 1,588.4[illegible]
17	$ 279.03	$ 226.13	$ 180.30	$ 147.03	$ 175.75	$ 231.70	$ 266.25	$ 338.38	$ 221.88	$ 134.28	$ 151.58	$ 232.98	$ 2,585.29
18	$ 430.17	$ 286.85	$ 247.36	$ 136.49	$ 175.46	$ 158.37	$ 276.71	$ 327.16	$ 233.63	$ 184.51	$ 244.18	$ 416.10	$ 3,116.99
19	$ 349.83	$ 307.51	$ 340.30	$ 328.74	$ 481.23	$ 649.55	$ 627.92	$ 686.38	$ 588.45	$ 449.62	$ 365.06	$ 386.42	$ 5,561.01
20	$ 1,418.75	$ 1,041.74	$ 909.31	$ 691.20	$ 995.42	$ 1,395.95	$ 877.95	$ 944.76	$ 852.80	$ 1,060.86	$ 988.56	$ 1,605.74	$ 12,783.04
													$ 53,082.82

	Month (Inclining Bill Amounts)												
Customer	1	2	3	4	5	6	7	8	9	10	11	12	Total
1	$ 58.99	$ 41.64	$ 24.18	$ 23.02	$ 23.94	$ 36.65	$ 40.29	$ 64.82	$ 48.66	$ 26.96	$ 27.03	$ 64.57	$ 480.75
2	$ 36.84	$ 36.94	$ 39.17	$ 45.67	$ 59.67	$ 104.29	$ 127.16	$ 88.86	$ 41.77	$ 37.39	$ 35.62	$ 35.53	$ 688.91
3	$ 45.42	$ 39.02	$ 36.90	$ 43.06	$ 54.85	$ 96.54	$ 115.64	$ 128.74	$ 95.15	$ 62.66	$ 49.57	$ 44.31	$ 811.86
4	$ 150.67	$ 119.06	$ 65.71	$ 32.89	$ 44.63	$ 81.95	$ 111.87	$ 131.09	$ 99.70	$ 40.24	$ 94.67	$ 164.71	$ 1,137.19
5	$ 113.43	$ 98.00	$ 79.89	$ 62.43	$ 85.47	$ 149.20	$ 154.88	$ 169.64	$ 127.61	$ 57.80	$ 75.23	$ 122.75	$ 1,296.33
6	$ 120.24	$ 68.27	$ 71.24	$ 72.17	$ 91.86	$ 125.76	$ 107.06	$ 150.23	$ 142.47	$ 73.74	$ 44.24	$ 86.06	$ 1,153.34
7	$ 201.30	$ 173.34	$ 142.75	$ 120.45	$ 141.36	$ 230.00	$ 257.30	$ 278.37	$ 215.45	$ 152.23	$ 159.40	$ 219.91	$ 2,291.86
8	$ 288.48	$ 227.07	$ 192.31	$ 135.42	$ 133.93	$ 237.40	$ 290.74	$ 317.81	$ 227.25	$ 126.78	$ 216.51	$ 332.77	$ 2,726.47
9	$ 334.33	$ 329.30	$ 322.43	$ 374.00	$ 455.84	$ 670.91	$ 747.97	$ 798.73	$ 702.10	$ 465.19	$ 297.71	$ 417.70	$ 5,916.21
10	$ 826.50	$ 729.24	$ 483.47	$ 344.23	$ 404.35	$ 587.58	$ 681.92	$ 742.02	$ 544.71	$ 428.43	$ 456.01	$ 681.66	$ 6,910.12
11	$ 33.14	$ 29.50	$ 22.42	$ 16.11	$ 19.60	$ 28.78	$ 30.64	$ 33.91	$ 33.15	$ 21.19	$ 19.61	$ 33.22	$ 321.27
12	$ 44.70	$ 36.11	$ 29.37	$ 24.11	$ 25.41	$ 38.95	$ 43.84	$ 35.80	$ 41.86	$ 24.53	$ 33.47	$ 42.23	$ 420.38
13	$ 122.96	$ 100.47	$ 78.58	$ 65.46	$ 67.57	$ 91.75	$ 109.86	$ 113.08	$ 92.13	$ 66.32	$ 93.58	$ 148.71	$ 1,150.47
14	$ 139.23	$ 105.60	$ 53.85	$ 49.01	$ 56.92	$ 81.04	$ 102.03	$ 117.83	$ 97.00	$ 57.79	$ 60.11	$ 87.06	$ 1,007.47
15	$ 117.57	$ 100.99	$ 73.34	$ 68.40	$ 97.43	$ 164.55	$ 123.78	$ 166.83	$ 127.05	$ 66.43	$ 96.92	$ 112.06	$ 1,315.35
16	$ 149.37	$ 116.62	$ 101.49	$ 89.71	$ 113.37	$ 164.38	$ 174.62	$ 189.53	$ 147.80	$ 98.68	$ 100.43	$ 150.86	$ 1,596.86
17	$ 270.56	$ 219.67	$ 175.82	$ 142.77	$ 171.02	$ 247.49	$ 282.19	$ 361.35	$ 234.46	$ 130.46	$ 147.39	$ 226.45	$ 2,609.63
18	$ 417.93	$ 277.42	$ 240.55	$ 132.51	$ 171.40	$ 163.52	$ 288.52	$ 348.05	$ 248.22	$ 179.64	$ 236.44	$ 405.05	$ 3,109.25
19	$ 339.04	$ 297.80	$ 330.70	$ 319.63	$ 469.20	$ 671.55	$ 648.97	$ 710.14	$ 608.37	$ 436.28	$ 354.56	$ 375.49	$ 5,561.73
20	$ 1,395.09	$ 1,022.81	$ 893.82	$ 678.35	$ 978.48	$ 1,470.93	$ 915.26	$ 987.46	$ 891.53	$ 1,040.89	$ 971.33	$ 1,581.77	$ 12,827.72
													$ 53,333.17

Pilot EV Rates

	Non-Summer (Oct - May)		***Summer (June - Sept)***	
Basic Charge				
Delivery (< 10 kW)	$	30.00	$	30.00
Delivery (≥ 10 kW)	$	50.00	$	50.00
Fuel Charges (instead of PSA)				
Weekdays				
Off-Peak (7p-2p)	$	-	$	-
On-Peak (2-7p)	$	0.14000	$	0.40000
Weekends				
Off-Peak (Entire Period)	$	-	$	-

Residential Customer - 262 kWh (Austin)

Line No.	Description	Rates Winter	Rates Summer	Bills Winter	Bills Summer	
	A	B	C	D	E	
1	***Current Inclining Rates***					
2	Customer Charge	$ 10.00	$ 10.00	$ 10.00	$ 10.00	
3						
4	Usage Charges	Inclining-Winter	Inclining-Summer			
5	0 - 500	$ 0.07018	$ 0.08518	$ 18.39	$ 22.32	
6	501 - ,1000	$ 0.10818	$ 0.13218	$ -	$ -	
7	1,001 - 1,500	$ 0.12418	$ 0.14318	$ -	$ -	
8	1,501 - 2,500	$ 0.13618	$ 0.16218	$ -	$ -	
9	2,500+	$ 0.14818	$ 0.16618	$ -	$ -	
10	Total Usage Charges			$ 18.39	$ 22.32	
11						
12	Total Monthly Bill			$ 28.39	$ 32.32	13.84%
13						
14						
15	***Proposed Flat EV Rate***					
16	Customer Charge	$ -	$ -	$ -	$ -	
17						
18	Fuel Charges					
19	Off-Peak	$ 0.03191	$ 0.03191	$ 2.07	$ 2.07	
20	Mid-Peak	$ 0.03191	$ 0.03191	$ 2.58	$ 2.58	
21	On-Peak	$ 0.05159	$ 0.30034	$ 2.51	$ 9.73	
22						
23						
24	Weekend/Holidays					
25	Off-Peak	$ 0.03191	$ 0.03191	$ 0.72	$ 0.72	
26	Mid-Peak	$ 0.03191	$ 0.03191	$ 1.44	$ 1.44	
27	Total Fuel Charges			$ 9.32	$ 21.41	
28						
29	Usage Charges	Linear-Winter	Linear-Summer			
30	0 - 500	$ 0.05218	$ 0.05218	$ 13.67	$ 13.67	
31	501 - ,1000	$ 0.05218	$ 0.05218	$ -	$ -	
32	1,001 - 1,500	$ 0.05218	$ 0.05218	$ -	$ -	
33	1,501 - 2,500	$ 0.05218	$ 0.05218	$ -	$ -	
34	2,500+	$ 0.05218	$ 0.05218	$ -	$ -	
35	Total Usage Charges			$ 13.67	$ 13.67	
36						
37						
38	Total Monthly EV Bill			$ 22.99	$ 35.08	52.59%
39						-19.02%

kWhs	*City Limits*
262	*Inside*

Shifting	*Peak Period*	*Leveled*
0.0%	*Yes*	*No*

Load Factor	*kW*
4.0%	*9.0*

Charging Station	*Base Rates*
Yes	*No*

On-Off Peak Only	*Customer*
Yes	*No*

EV Flat Rate	*Public*
$ 27.02	**$ 4.17**
	$ 31.00

8.54%

PREPAY PILOT UTILITY RESEARCH

Prepay Metering Pilot Preparation

Questions for Utilities

1. Tell us about your pilot.
    a. Pilot size - How many customers were in your pilot? Limited to employees only? We had 10 employees that did our initial pilot for 4 months. We are not currently doing a 100 meter customer pilot program that began in May.
    b. Pilot Duration - How long did you run your pilot? We are running our pilot thru December.
    c. Pilot Customer Selection – Was the Pilot voluntary? Yes, it was a first come first service basis. We had all the meters utilized within the 1st month. Did you use any incentives for customers to participate in pilot? We did not, we are charging prepay customers an additional $9 per month to offset the additional costs we are incurring.
    d. Pilot Manual or Automated – Did you integrate? No we did very minimal integration, but we are doing more integration before we deploy a full program. If so, to what? Initially, we only did a payment interface.
2. Prepay payment rates/fees -
    a. Were they the same as postpaid customers? – If not, how much were they? The rate is the same as our postpaid customers, but there is an additional $9 fee per month.
    b. Credit Card Fees – what did you charge each time they paid their bill? PayGo processes our credit card payments and there is a charge of $1.95 per payment.
    c. Are Base Costs affected by # of alerts & notifications? No
3. Marketing/Communication
    a. Program Name – What was the moniker for your program? We went with calling it Prepay Metering (original, huh? ☺)
    b. Promotion – How did you promote the program to potential customers? (commercial, posters, campaign) We didn't promote the pilot, we offered it customers as they came into our business offices.
4. Arrearage Management
    a. Does your application handle arrears payments? If so how? Yes, we have a deferred option, but they must pay a portion of the bad debt. It is managed on an account by account basis.

b. What % pays towards their arrears? Most are 25%, but we had a few with larger balances and opted for the 40% option on them.

5. Application
   a. Was the application scalable?
   b. Ease of use? Feedback – was it user friendly? We have them fill out our standard application and then a prepay service agreement. I will attach a copy for you to review.
   c. Outage management?
6. What was your pilot's "Biggest Pain Points"?
7. What was your pilot's "Biggest Wins"?
8. Additional Personnel Resources – (Billing & Revenue Measurement)
   a. How many were necessary for your pilot? Why? We had about 5 people on the pilot team, but only 2 really managed the program. All of our CSR's and meter installers were given a brief overview of the program and they were responsible for setting up the accounts and getting the meters set.
   b. How did you use them? Did you do disconnects and reconnects on the weekend? We did not do disconnects on the weekends or holidays. We limit our disconnects to business days between 10am and 11am, all other times are blocked. EXAMPLE:
      i. Field Services Rep-8
      ii. Billing for reconciling of CIS and prepay systems-2
      iii. Dedicated IT representative to ensure the integrations are working-2 (but they were not dedicated, they had several different projects to manage)
      iv. Call center and CSR's- several, but none were dedicated to this project, they just signed the customers up and answered basic questions.

Prepay Metering Pilot Preparation

Questions for Utilities

1. Tell us about your pilot.
    a. Pilot size - How many customers were in your pilot? Limited to employees only? About 16 total, employees only.
    b. Pilot Duration - How long did you run your pilot? 60 days.
    c. Pilot Customer Selection – Was the Pilot voluntary? Did you use any incentives for customers to participate in pilot? Yes it was voluntary.
    d. Pilot Manual or Automated – Did you integrate? If so, to what? Sort of. We integrated with PeopleSoft CIS via file push, not web services. Now we're integrated with web service to Cogsdale CIS. We also integrated with the Milsoft IVR.
2. Prepay payment rates/fees -
    a. Were they the same as postpaid customers? – If not, how much were they? Rates are the same. Many fees are waived: disconnect, reconnect, past due.
    b. Credit Card Fees – what did you charge each time they paid their bill? Whatever our payment vendor charges.
    c. Are Base Costs affected by # of alerts & notifications? We do not charge the customer for any alerts/notifications.
3. Marketing/Communication
    a. Program Name – What was the moniker for your program? Pay As you Go! The power is in your hands.
    b. Promotion – How did you promote the program to potential customers? (commercial, posters, campaign) Posters at our payment center, tri-fold brochures, radio ads and community outreach. We met with church leaders and apartment managers to explain the program and get their buy-in.
4. Arrearage Management
    a. Does your application handle arrears payments? If so how? Exceleron's debt recovery feature.
    b. What % pays towards their arrears?
    $1-$500: 25%
    $501-$1,000: 30%
    $1,000+: 50%
5. Application

a. **Was the application scalable?** Yes.
b. **Ease of use? Feedback – was it user friendly?** Very.
c. **Outage management?** Outage Management doesn't factor into it. What exactly would you like to know?

6. What was your pilot's "Biggest Pain Points"?
7. What was your pilot's "Biggest Wins"?
8. **Additional Personnel Resources – (Billing & Revenue Measurement)**
   a. **How many were necessary for your pilot? Why?** We had a team of about 8 from different divisions inside the Utility.
   b. **How did you use them? Did you do disconnects and reconnects on the weekend? EXAMPLE:**
      We chose to disconnect on weekends because of our agreement with MoneyGram. Customers can make payments on weekends and it prevents them from going in the negative more than one day.
      i. **Field Services Rep (1)**
      ii. **Billing for reconciling of CIS and prepay systems (2)**
      iii. **Dedicated IT representative to ensure the integrations are working (1)**
      iv. **Call center (18)**

Prepay Metering Pilot Preparation

Questions for Utilities

1. Tell us about your pilot.
    a. Pilot size - How many customers were in your pilot? None. Limited to employees only? Yes, 12 employees.
    b. Pilot Duration - How long did you run your pilot? 5 months. Still ongoing.
    c. Pilot Customer Selection – Was the Pilot voluntary? Yes. Did you use any incentives for customers to participate in pilot? No. Only employees.
    d. Pilot Manual or Automated – Did you integrate? Limited integration. If so, to what?
2. Prepay payment rates/fees - Not determine.
    a. Were they the same as postpaid customers? N/A. – If not, how much were they?
    b. Credit Card Fees – what did you charge each time they paid their bill? Our trail is temporarily postponed due to the lack of real time credit card processing. Batch system.
    c. Are Base Costs affected by # of alerts & notifications? Can be. Will discuss.
3. Marketing/Communication
    a. Program Name – What was the moniker for your program?
    b. Promotion – How did you promote the program to potential customers? (commercial, posters, campaign)
4. Arrearage Management
    a. Does your application handle arrears payments? Yes. If so how? Will discuss.
    b. What % pays towards their arrears? You determine that amount.
5. Application
    a. Was the application scalable? Yes.
    b. Ease of use? Yes. Feedback – was it user friendly? Yes.
    c. Outage management?
6. What was your pilot's "Biggest Pain Points"? The biggest adjustment was to internal process and employees.
7. What was your pilot's "Biggest Wins"? That it enhance our internal processes and made us update many of our standard operating procedures.
8. Additional Personnel Resources – (Billing & Revenue Measurement)

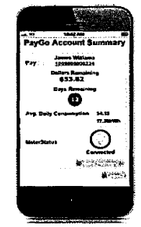
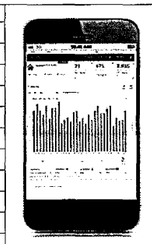
a. **How many were necessary for your pilot?** No, but could depending on the size of your pilot. **Why?** Will discuss.

b. **How did you use them? Did you do disconnects and reconnects on the weekend?** No. **EXAMPLE:**
   i. **Field Services Rep (1)**
   ii. **Billing for reconciling of CIS and prepay systems (2)**
   iii. **Dedicated IT representative to ensure the integrations are working (1)**
   iv. **Call center (18)**

PREPAY PILOT VENDOR RESEARCH

	Exceleron	PayGo	SmartGridCIS	iFactor	mymeter
CSR Portal	yes	yes	yes	yes	yes
Smartphone: Native App or Mobile-Enabled	mobile-enabled	*both*	native	native	native
Is web/app hosted?	Cloud-based application	yes	yes	yes	yes
Provide Customer Notifications via:					
Website, Email, Text, IVR	W,E,T,I	W,E,T,I	*W*,E,T,I	W,E,T,I	W,E,T
Two-Way Texting	yes	yes	yes	Yes	no
Push Notifications	yes	yes	yes	yes	yes
Account Management Information:					
Handle multiple customer accounts	yes	yes	yes	yes	yes
Ability to bill other utility services	yes	yes	yes	yes	yes
Allocate payments to non-metered charges	yes	yes	yes		yes
Alert Types:					
Daily Usage ($, days, kWh)	yes	yes	yes	yes	yes
Low Balance, pending disconnect, disconnected, reconnected	yes	yes	yes	yes	yes
Provide Debt Management:					
Debt recovery	yes	yes	yes	yes	yes
Payments:					
Real-Time or Batch	real-time	Real-time	real-time/batch	real-time	real-time
Payment Processor	*no* - contract pending	MSP - merchant services provider	No, integrate	no	USA Epay
Payment Channels: Debit/Credit Card, ACH,	yes + 3rd party kiosk	yes		yes	yes
Accept Cash	no	yes, CheckOut by PayGo	yes	no	no
AutoPay	yes	yes	yes	yes	no
PCI Compliant	yes	yes	yes, SAQ-D	vendor agnostic	yes
3rd Party Payments (Gifting)		yes, GPR	yes		yes
Post-Paid Customers					
Show bill	*no* - pending	yes - pdf	yes	yes - pdf	yes
Consumption History	yes	yes	yes	yes	yes
Able to Interface with:					
Customer Care & Billing (CC&B v. 2.3)	yes - (4)	yes - (1)		yes - (0)	yes - (0)
ADMS - Outage Management (Telvent)	yes	yes		yes	yes
MDMS/Command Center - (L+G Ecologix)	yes	yes		yes	yes
Method to xfer data between systems, e.g. web services, system/system, file	Web Services	Web Services	Web Services, Batch	Secure File Transfer Protocol	CSV File Transfers
Highlights					
	myusage	Calculate Days Remaining on Payment	myAccount	Notifi - 2 way texting	
	Developed first patented web-based prepaid platform	5-Day forecast - "Weatherized Data"	"soft-arm"	"gas gauge" graphic	
		Soft Arm Solution - patent pending		scan credit card	
		Offers marketing program		payment location finder	
				Camera & GPS for service requests	
Deployment					
No. of Utilities	75	10	12	60 (0 prepay)	1
Years in business (years in prepay)	1999 (15)	2006 (6)	2009 (5)	2004 (2)	2004 (1)

italics - not currently done but configurable or pending. Indicates unique to vendor. Response requires further detail.

	iFactor		Exceleron		PayGo		mymeter		ORACLE
CSR Portal	yes		yes		yes		yes		Oracle's Customer Self Service application which is integrated with CC&B provides a mobile web app accelerator. CC&B will be the system of record to maintain pre-pay customer info and request frequent usage from MDM to calculate the charges. When either new charges occur or if the customer needs to make a top up payment, messages can be sent to the customer via the Oracle Utilities Customer Self Service application. OUCSS provides a 'Mobile App Accelerator' so that Austin Energy can develop a unique mobile app that can be downloaded for use on smart devices. Customers can then log on to the mobile app to see notifications, daily usage and charges and make pre-pay 'top up' payments if required.
Smartphone: Native App or Mobile-Enabled	native		mobile-enabled		mobile web , *both*		native		
Is web/app hosted?	yes		Cloud-based application		yes		yes		
Social Media Login	yes		yes		yes		yes		
Provide Customer Notifications via:									
Website, Email, Text, IVR	W,E,T,I		W,E,T,I		W,E,T,I		W,E,T		
Two-Way Texting	Yes		yes		yes		no		
Push Notifications	yes		yes		yes		yes		
Account Management Information:									
Handle multiple customer accounts	yes		yes		yes		yes		
Ability to bill other utility services	yes		yes		yes		yes		
Allocate payments to non-metered charges	yes		yes		yes		yes		
Alert Types:									
Daily Usage ($, days, kWh)	$, kWh, *days*		$, kWh, *days*		$, days , *kWh*		$, days , kWh		
Low Balance	yes		yes		yes		yes		
Pending Disconnect	yes		yes		yes		yes		
Disconnected	yes		yes		yes		yes		
Reconnected	yes		yes		yes		yes		
Provide Debt Management:									
Debt recovery	yes		yes		yes		yes		
Payments:									
Real-Time or Batch	real-time		real-time		Real-time		real-time		
Payment Processor (AE - CSG)	no		*no* - contract pending		MSP - merchant services provider		USA Epay		
Payment Channels: Debit/Credit Card, ACH,	yes		yes + 3rd party kiosk		yes		yes		
Accept Cash	no		yes		yes, CheckOut by PayGo		no		
AutoPay	yes		yes		yes		no		
PCI Compliant	vendor agnostic		yes		yes		yes		
3rd Party Payments (Gifting)	*yes*				yes, GPR		yes		Landis+Gyr
Post-Paid Customers									
Show bill	yes - pdf		*no* - pending		yes - pdf		yes		The Landis+Gyr Ampy solution is currently being integrated with Gridstream AMI and will be available mid 2016. In the meantime our current offering is the **Exceleron** system. Landis+Gyr can provide the Exceleron prepayment system in conjunction with AMI for you. Command Center is already pre-integrated to the Exceleron software. The Exceleron system is deployed at approximately 35 utilities with the Gridstream system. We could discuss incorporating Exceleron pre-paid under our current AMI contract.
Consumption History	yes		yes		yes		yes		
Able to Interface with:									
Customer Care & Billing (CC&B v. 2.3)	yes - (0)		yes - (4)		yes - (1)		yes - (0)		
ADMS - Outage Management (Telvent)	yes		yes		yes				
MDMS/Command Center - (L+G Ecologix)	yes		yes		yes				
Method to xfer data between systems, e.g. web services, system/system, file	Secure File Transfer Protocol		Web Services		Web Services		CSV File Transfers		
Growing Functionality List									
i.e. other AE App functionality,	yes		yes		yes				
Conservation notifications/gamification	yes		yes		yes		yes		
outage reporting/notifications	yes		yes		yes		yes		
work request reporting (311) & status	yes		yes		yes		yes, user feedback option		
Hardware: *indicate type*									
In Home Display	no		supportable		no		no		
Pricing Module									
Pilot w/o integration	demo				$60k set up, $5-10k/mo to run				
Highlights									
	Notifi - 2 way texting		myusage		Calculate Days Remaining on Payment				
	"gas gauge" graphic		Developed first patented web-based prepaid platform		5-Day forecast - "Weatherized Data"				
	scan credit card				Soft Arm Solution - patent pending				
	payment location finder				Offers marketing program				
	Camera & GPS for service requests								
Deployment									
No. of Utilities	60 (0 prepay)		75		10		1		
Years in business (prepay)	2004 (2)		1999		2006 (6)		2004 (1)		

italics - not currently done but configurable or pending. Indicates unique to vendor. Response requires further detail.

	iFactor	Exceleron	Pay	mymeter	ORACLE	Landis+Gyr
CSR Portal	yes	yes	yes	yes	Oracle's Customer Self Service application which is integrated with CC&B provides a mobile web app accelerator. CC&B will be the system of record to maintain pre-pay customer info and request frequent usage from MDM to calculate the charges. When either new charges occur or if the customer needs to make a top up payment, messages can be sent to the customer via the Oracle Utilities Customer Self Service application. OUCSS provides a 'Mobile App Accelerator' so that Austin Energy can develop a unique mobile app that can be downloaded for use on smart devices. Customers can then log on to the mobile app to see notifications, daily usage and charges and make pre-pay 'top up' payments if required.	The Landis+Gyr Ampy solution is currently being integrated with Gridstream AMI and will be available mid 2016. In the meantime our current offering is the **Exceleron** system. Landis+Gyr can provide the Exceleron prepayment system in conjunction with AMI for you. Command Center is already pre-integrated to the Exceleron software. The Exceleron system is deployed at approximately 35 utilities with the Gridstream system. We could discuss incorporating Exceleron pre-paid under our current AMI contract.
Smartphone: Native App or Mobile-Enabled	native	mobile-enabled	mobile web , *both*	native		
Is web/app hosted?	yes	Cloud-based application	yes	yes		
Social Media Login	yes	yes	yes	yes		
Provide Customer Notifications via:						
Website, Email, Text, IVR	W,E,T,I	W,E,T,I	W,E,T,I	W,E,T		
Two-Way Texting	Yes	yes	yes	no		
Push Notifications	yes	yes	yes	yes		
Account Management Information:						
Handle multiple customer accounts	yes	yes	yes	yes		
Ability to bill other utility services	yes	yes	yes	yes		
Allocate payments to non-metered charges		yes	yes	yes		
Alert Types:						
Daily Usage ($, days, kWh)	$, kWh, *days*	$, kWh, *days*	$, days , *kWh*	$, days , kWh		
Low Balance	yes	yes	yes	yes		
Pending Disconnect	yes	yes	yes	yes		
Disconnected	yes	yes	yes	yes		
Reconnected	yes	yes	yes	yes		
Provide Debt Management:						
Debt recovery	yes	yes	yes	yes		
Payments:						
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AutoPay	yes	yes	yes	no		
PCI Compliant	vendor agnostic	yes	yes	yes		
3rd Party Payments (Gifting)			yes, GPR	yes		
Post-Paid Customers						
Show bill	yes - pdf	*no* - pending	yes - pdf	yes		
Consumption History	yes	yes	yes	yes		
Able to Interface with:						
Customer Care & Billing (CC&B v. 2.3)	yes - (0)	yes - (4)	yes - (1)	yes - (0)		
ADMS - Outage Management (Telvent)	yes	yes	yes	yes		
MDMS/Command Center - (L+G Ecologix)	yes	yes	yes	yes		
Method to xfer data between systems, e.g. web services, system/system, file	Secure File Transfer Protocol	Web Services	Web Services	CSV File Transfers		
Growing Functionality List						
i.e. other AE App functionality,	yes	yes	yes			
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Hardware: *indicate type*						
In Home Display	no	supportable	no	no		
Pricing Module						
Pilot w/o integration	demo		$60k set up, $5-10k/mo to run			
Highlights						
	Notifi - 2 way texting	myusage	Calculate Days Remaining on Payment			
	"gas gauge" graphic	Developed first patented web-based prepaid platform	5-Day forecast - "Weatherized Data"			
	scan credit card		Soft Arm Solution - patent pending			
	payment location finder		Offers marketing program			
	Camera & GPS for service requests					
Deployment						
No. of Utilities	60 (0 prepay)	75	10	1		
Years in business (years in prepay)	2004 (2)	1999 (15)	2006 (6)	2004 (1)		

italics - not currently done but configurable or pending. Indicates unique to vendor. Response requires further detail

PREPAY PILOT E-MAIL CORRESPONDENCE

Gutierrez, Jawana (JJ)

From: Morell, Velvee
Sent: Wednesday, April 09, 2014 4:52 PM
To: Gutierrez, Jawana
Subject: PrePaid Metering Drivers

Hey JJ,

Please let me know if this information will support our intentions for Business and Market Drivers.

PrePaid Metering Drivers:

The prepaid electric metering market is being driven in large part by customer and utility benefits in the form of energy efficiency and cost savings. Another major driver is the growing adoption of smart grid technology, especially advanced smart meters, to facilitate the deployment of prepaid systems with smart prepaid meters.

DRIVERS

- **Opportunity to Rebuild Customer Confidence**
- **Improve Customer Service –** Offer more payment options for customers
- **Technology -** Technology advances, especially with the advent of smart grid technology and the rollout of AMI and smart meters across the globe
- **Administrative (Accounting & Billing)**
  - **Cost Savings**
  - **Reduced negative dialog about over due accounts and the negative experience with the customer**
  - **Customer no longer has a relationship with the CSR, but now has a relationship with their accounts**
- **Reduce their losses as a result of Bad Debt.**
- **Improved Energy Efficiency**

Market Drivers

Faced with increasing financial risk many are opting to prepay utilities. The trend toward prepayment has been driven, for different reasons, by both consumer and supplier stakeholders.

Power sector reforms: The upcoming competitive and customer focused deregulated power distribution market will force the market participants to make the existing metering and billing process more competent. This is likely to drive the prepaid market.

Increasing non-technical losses: Metering errors, tampering with meters leading to low registration and calibration related frauds are some of the key components of non-technical losses. India reports greater than 10 percent of non-technical losses. It has been reported that prepaid meters control non-technical losses better than conventional ones.

Opportunities in the emerging electrifying markets: Most of the Asian countries do not have 100 percent electrification; hence new markets are being created by the increasing generating capacity. Prepaid systems can be more easily introduced in such new markets rather than the existing ones.

Market Forces

There are a number of market forces that contribute to a growing demand for prepaid electric services across the globe. Although they vary somewhat by geography, the common drivers are:

- Increased recognition of the significant benefits of prepaid programs to consumers and utilities

The prepaid option offers many benefits to consumers – most importantly, it allows them to choose when they pay, how they pay, and what they pay.

Utility Companies Love Them – With **PrePaid Meters** you get energy conservation as it reduces electrical consumption when users can monitor their own usage. This reduces the load on the grid through reduction of peak demand. Also with the built in arrears management, utility companies have an effective way to manage customers in arrears without having to cut them off the grid, thereby creating a win win situation between utility company and user,

Kind Regards,
Velvee Morell, MBA, PMP

Process Manager
Customer Care | Revenue Measurement & Control
Rutherford Lane Center
1520 Rutherford Lane | 2nd Floor | Suite 100
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velvee.morell@austinenergy.com

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Gutierrez, Jawana (JJ)

From: Morell, Velvee
Sent: Thursday, April 10, 2014 1:29 PM
To: Gutierrez, Jawana
Subject: Pre-Paid Metering Program Presentation - Final

JJ,

Attached for your review is the *"Final"* version of the Pre-Paid Metering Program presentation.

I was hoping we could discuss it before I leave today, but it does not look like you have any availability.

Feel free to call me later on this evening if you'd like (perhaps on your way hm ☺ or when you get hm)

Pre-Paid SC Mtg-04-11-14.ppt

Kind Regards,
Velvee Morell, MBA, PMP
Process Manager
Customer Care | Revenue Measurement & Control
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Gutierrez, Jawana (JJ)

From: Morell, Velvee
Sent: Tuesday, June 03, 2014 9:27 AM
To: Cochran, Marsha
Cc: Gutierrez, Jawana
Subject: PrePay Metering Monthly Meeting Minutes

Good morning Marsha,

Just want to give you the information from our meeting on yesterday.

JJ has received new direction from Larry: Larry has asked her to "Fast Track" this PrePay Metering Proof of Concept.

Action:
Marsha: Develop a summary or Comparisons of the PrePay companies we have met with gathering data and information:

Velvee: I am going to request from each of the PrePay vendors/companies copies of their:

- Brochures
- Specs
- Sales & Marketing materials
- White Papers
- RFPs

Framework for the Comparison Document:

- Interface w/CC&B
- Scalable - (outages, all of the conservation messaging, E-CAD, and SMART Home)
- Messaging
- Real Time vs Batch
- Platform (web, app, etc.)
- Notifications Capability
- Allocations (because of water)
- Debt – (Does It Handle Debt/how does it handle Debt?)
- Hardware (In-Home Display) – (What type of Hardware is available?)
- Payment Options – (How Do You Re-Up/Pay Stations)

Kind Regards,
Velvee Morell, MBA, PMP
Process Manager
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Gutierrez, Jawana (JJ)

From: Morell, Velvee
Sent: Friday, June 06, 2014 11:50 AM
To: Gutierrez, Jawana
Subject: PrePay Vendors

Good morning JJ,

I only have a list of 5 PrePay vendors.

Am I missing someone, if so who?

1. Concert(L&G) -
2. Exceleron -
3. PayGo -
4. MyMeter -
5. iFactor -

Kind Regards,
Velvee Morell, MBA, PMP
Process Manager
Customer Care | Revenue Measurement & Control
Rutherford Lane Center
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Gutierrez, Jawana (JJ)

From: Morell, Velvee
Sent: Monday, June 30, 2014 3:16 PM
To: Gutierrez, Jawana; Cochran, Marsha
Subject: PrePay Metereing Program Meeting Minutes 06-27-14
Attachments: Project Meeting Minutes - PrePay Metering 6-28-14.docx

Ladies,

Attached for your review are the mtg. minutes from our mtg. Friday. I will make corrections upon your request.

Please be sure your review your action items and their deliverable dates.

Kind Regards,
Velvee Morell, MBA, PMP
Process Manager
Customer Care | Revenue Measurement & Control
Rutherford Lane Center
1520 Rutherford Lane | 2nd Floor | Suite 100
T: 512.972.7413 | | F: 512.972.7455
velvee.morell@austinenergy.com

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Customer Care – PrePay Metering
Project Team Meeting Minutes

Project Information:

Project Name:	Pre-Pay Metering	Project #:	
Project Sponsor:	JJ Gutierrez/Elaine Kelly-Diaz	IT Lead:	
Business Manager:	Velvee Morell	Project Manager:	Velvee Morell
Expected Start date	04-11-14	Expected End date:	TBD

Meeting Logistics Information:

Leader:	JJ	**Location/Date/**	JJ's office
Facilitator:	JJ	**Time:**	11:00a-12:30
Scribe:	Velvee	**Invitees:**	JJ, Velvee, and Marsha
Meeting Objective:	**Pre-Pay Metering Update**		

PROJECT TEAM MINUTES

Discuss Outstanding Items:

- Finalize Charter
- Finalize Matrix – prioritize & rank info
- Develop Project Milestone Schedule
- Next Meetings
  - Steering Committee – Tentative 07-17-14
  - Working Committee – 07-10-14
- Change Management – (Much More – for starters)
  - Road shows to AE business units and provide the WIFM
  - Customer Advocacy Groups – their monthly events
  - Develop standard marketing communication about the benefits to our customers (brochure)
- Name for PrePay Program
- PrePay Pilot of multiple vendors, not just 1
- Discuss New Contacts
  - Sheila Pressley@ JEA
  - Guy from Cust. Service Week in SA (jj's friend)

Confirm PrePay Workshop Items:

- Swag Bags – all items on order
  - Bags
  - Cups
  - Battery charges
  - Jump drives
- Venue
  - Venue set-up
- Food
  - Lunch Day-1(Beef/chicken fajitas)
  - Breakfast Day-2 (breakfast Tacos)

Customer Care – PrePay Metering
Project Team Meeting Minutes

PROJECT TEAM MINUTES

- Van transportation from TLC to SCC
- Budget to Date
- AE Execs on Program
  - Welcome – Larry Weis
  - AE PrePay Pilot Presentation - JJ
  - Closing – Kerry
- AE's PrePay Metering Presentation
- Identify AE workshop Attendees – (Debbie Kimberly, Liz Jambor, Marsha, Joey, Lisa Tamez, IT-BSA, RMC)
- Marketing – Promotion of workshop
- Photographer for workshop

ACTION ITEM LIST

No.	What	Who	By When
1	Schedule next Working Committee meeting	JJ	7/3
2	Schedule next Working Committee meeting	Velvee	7/9
3	Schedule Meeting w/Purchasing (Mario, Kerry, Velvee, Rosemary Ledesma, JJ,)	JJ	7/3
4	Schedule meeting w/Marketing (Carlos & Robert C.)	JJ	7/3
5	Schedule meeting w/ Sheila Pressley w/JEA for Tues. 7/1	Velvee	6/30
6	Schedule meeting w/ JJ's contact for Tues. 7/1	JJ	6/30
7	Finalize and Complete Charter	Velvee & Wking Comm.	7/10
8	Develop Project Milestone Schedule	Velvee	7/10
9	Finalize Matrix – Prioritize & Rank info	Velvee & Marsha	7/17

PARKING LOT ISSUES/COMMENTS

Who	Issue/Comment	Side Action	By When
JJ/Velvee	PrePay Metering Program Name(Something more attractive)	Marketing	07/31/14

Customer Care – PrePay Metering
Project Team Meeting Minutes

Who	Issue/Comment	Side Action	By When

Gutierrez, Jawana (JJ)

From: Pressley, Sheila E. - Director Customer Revenue <presse@jea.com>
Sent: Thursday, July 10, 2014 4:28 PM
To: Gutierrez, Jawana
Subject: Prepay Program Discussion (Austin Energy and JEA)
Attachments: Landis Gyr Exchange 2014 p1.htm; Landis Gyr Exchange 2014 part I.pptx

JJ,

My original attempt to email the PP from the Landis & Gyr Conference failed because it exceeded Microsoft's maximum message size. Therefore, I have divided the presentation and am sending the two sections in separate messages. I'm looking forward to our discussion.

Regards,
Sheila Pressley
Director, Customer Revenue Services
(904) 665-6255 office
(904) 571-9647 mobile
presse@jea.com
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From: Mail Delivery Subsystem <MAILER-DAEMON@jeasmtp2.corp.jea.com>
Date: July 1, 2014 at 5:39:22 PM EDT
To: "Pressley, Sheila E. - Director Customer Revenue" <presse@jea.com>
Subject: Undeliverable: Prepay Program Discussion (Austin Energy and JEA)

Delivery has failed to these recipients or distribution lists:

JawanaJJ.Gutierrez@austinenergy.com
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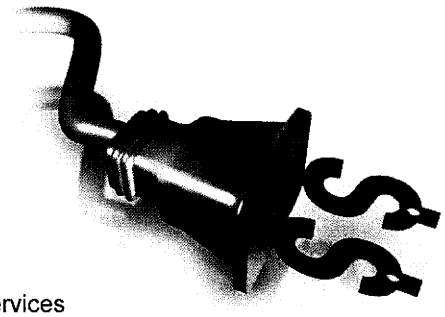
exchange
June 9-12, 2014 | Nashville, TN

Landis+Gyr

Prepaid Utility Service

From Implementation to Full Production



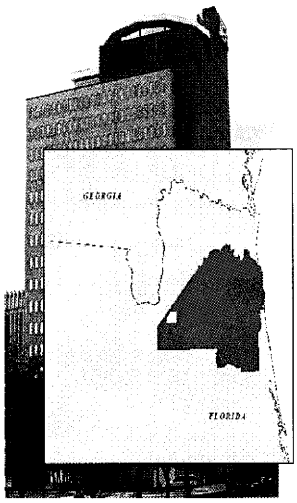
Sheila Pressley
Director, Customer Revenue Services

JEA

About JEA

The 8th Largest Municipal Utility in the United States

- Located in Jacksonville, Florida
- Not subject to the same state regulations as investor-owned utilities
- 900 Square Miles of Service Area
- Provides Electric, Water and Sewer Service to:
  - 420,000 Electric Customers
  - 305,000 Water Customers
  - 230,000 Sewer Customers
- **3,900 Prepay Customers**

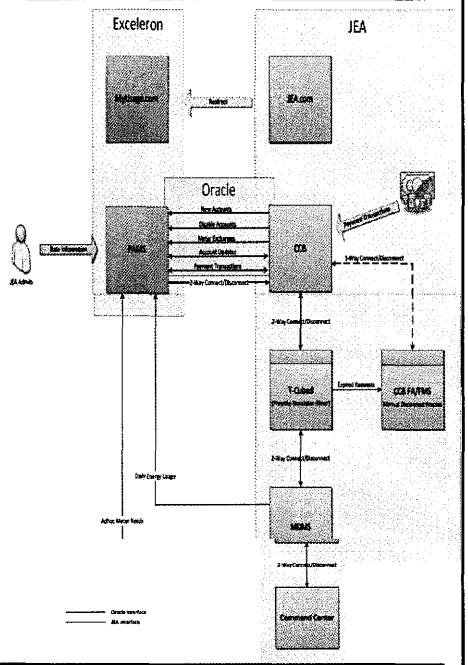


JEA

3/22/2016

Systems

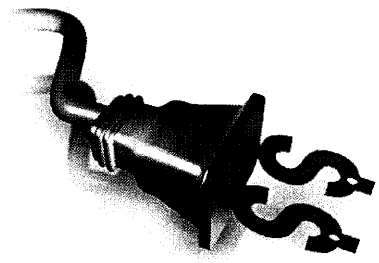
- Landis+Gyr USC (1 Way) and Command Center (2 Way)
- Oracle CC&B CIS
- Exceleron PAMS SaaS
- eMeter Energy IP MDMS



JEA

Topics

- Project Timeline and Goals
- Myths and Realities
- Hindrances to Success
- Level Setting



JEA

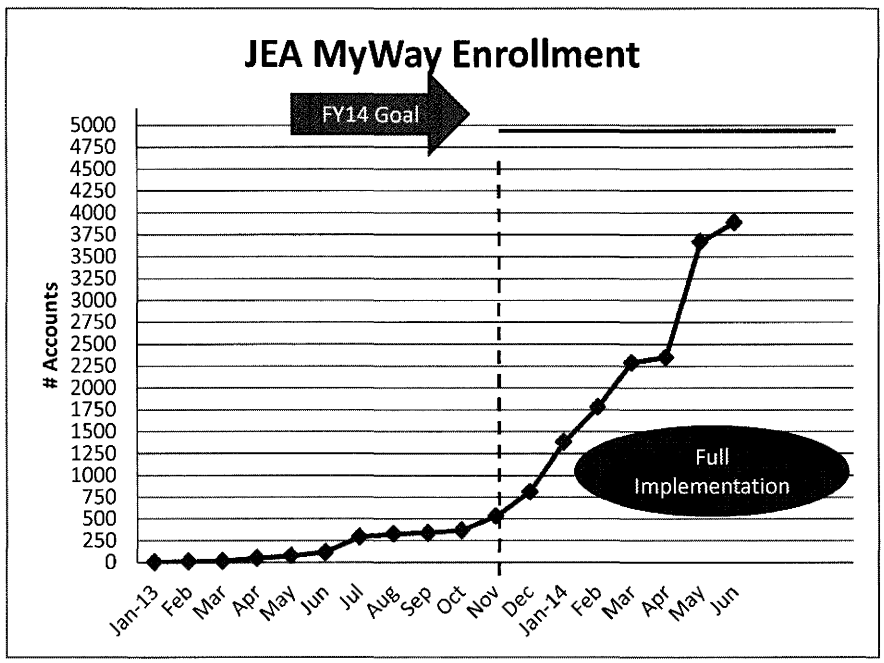
Project Timeline

- October 2011 Vendor Selection and Contract Negotiation
- January 2012 Project Kickoff
- December 2012 JEA Employee Pilot (12)
- April 2013 Electric Pilot (50)
- July 2013 Electric Go Live
- October 2013 Water Pilot
- November 2013 Full Go Live

Implementation Challenges

- Integration between SaaS and JEA's CIS, MDM and Payment Vendors
- CSR Training
- Process Redesign
- Real-time Payment Posting

JEA



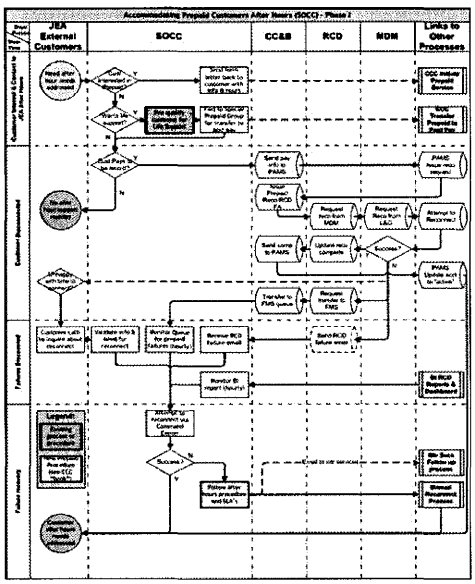
JEA Prepayment Current State

- No seasonal disconnect moratorium
- No weekend disconnections
- Disconnect limitations based on temperature (high/low)
- High deposit is barrier to traditional service
- Some 24/7 payment sites. Online and IVR 24/7 with real-time posting
- 50% of prepay customers are cash-based
- Exclusively residential

JEA

Process Development

#	Process
1.20	Internal Credit Score for Prepaid Customers
1.60	Meter Exchanges for Prepaid Customers
2.10	NSF and Cash Only for Prepaid Customers
2.80	Remote Connect and Disconnect Throttle
3.10	SLAs for After Hour Reconnections

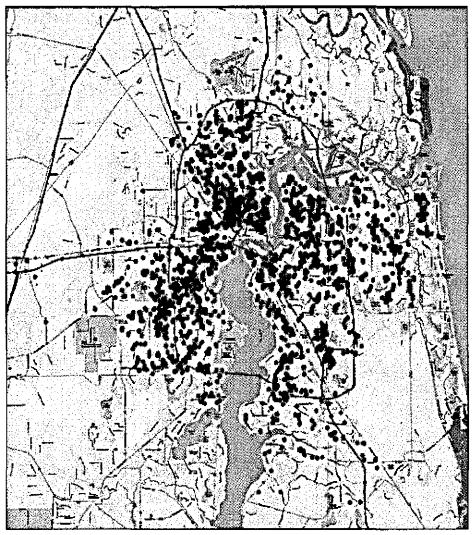


Measuring Performance

Goal Description	Metric	Goal	Baseline	FY14
Customer Satisfaction	MyWay Overall Satisfaction	8.6	8.6	
Customer Satisfaction	JDP Residential Ranking (Quartile)	2	3	3
	- Billing & Payments	>/=730	730	739
	- Price	>/=551	534	536
Reduced Bad Debt	Receivables			
	- AR < 30 days	>/= 82%	85%	84.3%
	- AR > 90 days	</= 2%	1.46%	1.7%
	- Net Write Offs	</=0.2%	0.2%	0.15%
Energy Savings	Weather Normalized Electric Consumption	10%	6.6%	
O&M Expense	Contact Center cost per SA	</= $6.24	$6.24	$7.00
	Credit Office cost per Account	</= $5.73	$5.73	$5.36
	Field Service cost per Account	</= $3.38	$3.38	$3.37
	Billing cost per Account	</= $3.05	$3.05	$2.99

JEA

Timing is Everything



Two-Way Meter Deployment
- **3,000 meters**

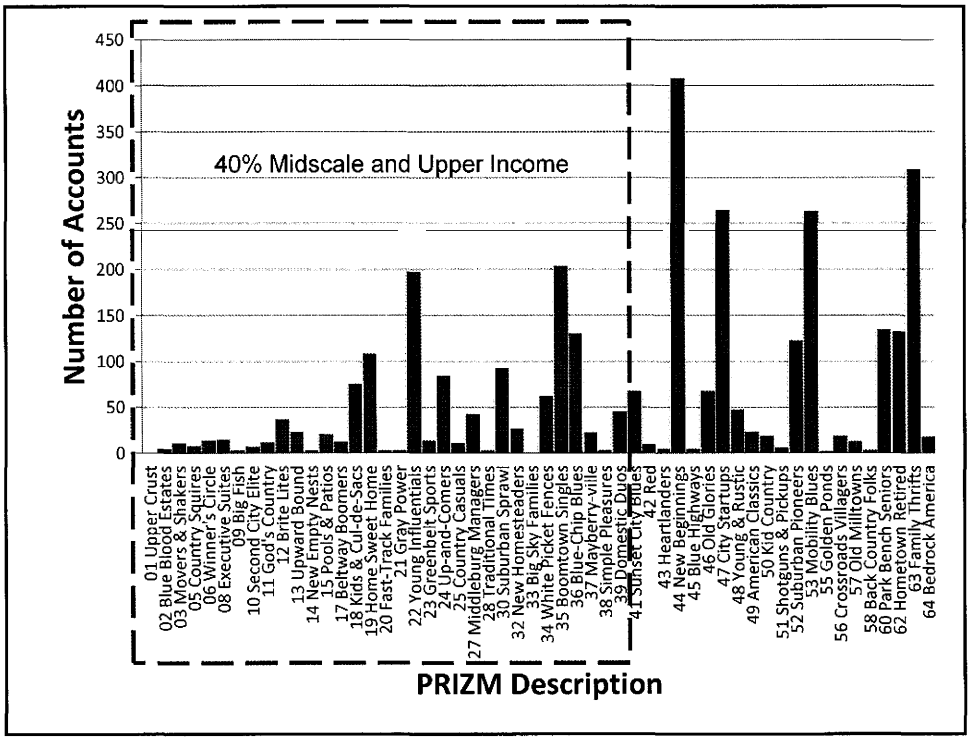
Criteria
- **Multiple disconnections**
- **Mix of apartment dwellers and homeowners**
- **Disbursed throughout the service territory**
- **Demographic mix**

JEA

MYTHS AND REALITIES

JEA

Prepaid service is concentrated among lower-income households



"They say people use less electricity. Well, why? Probably because they're running out of money and they can't afford more money on their account, and so they live without electricity for some period"

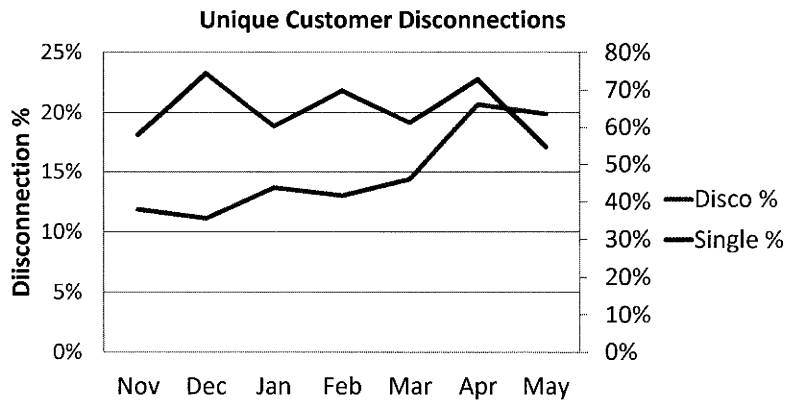
3/22/2016

Weather Normalized Consumption Comparisons

- Three months of pre & post consumption data at the same premise.
- Decrease in consumption in both the actual kWh and the weather normalized kWh
- Excludes disconnection periods
- The actual effect on consumption is a 7.3% reduction. The weather-normalized effect is a 6.6% reduction of consumption.
- The weather-normalized effect is a 18% reduction of consumption for the JEA Employee Pilot group.

JEA

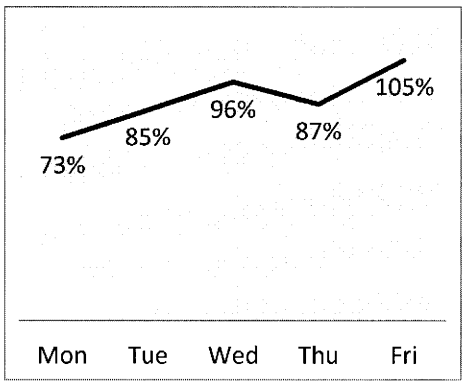
Disconnection Frequency



60% have never experienced a disconnection
3% disconnected at least once per week

JEA

Reconnections



Disco Date	Recon Date	Disco Time	Reconn Time	
6/4/2014	6/4/2014	2:59	6:42	PM
6/2/2014	6/2/2014	1:01	7:29	PM
6/4/2014	6/4/2014	1:12	7:09	PM
6/2/2014	6/2/2014	1:38	4:14	PM
6/2/2014	6/2/2014	1:29	5:09	PM
6/2/2014	6/2/2014	1:46	2:44	PM
6/3/2014	6/3/2014	1:07	2:29	PM
6/2/2014	6/3/2014	2:07	9:06	AM
6/4/2014	6/4/2014	1:07	1:39	PM
6/3/2014	6/3/2014	1:15	7:14	PM
6/2/2014	6/2/2014	1:12	2:09	PM
6/2/2014	6/3/2014	1:15	1:40	PM
6/2/2014	6/2/2014	1:17	2:19	PM
6/5/2014	6/5/2014	1:36	4:29	PM
5/30/2014	**6/2/2014**	**9:36**	**4:09**	**AM**

JEA

Gutierrez, Jawana (JJ)

From: Pressley, Sheila E. - Director Customer Revenue <presse@jea.com>
Sent: Thursday, July 10, 2014 4:29 PM
To: Gutierrez, Jawana
Subject: RE: Prepay Program Discussion (Austin Energy and JEA)
Attachments: Landis Gyr Exchange 2014 part II.pptx

JJ,

This message contains the second part of the presentation.

Sheila Pressley
Director, Customer Revenue Services
(904) 665-6255 office
(904) 571-9647 mobile
presse@jea.com
JEA is a not-for-profit, community owned utility

From: Pressley, Sheila E. - Director Customer Revenue
Sent: Thursday, July 10, 2014 5:28 PM
To: 'Gutierrez, Jawana'
Subject: Prepay Program Discussion (Austin Energy and JEA)

JJ,

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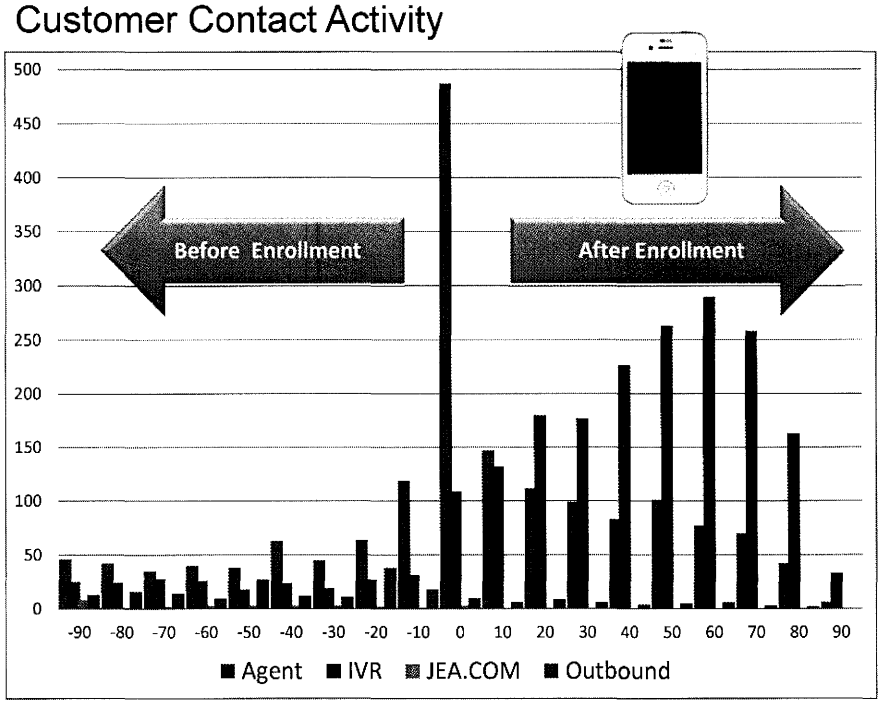
Hindrances to Success

JEA

Customer Contact Activity

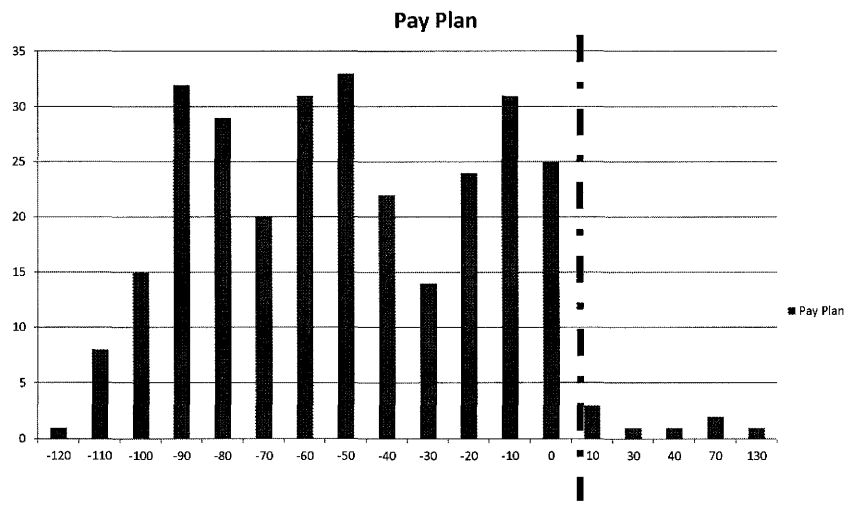


Planning for Process Failures

Select Prepaid Service	Activate Account	Make Initial Payment	Meter Change Out	Daily Reads	Alerts	Process Payment
POF1: Address does not qualify due to Medical Alert or not on NMR, etc..	POF1: PAMS does not auto populate acct info	POF1: Payment made but not posted, so incorrect balance on acct	POF1: New 2 Way Mtr is not changed in PAMS	POF1: Estimates too long after meter change or estimates due to no reading	POF1: Cust updates alert info but does not comp changes; cust not receiving alerts	POF1: Payment made but not posted, so incorrect balance on acct
Detect: QA/QC follow up	Detect: During setup or QA/QC follow up	Detect: Customer call	Detect: Missing or zero usage report	Detect: Missing usage report	Detect: PAMS report	Detect: Customer call
Recover: Contact customer, apologize, inform them they are not eligible	Recover: Enter info manually; mistakes could be made but QC Process should catch.	Recover: Trace payment and inform customer	Recover: Manually change meter in PAMS	Recover: Enter manual read; if reads are there, turn in MDM SDM; if not, roll a truck	Recover: Contact customer and set up alerts in PAMS	Recover: Trace payment and inform customer
Prevent: Implement automated eligibility flag in CC&B	Prevent: Create SDM tkt to evaluate what happened and create fix to prevent	Prevent: Near real time posting of payments will alleviate this somewhat	Prevent: Create SDM tkt to evaluate & create fix to prevent; Ph II will minimize	Prevent: Daily I-Sync will prevent happening often. Help desk ticket in future	Prevent: Require cust. to comp alerts in PAMS before leaving (auto)- PAMS enhancement	Prevent: Near real time posting of payments will alleviate this somewhat

JEA

Payment Extension Activity



Must Haves

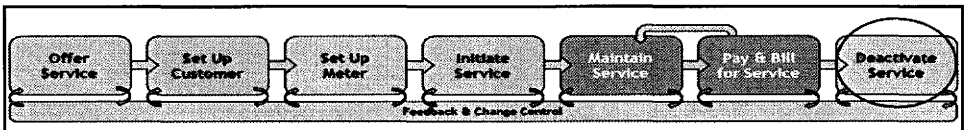
- Extensive internal education regarding the benefits of Prepayment for customers
- Effective communication with customers about Prepayment service and advantages
- Accurate, reliable billing information with minimal "adjustments"
- Flexible but consistent customer sign up processes
- Low overhead, instant signup process for customer
- Flexible balance notification methods
- Suitable and appropriate vending infrastructure
- Multiple levels of integration
- Backup processes for equipment/communications failures

JEA

New Processes

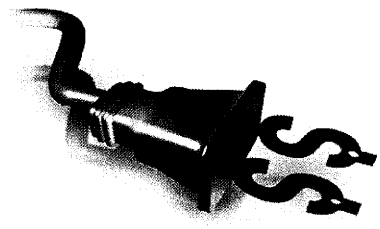
- Prepay/CIS Reconcilement
- 24 x 7 Reconnections
  - 2 hour SLA Weekdays
  - 4 hour SLA Weekends
- Planned System Outage Notification
- Real-time Payment Posting
- Cross-functional temperature checks

JEA



Policy	Recommendation
DS1. When to de-activate?	When a customer requests or when 15 days pass with no activity
DS2. Account is deactivated with funds due JEA?	Final bill customer; if not paid regular collection process followed
DS3. Account is deactivated with balance due customer?	Final bill customer and refund balance
DS4. No activity on active account with a balance (now same as MS8)	3 days no read/same read for electric or 5 days no read/same read for water, send truck next day
DS5. Meter disposition for deactivated account?	Leave it in place installed at premise
DS6. Penalty for prepaid customer to return to regular service?	No; however, all arrears & outstanding consumption must be paid first. Deposit collection will follow same process as today.
DS7. Waiting period if a person leaves prepaid & wants to go back?	No waiting period

JEA 7



Financials

JEA

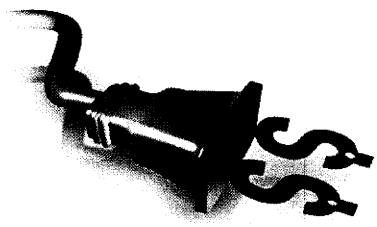
The Bottom Line

Category	FY13	FY14	FY15	
Enrollment Projections	5,001	10,000	20,000	30,000
Total Annual Cost	$ 351,448	$ 260,750	$ 500,276	$ 672,289
Cost per customer	$ 5.86	$ 2.17	$ 2.08	$ 1.87

Cash flow improvement (AR reduction) :

- 3,500 customers - approximately $1,970,000
- 7,000 customers - approximately $3,940,000
- Five year total $17,720,000

JEA



Customer

"It did make me turn off the lights more. You become more aware of how much you are consuming when you prepay and your electricity is turned off when you owe 50 cents."

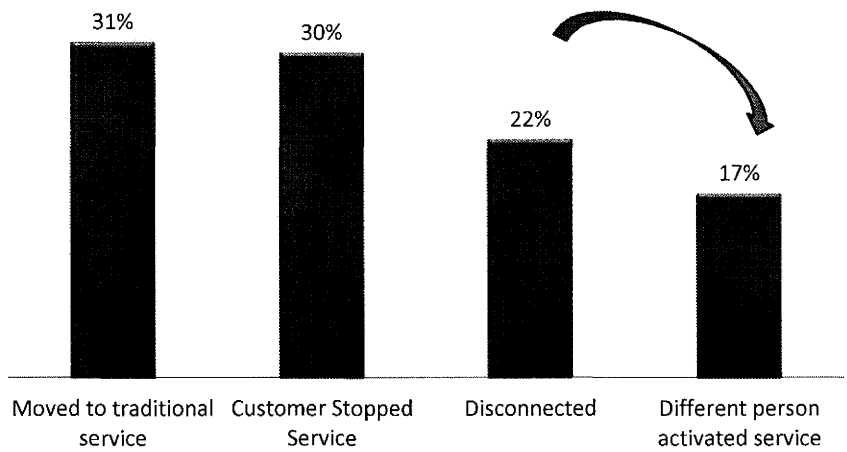
JEA

The Average JEA Prepay Customer

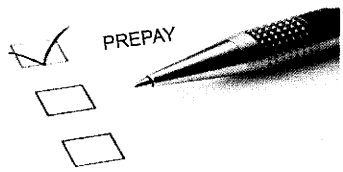
- Average payment $33
- Payment frequency 2.5 times per month
- Most frequent contact reasons
  1. Account Balance
  2. Pay Amount for Reconnection
- SMS Alert is the preferred balance messaging tool

JEA

Exit Reasons



Level Setting



- The project doesn't end at Go Live. Cross-functional teams must continue to meet regularly.
- CSRs will have difficulty conceptualizing and effectively communicating the features of the service.
- Customer interactions will increase rather than decrease during the first 40 days of prepaid service.
- Customer contact information may change without notice.
- Renters move.

JEA

Gutierrez, Jawana (JJ)

From: Morell, Velvee
Sent: Wednesday, August 20, 2014 10:54 AM
To: Gutierrez, Jawana; Cochran, Marsha
Subject: Pre-Pay Metering Pilot Charter
Attachments: CC- PrePay Metering -Project Charter-08-20-14.doc

Team,

Attached for your review is a draft copy of the Pre-Pay Metering Pilot Charter.

JJ – I captured everything we wrote and took a stab at completing the "A. *GOALS/BUSINESS NEEDS STATEMENT*".

Please "tweak" and or delete where you deem necessary.

Kind Regards,
Velvee Morell, MBA, PMP
Process Manager
Customer Care | Revenue Measurement & Control
Rutherford Lane Center
1520 Rutherford Lane | 2nd Floor | Suite 100
T: 512.972.7413 | | F: 512.972.7455
velvee.morell@austinenergy.com

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Customer Care – PrePay Metering Project Charter

A. General Information

Project Name:	PrePay Metering Solution	**Project Start Date:**	April 11, 2014
Project Manager:	Velvee Morell	**Date Prepared:**	March 1, 2014
Project Sponsor:	JJ Gutierrez / Elaine Kelly-Diaz	**Project Lead:**	TBD

B. Project Description:

This section describes the project or service for which the project was undertaken. It should answer: Why? Who? What? How? When? Where?

B. Project Description:

GOALS/BUSINESS NEEDS STATEMENT:
Austin Energy is the 8th largest community-owned electric utility in the country. We serve more than 420,000 customers and a population of almost one million. We provide service within the City of Austin, Travis County, and a small portion of Williamson County. Our annual revenues total $1.2 billion. The Utility has a diverse generation portfolio of more than 2,600 megawatts of traditional generation and more than 450 megawatts of renewable energy. Austin Energy has led the nation in sales of renewable energy by a utility-sponsored program for the last seven years in a row. The Utility also offers some of the most comprehensive rebates in the country for residential and commercial customers to make energy-efficiency improvements to their homes and buildings.

Austin Energy is currently facing an all-time high with its accounts receivables, customer satisfaction is declining, and bad debt is high. In an effort to change the direction of these matters Austin Energy is implementing a Prepaid Metering Program.

Prepayment is another option in the portfolio of customer payments. Certain customers may prefer one billing platform over another. We can identify different segments and generational shifts in regard to payment needs and billing preferences, so prepay is not for everyone.
Remember Prepay energy is part of a mega-trend toward convenience and control over family budgets.
Austin Energy is trying to move from a reactive approach to a proactive approach with a service order mentality to supporting customer engagement, choice, and a better customer experience.

PROJECT JUSTIFCATION/PURPOSE/OBJECTIVES:
In a time where utilities are looking for ways to provide more payment options to it's customers, prepay seems to be answering the call.
Prepay energy is approaching an infection point of rapid implementation and adoption in the united states. Prepay as a payment option is part of a mega-trend that includes gift cards, reloadable debit cards and benefit cards. This mega trend continues to intensify, with 62% of Americans having used some form of prepayment in 2013 as compared to 55% in 2012 and 49% in 2010. As such, when considering prepayment in all forms as simply a payment and cash management option, prepayment is definitely in the mainstream.

Prepaid metering systems have been around for many years. Utilities implement prepaid metering

systems to reduce collection expense, better manage cash flow and lower bad debt. **Prepay is a mainstream option driven by high consumer satisfaction.**

Value of project/request/service
(Describe the value that this project/request/service will bring to AE.)
Prepaid metering is a win-win initiative for both the utilities and our customers. We are able to supply service to the 15% of our customers with poor history of payment and credit issues. For these customers, distinguished by poor payment history, frequent power shutoffs, and hefty fees for service interruption, prepaid metering is a method to budget the power utilization. Gives the control to the customer.

Prepaid metering does have many benefits, including:

- A reduction in working capital assets.
- A reduction in uncollectible revenue.
- Improved customer service–providing more control in the hands of the consumer.
- Proven capabilities to reduce energy usage. Industry average quotes prepay customers use 15-20% less energy than those with conventional meters.
- Additional business case justification for advanced metering infrastructure (AMI).
- When positioned as a broader customer benefit, the utility may be able to recoup investment in rates.

C. Project Objectives:

The AE Customer Care division is launching a 90 day pilot project that entails deploying a Prepay Metering solution. This solution will not only leverage our Automated Meter Reading (AMR) investment, but enable our customers to take control of their usage, conservation, and how they pay for utility services. It also supports the overall Austin Energy's Advanced Meter Infrastructure (AMI) Smart Technology initiative.

DRAFT

D. Initial Project Scope:

This section describes the high-level scope, which includes what work is and is not to be included in the

High-Level Deliverables. *What will be created in terms of deliverables to satisfy the purpose of the project, as described in Section B.*

In Scope:

- Purchase and implementation of Software as a Service (SAAS) web based solution.
- Training for all end users and administrators (2)
- Design & Define Pre-Pay Program Roadmap
- 90 Day Pilot period
- Identify Test Market of Individuals
- Focus Groups
- Defined Approach for managing Customer Advocacy Groups
- Proof of Concept (Reports, Data and Cost Analysis)
- Customer Market Segmentation
- Residential Only
- Multiple Vendors will participate in the pilot

Out of Scope:

- Any Interfaces into Meter Data Management System (MDMS), Command Center, and Customer Care & Billing (CC&B)
- In-home Display and or any Hardware
- Formal Media Communication (Corporate Communications)
- Software Modifications

High-Level Risks:

- Necessary Resources to Complete the Pilot
- Funding
- Unique Procurement Process Approval (multi-vendor pilot)
- Disapproval from Customer Advocacy Groups
- City Council Disapproval

DRAFT

E. High-Level Milestone Work Plan:

The following lists the high-level milestone tasks associated with performing this project successfully.

Milestone Work Plan. *List of high-level work activities that will be performed to complete the project. Provide an estimated completion date for each milestone.*

• Resources
  ○ Project Core Team
  ○ Steering Committee
  ○ Operational Staff specifically assigned to pilot (for manual work task, ie field, billing, etc.)
  ○ Augmented Staff - Temps
• Complete Charter
• Conduct Industry Research
• Develop & Issue Request For Proposal (RFP)
• Vendor Selection
• Contract Negotiations
  ○ Specifications Verification
  ○ Statement of Work Verification(SOW)
  ○ Execute Contract
• Project Kick-off Meeting
• Implementation of the Solution
• Configuration of the System
• Training End-Users
• System Go-live – (conduct pilot)
• Control Pilot
• Pilot Close-Out
  ○ Final Pilot Analysis
  ○ Lessons Learned

F. Assumptions and Constraints

The following describes any applicable assumptions and/or constraints that may affect the project.

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Assumptions: *Major assumptions pertaining to this project that may impact scope. Assumptions are factors that, for planning purposes, are considered to be true, real, or certain without proof or demonstration.*

- Client participation
- Necessary Budget
- All project team members will be available for duration of the project.
- IT will approve all technical specifications
- IT will approve all security specifications
- **Estimated Cost of Implementation**
  (Provide an estimate of the total project/request/service cost.)
  Implementation O&M: $ 0.0 (labor)
  Implementation O&M: $ 0.0 (Software - SAAS)
  Hardware/Storage Requirements: $ 0.0

Constraints: *All known constraints pertaining to this project that may impact scope. Constraints are applicable restrictions or limitations, either internal or external that may affect the performance of the project or a process.*

- Limited Resources
- Aggressive Timeline
- Budget of ?k (O&M) & (Capital)

G. Project Manager Authority

This section explicitly names the project manager and defines his or her authority over the project.

Project Manager:	Velvee Morell
Project Authority:	The project manager has the authority to execute the project plan activities in order to produce the project deliverables as established in the project management plan upon updated communication of Project Sponsor.

DRAFT

H. Approval and Signatures

The signatures below signify an understanding of the project purpose, objectives, and scope, and the project manager's authority. The signatures indicate formal agreement to the contents of this Project Charter in order to begin work and commitment of the necessary resources.

Name/Title	Signature	Date
Velvee Morell		
Project Manager		
JJ Gutierrez		
Project Sponsor		
TBD		
Project Lead		
Velvee Morell		
Business Unit Executive		

DRAFT

Gutierrez, Jawana (JJ)

From: Cochran, Marsha
Sent: Thursday, August 21, 2014 4:18 PM
To: Morell, Velvee; Gutierrez, Jawana
Subject: FW: Pre-Pay Metering Pilot Charter
Attachments: CC- PrePay Metering -Project Charter-08-20-14.docx

I still do not think that it is 100% there. My goal was to make it more concise and descriptive of the program itself. Perhaps we can review a clean copy tomorrow morning during our meeting and add or subtract from there. I hope I did not offend by the extent of my edits. ☺ We need to decide if it is PrePay, Prepay or Prepaid. All three were used throughout.

Marsha Cochran I Austin Energy I **512.972.7731**

From: Morell, Velvee
Sent: Wednesday, August 20, 2014 10:54 AM
To: Gutierrez, Jawana; Cochran, Marsha
Subject: Pre-Pay Metering Pilot Charter

Team,

Attached for your review is a draft copy of the Pre-Pay Metering Pilot Charter.

JJ – I captured everything we wrote and took a stab at completing the "A. *GOALS/BUSINESS NEEDS STATEMENT*".

Please "tweak" and or delete where you deem necessary.

Kind Regards,
Velvee Morell, MBA, PMP
Process Manager
Customer Care | Revenue Measurement & Control
Rutherford Lane Center
1520 Rutherford Lane | 2nd Floor | Suite 100
T: 512.972.7413 | | F: 512.972.7455
velvee.morell@austinenergy.com

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Customer Care – PrePay Metering
Project Charter

A. General Information

Project Name:	PrePay Metering Solution	**Project Start Date:**	April 11, 2014
Project Manager:	Velvee Morell	**Date Prepared:**	March 1, 2014
Project Sponsor:	JJ Gutierrez / Elaine Kelly-Diaz	**Project Lead:**	TBD

B. Project Description:

This section describes the project or service for which the project was undertaken. It should answer: Why? Who? What? How? When? Where?

B. Project Description:

GOALS/BUSINESS NEEDS STATEMENT:

~~Austin Energy is the 8th largest community owned electric utility in the country. We serve more than 420,000 customers and a population of almost one million. We provide service within the City of Austin, Travis County, and a small portion of Williamson County. Our annual revenues total $1.2 billion. The Utility has a diverse generation portfolio of more than 2,600 megawatts of traditional generation and more than 450 megawatts of renewable energy. Austin Energy has led the nation in sales of renewable energy by a utility sponsored program for the last seven years in a row. The Utility also offers some of the most comprehensive rebates in the country for residential and commercial customers to make energy efficiency improvements to their homes and buildings.~~

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~~Austin Energy is currently facing an all-time high with its accounts receivables, customer satisfaction is declining, and bad debt is high. In an effort to change the direction of these matters Austin Energy is implementing a Prepaid Metering Program.~~

~~Prepayment is another option in the portfolio of customer payments. Certain customers may prefer one billing platform over another. We can identify different segments and generational shifts in regard to payment needs and billing preferences, so prepay is not for everyone.~~

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~~Remember Prepay energy is part of a mega-trend toward convenience and control over family budgets.~~

~~Austin Energy is trying to move from a reactive approach to a proactive approach with a service order mentality to supporting customer engagement, choice, and a better customer experience.~~

PrePay is defined as a customer paying for electricity service in advance of electricity being consumed. The PrePay Metering Solution is a 90 day multiple vendor pilot program that will analyze the viability of providing Austin Energy's residential customers with the voluntary option of signing up for prepaid electric service.

Austin Energy is currently facing a decline in customer satisfaction and an all-time high of bad debt and account receivables. The goal of the PrePay Metering Solution is to couple quantifiable cost savings for the utility with better control for the consumer. Prepay allows the customer to be more proactive in their consumption patterns and to change their behavior to potentially result in lower energy bills.

PROJECT JUSTIFICATION/PURPOSE/OBJECTIVES:

~~In a time where utilities are looking for ways to provide more payment options to it'sits customers, prepay seems to be answering the call.~~
Prepay electric ~~energy~~ is approaching an infection point of rapid implementation and adoption in the Uunited Sstates~~.~~ Prepay provides benefits for both the customer and utility. For the residential customer, Prepay Metering will improve customer satisfaction through providing additional payment options and empowering the customer to have ultimate control over their energy consumption. Customers enrolled will be able to manage payments, set notification preferences and view usage either online or via smart phone. The benefits for the customer are highlighted below:

- Allows consumer to budget and prioritize according to income streams.
- Reduces fees and penalities.
- Monitor energy consumption.
- Improve energy efficiency.
- Requires no deposit.
- Customer can pay less but more often.
- Removes burden from late paying customers.

~~Prepay as a payment option is part of a mega-trend that includes gift cards, reloadable debit cards and benefit cards. This mega trend continues to intensify, with 62% of Americans having used some form of prepayment in 2013 as compared to 55% in 2012 and 49% in 2010. As such, when considering prepayment in all forms as simply a payment and cash management option, prepayment is definitely in the mainstream.~~

~~Prepaid metering systems have been around for many years. Utilities implement prepaid metering systems to reduce collection expense, better manage cash flow and lower bad debt.~~ ~~**Prepay is a mainstream option driven by high consumer satisfaction.**~~

Value of project/request/service
(Describe the value that this project/request/service will bring to AE.)
~~Prepaid metering is a win-win initiative for both the utilities and our customers. We are able to supply service to the 15% of our customers with poor history of payment and credit issues. For these customers, distinguished by poor payment history, frequent power shutoffs, and hefty fees for service interruption, prepaid metering is a method to budget the power utilization. Gives the control to the customer.~~ Utilities implement prepaid metering systems to reduce collection expense, better manage cash flow and lower bad debt.

Benefits to the utility include: ~~Prepaid metering does have many benefits, including:~~

- A reduction in working capital assets.
- Better cash flow.
- A reduction in uncollectible revenue.
- Improved customer satisfaction~~service-providing more control in the hands of the consumer~~.
- Lower call center activity.
- Assists in demand reduction~~Proven capabilities to reduce energy usage. Industry average quotes~~ P~~-~~prepay customers use 15-20% less energy than post-paid~~those with conventional meters~~.
- Allows for capitalization of ~~Additional business case justification for~~ Aadvanced Mmetering Iinfrastructure (AMI).
- Decrease disconnects.
- When positioned as a broader customer benefit, the utility may be able to recoup investment in rates.

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C. Project Objectives:

The AE Customer Care division is launching a 90 day pilot project that entails deploying a stand alone? Prepay Metering solution. This solution will not only leverage our Automated Meter Reading (AMR) investment, but also enables our customers to manage their energy consumption. ~~take control of their usage, conservation, and how they pay for utility services.~~ It ~~also~~ supports ~~the overall~~ Austin Energy's overall AMI~~dvanced Meter Infrastructure (AMI)~~ Smart Technology initiative.

D. Initial Project Scope:

This section describes the high-level scope, which includes what work is and is not to be included in the

High-Level Deliverables. *What will be created in terms of deliverables to satisfy the purpose of the project, as described in Section B.*

In Scope:

- Purchase and implementation of Software as a Service (SAAS) web based solution.
- Training for all end users and administrators (2)
- Design & Define Pre-Pay Program Roadmap
- 90 Day Pilot period
- Identify Test Market of Individuals
- Focus Groups
- Defined Approach for managing Customer Advocacy Groups
- Proof of Concept (Reports, Data and Cost Analysis)
- Customer Market Segmentation
- Residential Only
- Multiple Vendors will participate in the pilot

Out of Scope:

- Any Interfaces into Meter Data Management System (MDMS), Command Center, and Customer Care & Billing (CC&B)
- In-home Display and or any Hardware
- Formal Media Communication (Corporate Communications)
- Software Modifications

High-Level Risks:

- ~~Necessary~~ Resources essential for~~to~~ pilot completion~~Complete the Pilot~~
- Funding
- Approval for u~~U~~nique p~~P~~rocurement p~~P~~rocess ~~Approval~~ (multi-vendor pilot)
- ~~Disapproval from~~ Customer Advocacy Groups dispproval
- City Council d~~D~~isapproval

E. High-Level Milestone Work Plan:

Milestone Work Plan. *List of high-level work activities that will be performed to complete the project. Provide an estimated completion date for each milestone.*

• Resources
  o Project Core Team
  o Steering Committee
  o Operational Staff specifically assigned to pilot (for manual work task, ie field, billing, etc.)
  o Augmented Staff - Temps
• Complete Charter
• Conduct Industry Research
• Develop & Issue Request For Proposal (RFP)
• Vendor Selection
• Contract Negotiations
  o Specifications Verification
  o Statement of Work Verification(SOW)
  o Execute Contract
• Project Kick-off Meeting
• Implementation of the Solution
• Configuration of the System
• Training End-Users
• System Go-live – (conduct pilot)
• Control Pilot
• Pilot Close-Out
  o Final Pilot Analysis
  o Lessons Learned

The following lists the high-level milestone tasks associated with performing this project successfully.

F. Assumptions and Constraints

The following describes any applicable assumptions and/or constraints that may affect the project.

Assumptions: *Major assumptions pertaining to this project that may impact scope. Assumptions are factors that, for planning purposes, are considered to be true, real, or certain without proof or demonstration.*

- Client participation
- Necessary Budget
- All project team members will be available for duration of the project.
- IT will approve all technical specifications
- IT will approve all security specifications
- **Estimated Cost of Implementation**
  (Provide an estimate of the total project/request/service cost.)
  Implementation O&M: $ 0.0 (labor)
  Implementation O&M: $ 0.0 (Software - SAAS)
  Hardware/Storage Requirements: $ 0.0

Constraints: *All known constraints pertaining to this project that may impact scope. Constraints are applicable restrictions or limitations, either internal or external that may affect the performance of the project or a process.*

- Limited Resources
- Aggressive Timeline
- Budget of ?k (O&M) & (Capital)

G. Project Manager Authority

This section explicitly names the project manager and defines his or her authority over the project.

Project Manager:	Velvee Morell
Project Authority:	The project manager has the authority to execute the project plan activities in order to produce the project deliverables as established in the project management plan upon updated communication of Project Sponsor.

DRAFT

H. Approval and Signatures

The signatures below signify an understanding of the project purpose, objectives, and scope, and the project manager's authority. The signatures indicate formal agreement to the contents of this Project Charter in order to begin work and commitment of the necessary resources.

Name/Title	Signature	Date
Velvee Morell		
Project Manager		
JJ Gutierrez		
Project Sponsor		
TBD		
Project Lead		
Velvee Morell		
Business Unit Executive		

DRAFT

Gutierrez, Jawana (JJ)

From: Morell, Velvee
Sent: Thursday, August 28, 2014 12:40 PM
To: Gutierrez, Jawana
Subject: RE: Prepay info

Hello JJ,

I will send the schedule to you shortly.

Here are the committee members. I also sent a list to Amy on Monday.

- ***Steering Committee*** – Will provide the strategic direction and make all executive decisions for the POC
  - David Wood
  - JJ Gutierrez
  - Elaine Kelly-Diaz
  - Debbie Kimberly
  - Mercy Sanchez
  - Alan Claypool
- ***Working Committee*** – Will work to develop, and complete all operational and projectized documents and work for the POC.
  - Velvee Morell
  - Liz Jambor
  - Joey Hernandez
  - Marsha Cochran
  - Stacy Lewis
  - Michael Gowen
  - Bill Kelly

Kind Regards,
Velvee Morell, MBA, PMP
Process Manager
Customer Care | Revenue Measurement & Control
Rutherford Lane Center
1520 Rutherford Lane | 2nd Floor | Suite 100
T: 512.972.7413 | | F: 512.972.7455
velvee.morell@austinenergy.com

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From: Gutierrez, Jawana
Sent: Thursday, August 28, 2014 11:20 AM
To: Morell, Velvee
Subject: Prepay info

Will you send me the names of the committee members we have thus far? For both the Working and Steering committees.
Also, have you had a chance to develop the high-level millstone Gantt chart? I'd like to share it Kerry in our meeting on Tuesday.
Thanks,

Jawana JJ Gutierrez | Vice President Customer Care Services | Austin Energy
721 Barton Springs Road | Austin, Texas 78704 | (P) 512-322-6596 | (F) 512-505-3964

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Gutierrez, Jawana (JJ)

From: Overton, Kerry
Sent: Monday, October 20, 2014 2:45 PM
To: Cochran, Marsha; Gutierrez, Jawana
Subject: RE: How Prepay Works - Executive Summary

Thank you for the updated version this morning. We achieved the objective and generated the proper interest in next steps. The discussion with Larry went well.

I appreciate both of you responding so quickly since our meeting Friday. Thank you for a job well done. Let's talk about next steps.

Kerry Overton | Deputy General Manager | Austin Energy
721 Barton Springs Rd. | Austin, TX 78704 | 512.322.6113

From: Cochran, Marsha
Sent: Monday, October 20, 2014 9:20 AM
To: Gutierrez, Jawana
Cc: Overton, Kerry
Subject: How Prepay Works - Executive Summary

I am actually working from home due to an upset stomach. I do not have access to Paint so was not able to manipulate the deployment slide. JJ, I have included the original for you to work with along with the new slide. I am available for corrections to the rest of preso via cell phone.

Marsha
512 560 1900 cell

Gutierrez, Jawana (JJ)

From: Howard, James (Austin Energy)
Sent: Friday, October 24, 2014 3:09 PM
To: Morell, Velvee; Gutierrez, Jawana; Ledesma, Rosemary; Walker, Carrie; Cochran, Marsha; Ferri, Jennifer; Miller, Yolanda
Subject: RE: PrePay Procurement Meeting

I thought that it might be good to outline some of the thoughts that have been discussed as to how to proceed on this:

I have been discussing options on Prepaid metering with Legal and Velvee Morrell (project manager over here on this). Additionally, we have had meetings with the
Technical resources to discuss what might be required for an integration with the current billing system. Velvee indicated on her Project Charter that there would not be any interfaces with our current billing system in the Phase 1 Testing/Pilot/Demonstration phase. The test would be entirely web-based.

That sets this up for a two step approach and creates some questions on how that would look. If we did an umbrella RFP that had a Phase 1—Proof of Concept/Demonstration stage and then went forward to a full award stage, the prime question would be does the SOW include integration details and requirements that would have to be looked at the Final Award Stage (additionally my understanding is that Legal does not think this can be done)? If not, then would this be possibly two RFPs. The first RFP to award the Pilot, the second RFP with the detailed integration specs to award the full system?

Another possibility is to have an RFP that provides a contract to the multiple vendors which terminates after so many days unless the Contractor passes certain performance metrics. This puts the evaluation and control squarely with the business unit. This would have to be explained to Council. My understanding is that Legal is okay with this approach.

So the possibilities are:

1. Multiphase RFP with Proof of Concept/Demonstration phase, under contract, and final award stage based on results of Demonstration.
    a. Option: Contractor pays for the Demonstration themselves. RFP is viewed as legal by Law Department under these circumstances. Its that mini contract that creates the problem. It seems to cut off the RFP from one view of the Statute because it is an "award."
2. RFP with one contract awarded to multiple vendors. Contract provides proof of Concept/Demonstration phase followed by termination of vendors based on performance metrics.
3. Two RFPs. One RFP to award the testing/Demonstration contract. Second RFP to award full system. Second RFP could factor in some of the results from the Demonstration possibly.
4. Request for Information which leads to a Proof of Concept or Pilot Project, multiple vendors. Followed by full RFP (that allows "all" vendors to compete) and full award.
    a. Note: I am currently doing this with a RFI with Proof of Concept for the Mobile Data Center. Once architecture is agreed upon, a full RFP may follow.

Jim Howard

-----Original Appointment-----
From: Morell, Velvee
Sent: Friday, October 24, 2014 2:47 PM
To: Morell, Velvee; Gutierrez, Jawana; Ledesma, Rosemary; Walker, Carrie; Cochran, Marsha; Howard, James (Austin Energy); Ferri, Jennifer

Subject: PrePay Procurement Meeting
When: Monday, November 03, 2014 2:00 PM-3:00 PM (UTC-06:00) Central Time (US & Canada).
Where: TLC - JJ's Office

Sorry I forgot the location!

Hello All,

This meeting is to discuss procurement options for the RFP and or Pilot process for the Prepay Project.

If you have any additional questions please call James Howard @ (512) 322-6307.

Thank you,

Velvee M.

Gutierrez, Jawana (JJ)

From: Morell, Velvee
Sent: Monday, May 04, 2015 5:47 PM
To: Loots, Gage
Cc: Gutierrez, Jawana; Cochran, Marsha
Subject: Prepay Metering Meeting 11am-12noon

Gage,

Good afternoon, we are on the project team for the Prepaid Metering project and we are preparing to go out for bid soon.

JJ Gutierrez is our sponsor and would like to know if you could step in our standing weekly meeting tomorrow 11am-12noon in her office on the 5th floor for a few minutes.

We would like some feedback from you in assembling the documentation. Thus far we have completed sections 0300, 0400, and 0600.

Hopefully you can poke your head in and provide us some direction.

Thank you Gage,

Kind Regards,
Velvee Morell, MBA, PMP
Process Manager
Customer Care | Revenue Measurement & Control
Rutherford Lane Center
1520 Rutherford Lane | 2nd Floor | Suite 100
T: 512.972.7413 | | F: 512.972.7455
velvee.morell@austinenergy.com

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Gutierrez, Jawana (JJ)

From: Loots, Gage
Sent: Tuesday, May 05, 2015 11:52 AM
To: Morell, Velvee
Cc: Gutierrez, Jawana; Cochran, Marsha
Subject: RE: Prepay Metering Meeting 11am-12noon

Velvee,

Sorry, I was off site in meetings this morning. I have a meeting with Carrie and Marsha this afternoon that I assume is cover these things.

Thanks,

Gage Loots
Supervising Senior Buyer
City of Austin
Purchasing Office at Austin Energy
(512) 322-6251
gage.loots@austinenergy.com

From: Morell, Velvee
Sent: Monday, May 04, 2015 5:47 PM
To: Loots, Gage
Cc: Gutierrez, Jawana; Cochran, Marsha
Subject: Prepay Metering Meeting 11am-12noon

Gage,

Good afternoon, we are on the project team for the Prepaid Metering project and we are preparing to go out for bid soon.

JJ Gutierrez is our sponsor and would like to know if you could step in our standing weekly meeting tomorrow 11am-12noon in her office on the 5th floor for a few minutes.

We would like some feedback from you in assembling the documentation. Thus far we have completed sections 0300, 0400, and 0600.

Hopefully you can poke your head in and provide us some direction.

Thank you Gage,

Kind Regards,
Velvee Morell, MBA, PMP
Process Manager
Customer Care | Revenue Measurement & Control
Rutherford Lane Center
1520 Rutherford Lane | 2nd Floor | Suite 100
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Gutierrez, Jawana (JJ)

From: Cochran, Marsha
Sent: Tuesday, May 12, 2015 10:58 AM
To: Gutierrez, Jawana; Morell, Velvee
Subject: Prepay RFP and Proposal Format
Attachments: AE Prepay Metering Solution SOW_Manual Pilot.docx; 0600 Evaluation- Prepay RFP_ Draft - 05-12-15.docx

Attached are the most current versions of the RFP and 0600 document exclusive of Carrie's edits which were sent in a separate email.

Marsha Cochran

Research Analyst I Quality Management

Austin Energy I 721 Barton Springs Road I Austin 78704

Ph: 512.972.7731

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Solicitation
for Participation in

Prepay Metering Offering

City of Austin

DRAFT

1.0 INTRODUCTION

Purpose

The City of Austin d/b/a Austin Energy, hereinafter referred to as "Austin Energy (AE)", is seeking proposals from qualified service providers, hereinafter referred to as "Vendor", to participate in a minimum 120-day proof of concept (POC) for an off-the-shelf Prepay Metering Solution. Austin Energy will select several vendors to provide the hardware, software, installation, training and support for the administration of processes necessary for the daily operation of a manual prepay metering offering as detailed in this Scope of Work (SOW).

Background

Austin Energy (AE) is the municipally-owned electric utility of the City of Austin (COA). AE is the eighth largest public power utility in the country with approximately 480,000 residential, commercial and industrial customers. Annual revenues are in excess of $1.3 billion. The utility's service area is 437 square miles of which 206 are encompassed within the city limits of Austin and the remainder in the incorporated or unincorporated portions of Travis and Williamson Counties. Austin Energy is a vertically integrated electric utility owning 2,389 MW of generation, approximately 630 miles of transmission lines and nearly 11,000 miles of distribution.

Austin Energy provides customer billing services for all COA utilities: electric, water, wastewater, solid waste, transportation, drainage and other related fees. It generates 20 billing cycles per month with approximately 24,000 bills per cycle. The City of Austin went live with Oracle Utilities' Customer Care and Billing (CC&B) v.2.3.1 solution in October 2011. The COA is in the process of a full AMI deployment. The implementation of a Meter Data Management System (MDMS) (phase 1) and Command Center are scheduled to be completed mid-2015. Currently, there are 371,000 2-way meters that have read capability and 56,000 1-way meters. The meter change out of 1-way meters to 2-way is expected to be completed by end-2015.

2.0 PROJECT OVERVIEW

Austin Energy seeks a vendor-hosted fully operable prepay POC solution which will operate in a manual capacity with no system integration. Selected Vendor(s) will operate independent of each other and in parallel. Austin Energy reserves the right to discontinue with a particular Vendor at any point during the POC.

Project Objectives

The objectives of the Prepay Metering POC are three-fold:

1) Provide the customer with an innovative payment solution
2) Enable the customer to manage their energy account on a daily basis;
3) To gauge the viability of a fully integrated deployment

Proof of Concept (POC) Methodology

1. Four-month duration with option for one month extensions up to 6 months.
2. Multiple vendors participating simultaneously.
3. No greater than 300 customers divided among Vendor(s); selected at AE's discretion.
4. Two-phase POC: The first phase will consist of employees and the second phase will contain employees and external customers. Length of each phase to be determined. Vendor(s) progression from Phase 1 to Phase 2 will be independent of other vendors.
5. Electric only; with option to include water service customer(s).

Functional Requirements

Outlined below is the high-level functionality of the Prepay Metering POC to be included at a minimum but not limited to:

Customer Enrollment

Enrollment in the prepay POC will be offered to existing AE customers in two phases: employees and then external customers. Customer enrollment will be entered in Austin Energy's CIS system. A customer may enroll in the prepay program either by telephone or in person. The customer will be required to acknowledge a Prepay Metering Service Agreement upon enrollment. After account set up has been completed, an AMI meter with remote connect/disconnect capability will be installed at the service address.

Account Management

The prepay customer will be able to access their account information via a vendor-hosted portal, mobile application and vendor IVR. Through this hosted portal and mobile application, the customer will be able to make payments, manage their alert settings and view transactions, account balance, pending account activity, current usage, daily usage (currency and kWh) and historical trending. Austin Energy prefers that customers use a unique secure logon for access to the prepaid portal.

The prepaid offering will deliver alert notifications as the customer's balance is reduced. Customers will be able to customize the frequency, method (email, outbound dialer, SMS text) and type of alert, e.g. daily balance, payment posted, low balance (threshold set by customer), pending disconnects, meter status and monthly usage statement. Austin Energy will have the capability to include standard alerts of its own.

Customers will also be able to access their prepay accounts via inbound IVR. Two-way texting capability which includes payment drafts is desired.

Billing/Payments

Electric charges will be calculated in the Vendor portal via a daily register read file from Austin Energy's AMI system. In addition to metered usage, other charges such as drainage, solid waste service, security light, monthly consumer fees and other fixed monthly charges will be calculated and deducted daily. The prepaid system must be able to process usage charges and account adjustments that occur in the CIS system.

Austin Energy receives a variety of payment types (cash, check, ACH, credit/debit card) collected through direct and multiple third party payment methods: branch, IVR, Online Customer Care portal (Bill Matrix) and pay stations (Western Union). In some cases (e.g. cash/check payments made in the branch), the payment is posted immediately and in other cases, the payment is held in a "pending" status until it can be processed to the customer's account in a batch. The prepaid offering will recognize payments received within CIS (cash/check) and the vendor portal (credit/debit, ACH) at specified intervals during business hours. When a payment is recognized, the prepay solution will communicate the action to be initiated (e.g. service disconnection/reconnection) via file to AE.

Customers enrolled in the prepay program will not receive printed utility bills.

In addition, the prepay metering offering will have the capability to:

- Support complex tiered rate structures and various charges, adjustments and fees.
- Produce an accurate estimate of usage when a meter read shows incomplete data by using various input, e.g. prior usage, environmental factors, day of week etc., and indicate instances in which this occurs.

Automatic payment draft functionality with high dollar limit threshold capability is desired.

Debt Recovery

Austin Energy currently offers payment arrangements to customers with outstanding balances. The prepaid system must allow for similar functionality wherein new and current customers with pre-existing debt from an AE utility account will be given the opportunity to allocate a

portion of their prepayment amount to pay down debt balances. Austin Energy will determine the default allocation percentage. Both Austin Energy and the customer must be able to view the current status of the debt and payments applied toward it.

Disconnection

In the event that a customer's prepaid account balance reaches zero or is negative, the prepaid system will send a daily disconnect report to AE. The days, hours and grace period for disconnection will be determined. In addition, the prepaid system must allow the ability to restrict the interruption of service for defined periods of time due to holidays, extreme weather moratoriums or unforeseen circumstances and on an ad hoc basis.

If disconnections are suspended, the prepaid system must be able to accrue the charges incurred by customers during the period in which electric service is still being provided. The accrued charges will be available for view on the vendor-hosted web portal or mobile application.

Reconnection

When payments remitted are equal to or greater than the minimum amount due (negative balance + recharge amount), the prepay solution will generate a reconnect report.

Customers will be required to remit a minimum payment within a predetermined number of days following disconnection. For prepaid accounts that have been disconnected for longer than the predetermined number of days, the customer will be required to contact the Customer Service department and reapply for service. As a result, the prepaid system must recognize customer accounts in this status and communicate the steps necessary to restore electric service or switch customers to postpaid (see Cancellation of Service)

Cancellation of Service

The change from prepaid to postpaid will include the proper transition of credits or balances in the prepaid system. The prepaid system must provide a report listing the accounts that were removed from the program.

Reporting

Austin Energy requires reporting that includes but is not limited to: program participation, customer activity, channel analytics, energy efficiency tracking; payment and usage data for reconciliation purposes.

3.0 PROJECT SCOPE

Austin Energy seeks a Vendor to implement a manual Prepay Metering POC. Under a manual POC, the Vendor will not integrate with AE's billing system, payment processors or AMI system. The RFP vendor must propose their own merchant processor in the scope of their response which accepts credit/debit card and ACH payments.

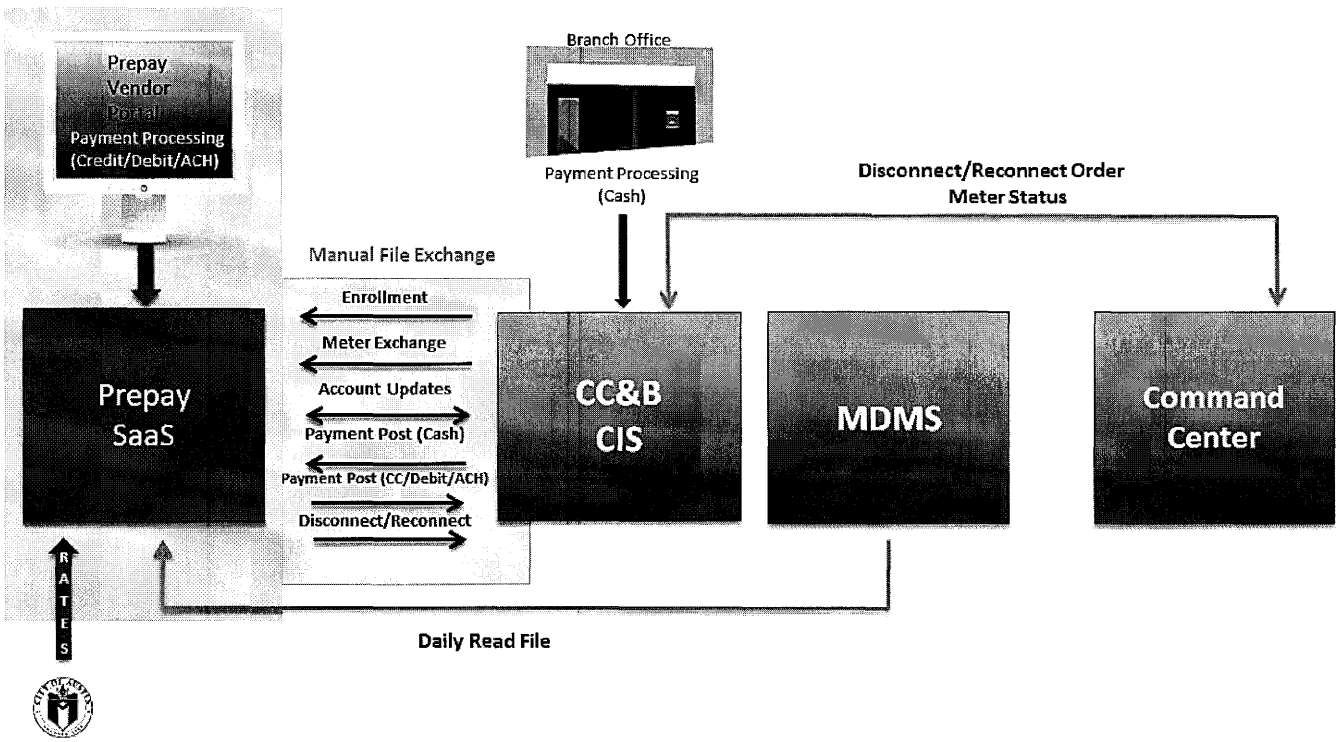
It is anticipated that Austin Energy will implement a full deployment pending evaluation of the proof of concept. Consequently, submitting Vendors should have the capability to interface with current and future COA systems which include but are not limited to:

- Oracle CC&B V.2.3.1
- L+G Command Center
- L+G Ecologic Analytics
- Avaya IVR

Austin Energy plans to select a SaaS solution for the Prepay Metering system and as such, will implement the functionalities available in the current release of the solution provided by the selected Vendor(s).

Level of Integration

The high-level schematic of the manually interfaced Prepay Metering POC is shown below:



Vendor(s) Responsibilities

The Vendor(s) will be required to provide project management and professional services during the planning, analysis, design, construction and testing of the hosted Prepay solution.

Austin Energy requires the RFP Vendor(s) to provide:

- Hosted infrastructure and equipment
- A configured website, IVR and mobile app to meet business and technical/security requirements
- Payment processing (credit/debit, ACH)
- Support and maintenance (during 4-6 month POC)
- Metrics and reporting (standard)
- Training/Knowledge transfer

The Vendor(s) will be responsible for all set-up, configuration and testing of the hosted system environment to meet the needs of Austin Energy's functional requirements as described in this RFP.

Austin Energy Responsibilities

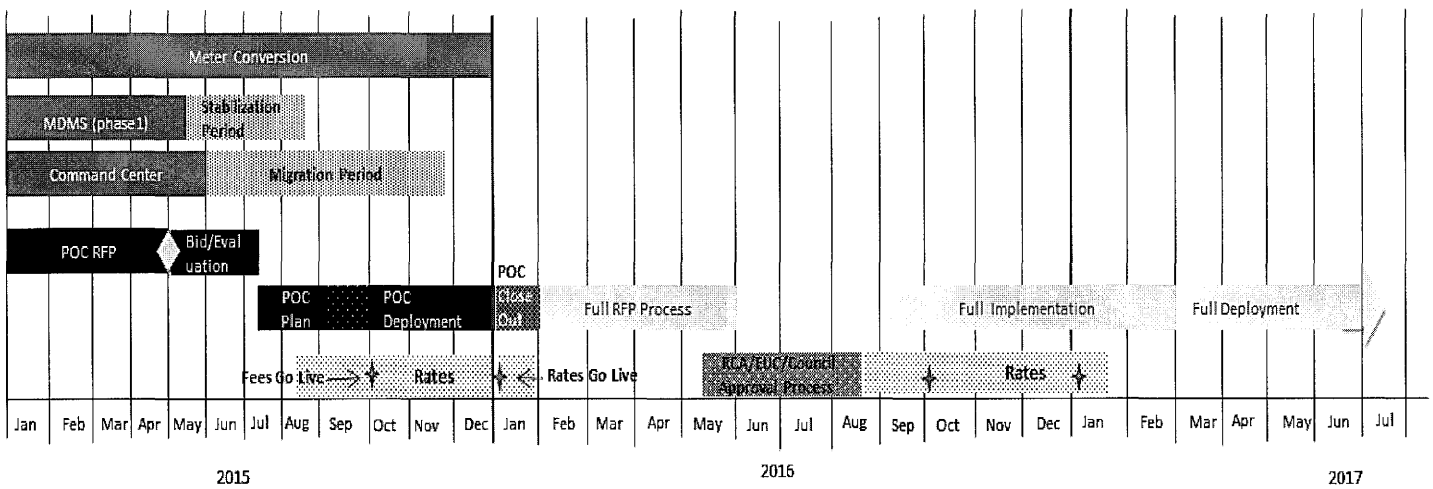
AE's personnel will be responsible for connecting the selected vendor to appropriate resources within the various COA departments in order to implement the Vendor POC. Austin Energy's project team will be comprised of a project manager, as well as technical and functional resources from the various AE departments.

The AE project manager will provide the following:

- Project prioritization and scheduling with the selected Vendor's project manager.
- Access to office sites during normal business hours (based on approved criminal background investigation and formal badging process, if applicable).
- Related documentation and/or access to appropriate technical resources from financial services and individual departments
- Issue identification, prioritization, communication to Vendor(s) support staff
- Scheduling and coordinating of regular project team meetings and work sessions as needed
- Office space for Vendor project management or technical resource staff, if needed.
- Facilities, including telephones, personal computer hookups, and access to copy and fax machines.
- Facilities for all meetings, work sessions, and training classes, including any necessary audio-visual equipment.

Project Timeline

This RFP is for a Prepay Metering proof of concept. The timeline below gives a targeted schedule for a Prepay deployment along with other projects which will have an impact; including, AMI deployment and the annual rates cycle. Selected Vendor(s) must demonstrate the capability to incorporate rate factor changes during the annual rates cycle. Between POC planning and POC deployment is a period to transition postpaid customers to prepay. Upon close out and evaluation of the POC, the decision will be made whether to proceed with production. Integral to the go ahead of a full deployment will be approval by the EUC and City Council as indicated.



Project Success Factors

The successful completion of a project includes:

- All of the service deliverables identified within this SOW have been delivered, implemented, accepted to a functional POC environment in accordance with the agreed upon SOW.
- Vendor(s) have delivered support for the predetermined number of days.
- Review and approval of milestones, deliverables, monthly status reports and invoices.

Pilot Milestones

Milestone	Deliverable	Payment
1	Installation and Set Up	none
2	Testing and Training	100% of installation fee
3	Monthly Operation of the POC	Invoiced monthly fee as described in vendor proposal

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4.0 VENDOR REQUIREMENTS – HOW DO REQUIREMENTS DIFFER IN A MANUAL NON-REAL TIME ENVIRONMENT?

The functional requirements describe product features and functionality pertaining to our end users. To ensure that a proposed solution is thoroughly represented, Vendors must respond to each requirement listed below.

"Importance Rating" indicates how critical the requirement is to achieving project objectives.

- **Must Have:** These requirements may or may not be industry standards but are highly critical to the project. They must either be satisfied by the system's base functionality or the Vendor must offer an alternative to satisfy the base functional requirement.
- **Expected:** These requirements are important to the end users of the system and generally describe features that are.
- **Desired:** These requirements add value, but are not critical to our end users. These features are considered optional.

If there are responses that Vendors deem optimal to those suggested by the requirement description or response, please provide the alternate solution with a detailed explanation.

	Operational Functionality	
Req #	Requirement Description	Rating
O.1	The Prepay Metering Solution includes a web portal (allows for unique logon ID), mobile app, IVR, alert system and toll-free customer support.	Must Have
O.2	Is compatible with multiple mobile operating systems (iOS, Android, Blackberry, Windows)	Must Have
O.3	Includes both English and Spanish versions of its website, mobile application, customer support, IVR and alerts.	Expected
O.4	Is compatible with all major web browsers (Internet Explorer, Chrome, Safari, Firefox, etc.)	Must Have
O.5	Vendor provides online help features and 24/7 customer support	Must Have

	Reporting	
Req #	Requirement Description	Rating
R.1	The Prepay Metering Solution provides reporting that includes but is not limited to: program participation, customer enrollment, customer activity (web portal usage, payments, alerts, etc.), energy efficiency tracking, payment and usage data for purposes of reconciliation between AE's CIS and prepay systems.	Must Have

	Customer Experience	
Req #	Requirement Description	Rating
C.1	The Prepay Metering Solution will present customer account information via web portal and mobile app including but not limited to: payment history, current balance, debt agreement, usage/service fees for each utility service, estimated disconnect date, alerts history and pending account activity	Must Have
C.2	Makes customer payments, balance and account status (e.g. pending disconnect) available via IVR	Must Have
C.3	Website and mobile app includes daily and interval energy usage (kWh/currency), time series charts to allow for trending, ability to compare energy consumption with environmental factors, e.g. temperature.	Must Have
C.4	Provides ability to project/forecast time remaining before disconnection based upon current credit	Must Have

	balance and historical energy consumption.	

	Customer Enrollment	
Req #	Requirement Description	Rating
C.5	The Prepay Metering Solution recognizes the COA's CIS (CC&B v.2.3.1) as the system of record and works in concert with that system and the AMI network (L+G) to present customer data, usage and charges via daily secure file transfer protocol (SFTP).	Must Have
C.6	Ability to receive and process customer account updates from CIS (account, rate, customer info, etc.) via daily SFTP.	Must Have
C.7	Allows for customer service representative (CSR) to enroll customer through vendor web portal	Must Have
C.8	Offers ability to set up prepay services for multiple commodities under one account	Desired
C.9	Ability for CSR to remove customers from prepay based upon customer request.	Must Have
C.10	Ability to set different minimum amounts needed for a customer to reconnect service during enrollment (the amounts may vary depending upon customer type, rates, etc.)	Desired

	Payments/Billing	
Req #	Requirement Description	Rating
P.1	Vendor system must reconcile its records with those of COA's CIS (Oracle CC&B v.2.3.4) at least monthly.	Must Have
P.2	Reconciliation must include ability to recognize payments and billing adjustments posted in either application	Must Have
P.3	System must have capability to compile and present prepaid utility information for COA utility services (electric, drainage, solid waste, transportation, etc.)	Must Have
P.4	System must have capability to measure and prorate all service charges (compiling AMI register reads, manual meter reads and unmetered fixed monthly charges). Prepayment balance must decrease each day by the daily consumption of the combined charges for each service.	Must Have
P.5	Payments must be allocated to the separate utilities according to each service's proportion of daily service charges.	Must Have
P.6	Adjustments made to incorrect meter reads must be recognized and updated in the vendor system	Must Have
P.7	Vendor system must read, interpret, compile and present utility data including but not limited to: • Energy usage (kWh, gallons, etc.) • Energy cost adjustments • Base charges • Taxes and miscellaneous service fees	Must Have
P.8	System is able to accrue charges incurred by customers during disconnection moratoriums (i.e. weekends, holidays, after hours, weather conditions) and subtract consumption from new purchased credit.	Must Have
P.9	Prepaid system recognizes seasonal and tiered rate structures for multiple utilities	Must Have
P.10	Ability to receive and process rate changes with effective dates from CIS	Must Have
P.11	Ability to process customer payments made at multiple locations and through multiple channels: Vendor web portal – credit card, debit card or ACH Vendor IVR – credit card, debit card or ACH COA Service Center – cash	Must Have

P.12	Ability to relay payment information via payment file to AE for posting next day.	Must Have
P.13	Vendor system must acknowledge payments collected after business hours.	Desired
P.14	Minimum payment required to re-establish service (debt + minimum prepayment) is available for review on web portal for view by customers and AE employees	Must Have
P.15	Minimum payment required to re-establish service (debt + minimum prepayment) is available for review on mobile app for view by customers and AE employees	Must Have
P.16	Minimum payment required to re-establish service (debt + minimum prepayment) is available for review on IVR for view by customers and AE employees	Must Have
P.17	*Immediately following the prepay system's acknowledgement of a payment equal to or greater than the minimum required payment, the prepay system generates a report to AE.*	Must Have

	Debt Recovery	
Req #	Requirement Description	Rating
D.1	Vendor system includes a debt recovery module which allows AE to apply a percentage of a customer's prepay amount towards an outstanding balance	Must Have
D.2	Ability to deduct the calculated usage charge plus a portion of the arrears on a daily basis from the customer's account	Must Have
D.3	Allows AE to define the standard percentage of prepaid funds to be allocated to arrears and override percentage on a case by case basis.	Expected
D.4	A customer may view their debt balance via web portal.	Must Have
D.5	A customer may view their debt balance via mobile app.	Must Have
D.6	A customer may view their debt balance via IVR.	Must Have

	Notifications/Alerts	
Req #	Requirement Description	Rating
N.1	The prepay system provides multiple alert types (daily balance, low balance, pending disconnection) that are selectable by customers and AE employees	Must Have
N.2	The prepay system provides several methods of receiving alerts (text message, outbound IVR, email) that are available for selection by customer	Must Have
N.3	Ability to log and display alerts and notification sent to the customer (time, date, alert type, alert method)	Expected

	Disconnection/Reconnection	
Req #	Requirement Description	Rating
DR.1	Ability to monitor consumption from daily register read file and issue disconnect order to Austin Energy and log documentation of transaction when all pre-purchased credit is zero or negative.	Must Have
DR.2	*Ability to send reconnect requests to CIS when customer pays minimum amount required to reconnect. Automatically reconnects disconnected electric service upon establishment of a credit balance.*	
DR.3	Vendors prepay system issues daily file with disconnect accounts and issues reconnect file every 15 minutes from 6am-10pm.	

DR.4	The prepay system does not initiate automatic reconnection following payment for accounts that have been disconnected for five days or more. The web portal, mobile app and IVR advise these customers to contact customer service.	

	Service Cancellation	
Req #	Requirement Description	Rating
S.1	Prepay Solution permits disenrollment from the program at any time and may be initiated by the customer or AE employee.	Must Have
S.2	Upon disenrollment, the prepay system communicates the customer's removal from the program to AE via daily STFP file.	Must Have
S.3	Prepay system generates a report detailing and summarizing customer disenrollment activity	Must Have
S.4	When services have been disconnected for five days or more, the prepay account is automatically deactivated and services are reverted to postpaid.	

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CITY OF AUSTIN
PURCHASING OFFICE
PROPOSAL PREPARATION INSTRUCTIONS AND EVALUATION FACTORS
SOLICITATION NUMBER: RFP

2. PROPOSAL FORMAT

Prefacing the proposal, the Proposer shall provide an Executive Summary of three (3) pages or less, which gives in brief, concise terms, a summation of the proposal. The proposal itself shall be organized in the following format and informational sequence:

Part I - Business Organization: State full name and address of your organization and identify parent company if you are a subsidiary. Specify the branch office address or other subordinate element which will perform, or assist in performing work herein. Indicate whether you operate as a partnership, corporation, or individual. Include the State in which incorporated or licensed to operate.

Part II - System Concept and Solution: Complete and define in detail your understanding of the Requirements Matrix presented in the Scope of Work of this request for proposal and your system solution. Provide all details as required in the Scope of Work and any additional information you deem necessary to evaluate your proposal..

Part III – Proof of Concept (POC) Plan: Describe your project plan for implementation and execution of the prepay POC (estimated duration of 4 months with one month extensions up to 6 months; 300 customers maximum). Include such time-related displays, graphs and charts as necessary to show tasks, sub-tasks, milestones and decision points related to the Scope of Work and your plan for accomplishment. Specifically indicate: (add project schedule?)

i. A description of your work plan by tasks. Detail the steps you will take in proceeding from Task 1 to the final tasks.

ii. The technical factors that will be considered in section above and the depth to which each will be treated.

iii. The degree of definition provided in each technical element of your plan.

iv. The points at which written, deliverable reports will be provided.

v. A statement of your compliance with all applicable rules and regulations of Federal, State and Local governing entities. The Proposer must state his compliance with terms of this Request for Proposal (RFP).

Part IV - Project Management Structure: Provide a general explanation and chart which specifies project leadership and reporting responsibilities. If use of subcontractors is proposed, identify their placement in the primary management structure, and provide internal management description for each subcontractor.

Part **V - Prior Experience:** Describe relevant corporate experience. Supply the project title, year, reference name, present address and phone number of principal person for whom prior projects were accomplished.

Part VI - Personnel: Include names and qualifications of all professional personnel who will be assigned to this project. State the primary work assigned to each person and the percentage of time each person will devote to this work. Identify key persons by name and title. Provide all resumes.

Part VII - Local Business Presence: The City seeks opportunities for businesses in the Austin Corporate City Limits to participate on City contracts. A firm (Offeror or Subcontractor) is considered

CITY OF AUSTIN
PURCHASING OFFICE
PROPOSAL PREPARATION INSTRUCTIONS AND EVALUATION FACTORS
SOLICITATION NUMBER: RFP

to have a Local Business Presence if the firm is headquartered in the Austin Corporate City Limits, or has a branch office located in the Austin Corporate City Limits in operation for the last five (5) years. The City defines headquarters as the administrative center where most of the important functions and full responsibility for managing and coordinating the business activities of the firm are located. The City defines branch office as a smaller, remotely located office that is separate from a firm's headquarters that offers the services requested and required under this solicitation. Points will be awarded through a combination of the Offeror's Local Business Presence and/or the Local Business Presence of their subcontractors. Evaluation of the Team's Percentage of Local Business Presence will be based on the dollar amount of work as reflected in the Offeror's MBE/WBE Compliance Plan or MBE/WBE Utilization Plan. Specify if and by which definition the Offeror or Subcontractor(s) have a local business presence. Identify office location/address and number of years at location.

Part VIII - Non-Collusion, Non-Conflict of Interest, and Anti-Lobbying:

i. On November 10, 2011, the Austin City Council adopted Ordinance No. 20111110-052 amending Chapter 2-7, Article 6 of the City Code relating to Anti-Lobbying and Procurement. The policy defined in this Code applies to Solicitations for goods and/or services requiring City Council approval under City Charter Article VII, Section 15 (Purchase Procedures). During the No-Contact Period, Offerors or potential Offerors are prohibited from making a representation to anyone other than the Authorized Contact Person in the Solicitation as the contact for questions and comments regarding the Solicitation.

ii. If during the No-Contact Period an Offeror makes a representation to anyone other than the Authorized Contact Person for the Solicitation, the Offeror's Offer is disqualified from further consideration except as permitted in the Ordinance.

iii. If a Respondent has been disqualified under this article more than two times in a sixty (60) month period, the Purchasing Officer shall debar the Offeror from doing business with the City for a period not to exceed three (3) years, provided the Respondent is given written notice and a hearing in advance of the debarment.

iv. The City requires Offerors submitting Offers on this Solicitation to provide a signed Section 0810, Non-Collusion, Non-Conflict of Interest, and Anti-Lobbying Affidavit certifying that the Offeror has not in any way directly or indirectly made representations to anyone other than the Authorized Contact Person during the No-Contact Period as defined in the Ordinance The text of the City Ordinance is posted on the Internet at: http://www.ci.austin.tx.us/edims/document.cfm?id=161145

CITY OF AUSTIN
PURCHASING OFFICE
PROPOSAL PREPARATION INSTRUCTIONS AND EVALUATION FACTORS
SOLICITATION NUMBER: RFP

Part IX - Proposal Acceptance Period: All proposals are valid for a period of one hundred and twenty (120) calendar days subsequent to the RFP closing date unless a longer acceptance period is offered in the proposal

Part X - Proprietary Information: All material submitted to the City becomes public property and is subject to the Texas Open Records Act upon receipt. If a Proposer does not desire proprietary information in the proposal to be disclosed, each page must be identified and marked proprietary at time of submittal. The City will, to the extent allowed by law, endeavor to protect such information from disclosure. The final decision as to what information must be disclosed, however, lies with the Texas Attorney General. Failure to identify proprietary information will result in all unmarked sections being deemed non-proprietary and available upon public request.

Part XI - Authorized Negotiator: Include name, address, and telephone number of person in your organization authorized to negotiate Contract terms and render binding decisions on Contract matters.

Part XII - Cost Proposal: A firm fixed price is contemplated for the proposed duration of the POC. A proposed firm fixed price or not-to-exceed Contract is contemplated, with progress payments as mutually determined to be appropriate for the POC. Ten percent (10%) of the total contractual price will be retained until submission and acceptance of all work products. Respondent is expected to provide the number of hours and the unit cost per hour of service that can be expected for the accomplishment of this project.

Sample response:

	Estimated Task Hours	Cost
Installation		
Testing and Training		
Monthly Operation (POC)		

EXCEPTIONS:

Be advised that exceptions to any portion of the Solicitation may jeopardize acceptance of the Proposal.

PROPOSAL PREPARATION COSTS:

All costs directly or indirectly related to preparation of a response to the RFP or any oral presentation required to supplement and/or clarify a proposal which may be required by the City shall be the sole responsibility of the Proposer.

CITY OF AUSTIN
PURCHASING OFFICE
PROPOSAL PREPARATION INSTRUCTIONS AND EVALUATION FACTORS
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EVALUATION FACTORS AND AWARD

A. **Competitive Selection**: This procurement will comply with applicable City Policy. The successful Proposer will be selected by the City on a rational basis. Evaluation factors outlined in Paragraph B below shall be applied to all eligible, responsive Proposers in comparing proposals and selecting the Best Offeror. Award of a Contract may be made without discussion with Proposers after proposals are received. Proposals should, therefore, be submitted on the most favorable terms.

B. **Evaluation Factors**: ***110 points.***

- Project Understanding, Proposed Approach and Methodology: (30 points)
  - Proven understanding of Services Required/SOW
  - Presented detailed service to be provided and method.

- Demonstrated Applicable Experience (30 points)
  - Experience in serving similar municipalities
  - Relevant references
  - Ability to perform in a timely manner
  - Accomplishments on behalf of other clients
  - Current Workload

- Personnel Qualifications (20 points)
  - Experience of assigned staff

- Evaluation of Cost Structure (20 points)
  - Cost of proposed services

- LOCAL BUSINESS PRESENCE (Maximum 10 points)

Team's Local Business Presence	Points Awarded
Local business presence of 90% to 100%	10
Local business presence of 75% to 89%	8
Local business presence of 50% to 74%	6
Local business presence of 25% to 49%	4
Local presence of between 1 and 24%	2
No local presence	0

Gutierrez, Jawana (JJ)

From: Cochran, Marsha
Sent: Monday, May 18, 2015 10:20 AM
To: Brown, Kelvin
Cc: Gutierrez, Jawana; Morell, Velvee
Subject: Prepay Metering RFP - DRAFT
Attachments: AE Prepay Metering Solution SOW_Manual Pilot.docx

Hello Kelvin,

Attached is the near final draft of the RFP. Kindly review with IT and provide feedback.

Thank you.

Marsha Cochran
Research Analyst I Quality Management
Austin Energy I 721 Barton Springs Road I Austin 78704
Ph: 512.972.7731
Email: marsha.cochran@austinenergy.com

Gutierrez, Jawana (JJ)

From: Cochran, Marsha
Sent: Tuesday, June 09, 2015 11:29 AM
To: Gutierrez, Jawana
Cc: Morell, Velvee
Subject: Prepay Timeline
Attachments: Prepay Timeline_RFP Version.pptx

Marsha Cochran

Research Analyst I Quality Management

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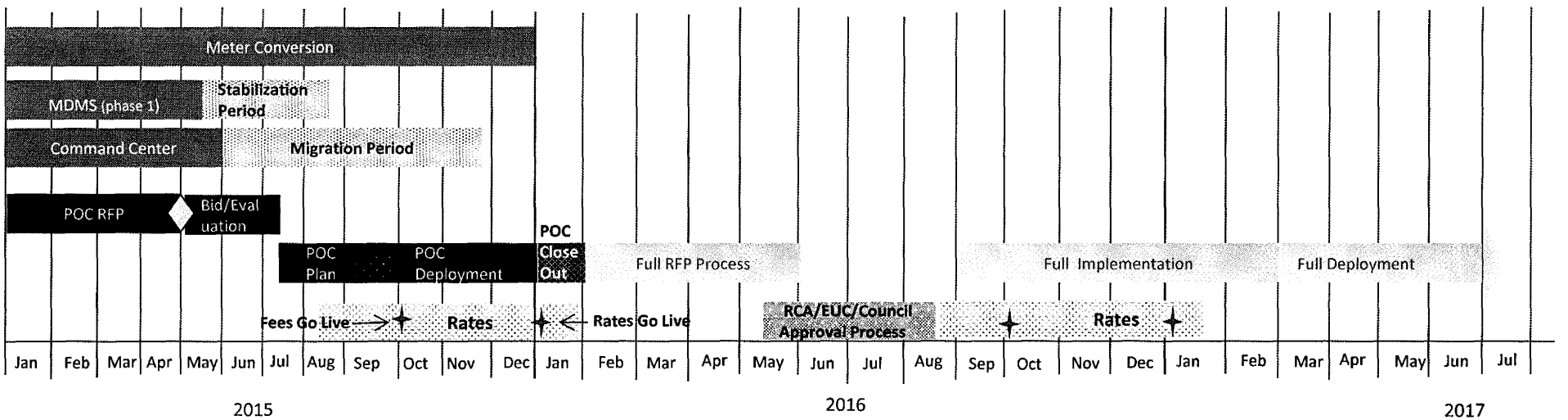
RFP Version


Meter Conversion
MDMS (phase 1)
Stabilization Period
Command Center
Migration Period
POC RFP
Bid/Evaluation
POC Plan
POC Deployment
POC Close Out
Full RFP Process
Full Implementation
Full Deployment
Fees Go Live
Rates
Rates Go Live
RCA/EUC/Council Approval Process
Rates
Jan Feb Mar Apr May Jun Jul Aug Sep Oct Nov Dec Jan Feb Mar Apr May Jun Jul Aug Sep Oct Nov Dec Jan Feb Mar Apr May Jun Jul
2015
2016
2017

Gutierrez, Jawana (JJ)

From: Oberwortmann, John
Sent: Friday, June 12, 2015 2:31 PM
To: Gutierrez, Jawana; Cochran, Marsha
Cc: Mickelson, Christopher; Gardner, Colleen
Subject: pilot project electronic copy for editing
Attachments: pilot programs_post submittal.docx

Hello J.J. and Marsha,

Attached is an electronic copy of the pilot projects. I have turned on the Track Changes so we can easily update the tariff proposal.

Chris, J.J. wanted to follow up with you to find out about the back-casting of the 20 TOU accounts with the pre-payment proposal. She wants to be able to provide some assurance that our calculated rates will not over-recover. There will be a reconciliation with CC&B on a monthly basis to reconcile the pre-payment program accounts with CC&Bs monthly billing. I told J.J. and Marsha that the pre-payment rates should slightly over-recover on a monthly basis. We will then provide the customer a credit for any overpayment.

Regards,
John Oberwortmann
Austin Energy
(512) 322-6419

Pilot Programs

Application:
These pilot programs rate schedule applies to electric service whose point of delivery is located within the limits of Austin Energy's service territory. Each rate schedule will be limited to a participation of 100 individual meters on a first-come, first-served basis, unless stated otherwise on their applicable rate schedule. Austin Energy may administratively suspend availability of these pilot program options at any time or append full participation.

Character of Service:
Service provided under these rate schedules are pursuant to City Code Chapter 15-9 (*Utility Service Regulations*) and the City of Austin Utility Criteria Manual, as both may be amended from time to time, and such other rules and regulations as may be prescribed by the City of Austin. Electric service of one standard character will be delivered to one point of service on the customer's premises and measured through one meter unless, at Austin Energy's sole discretion, additional metering is required.

Terms and Conditions:
Customers shall permit Austin Energy to install all equipment necessary for metering and permit reasonable access to all electric service facilities installed by Austin Energy for inspection, maintenance, repair, removal, or data recording purposes. All non-kilowatt-hour charges under these rate schedules shall remain unaffected by the application of a rider(s).

Pilot programs availability will be contingent upon Austin Energy's operational feasibility, system configuration, availability of appropriate meters, and the customer's premise, if applicable. Customers selecting these rate options are not eligible to participate in levelized billing. The rate tables below reflect rates with an effective date of November 1, 2015. For information on rates (*i.e.,* power supply adjustment, community benefit, and regulatory) prior to this effective date, please see corresponding schedules in the tariff (if applicable). For definition of charges listed below, see "Glossary of Terms" at the back of this tariff.

Time Periods:

Weekdays	
Off-Peak	10:00 P.M. – 7:00 A.M.
Mid-Peak	7:00 A.M. – 3:00 P.M., 6:00 P.M. – 10:00 P.M.
On-Peak	3:00 P.M. – 6:00 P.M.
Weekends	
Off-Peak	Entire Day

Residential Service (Pilots)

Application:
Applies to all electric service for domestic purposes in each individual metered residence, apartment unit, mobile home, or other dwelling unit whose point of delivery is located within the limits of Austin Energy's service territory. The appropriate General Service schedules are applicable where a portion of the dwelling unit is used for either: a) conducting a business or other non-domestic purposes, unless such use qualifies as a home occupation pursuant to City Code Chapter 25-2-900; or b) for separately-metered

uses at the same premises, including, but not limited to: water wells, gates, barns, garages, boat docks, pools, and lighting.

Discounts:
Residential customers who receive, or who reside with a household member who receives assistance from the Comprehensive Energy Assistance Program (CEAP), Travis County Hospital District Medical Assistance Program (MAP), Supplemental Security Income Program (SSI), Medicaid, the Supplemental Nutritional Assistance Program (SNAP), the Children's Health Insurance Program (CHIP), or the Telephone Lifeline Program are eligible for a discount under the Customer Assistance Program (CAP). The priority for program funding is CEAP, MAP, SSI, Medicaid, and SNAP followed by CHIP and then Telephone Lifeline recipients. Eligible residential customers will be automatically enrolled in the discount program through a third-party matching process, with self-enrollment also available directly through Austin Energy.

Customers enrolled in the discount program are exempt from the monthly Customer Charge and the CAP component of the Community Benefit Charge and shall receive a 10 percent bill reduction on kilowatt-hour-based charges, unless stated otherwise on their applicable rate schedule. Customers in the discount program, as well as other low income and disadvantaged residential customers, may be eligible for bill payment assistance through Plus 1 and free weatherization assistance.

Rider Schedules:
Service under these rate schedules are eligible for application of GreenChoice Energy (Rider) and Value-Of-Solar (Rider), unless stated otherwise on their applicable rate schedule.

Time-Of-Use Rates

In lieu of the Standard Rates under the Residential Service rate schedule, customers receiving service under this rate schedule may choose the following time-of-use charges to be applied for a term of no less than twelve (12) consecutive billing cycles, otherwise, an early termination fee of $250.00 will be applied; at Austin Energy's sole discretion the fee could be waived.

Time-Of-Use Charges

		Summer (June through September)	**Non-Summer** (October through May)
Basic Charges ($/month)			
Customer			
	Single-Phase	$10.00	$10.00
	Three-Phase	$15.00	$15.00
Delivery		$0.00	$0.00
Fuel Charges ($/kWh)			
Weekdays			
	Off-Peak	$0.02732	$0.02535
	Mid-Peak	$0.03374	$0.03401
	On-Peak	$0.14273	$0.03561
Weekends			
	Off-Peak	$0.02732	$0.02535

Energy Charges ($/kWh)		
0 – 500 kWh	$0.02300	$0.02300
501 – 1,000 kWh	$0.06400	$0.06400
1,001 – 1,500 kWh	$0.07833	$0.07833
1,501 – 2,500 kWh	$0.09267	$0.09267
Over 2,500 kWh	$0.10200	$0.10200
Community Benefit Charges ($/kWh)		
Energy Efficiency Services	$0.00400	$0.00400
Customer Assistance Program		
Inside City Limits	$0.00172	$0.00172
Outside City Limits	$0.00118	$0.00118
Service Area Lighting *(Only applies to Inside City Limits Accounts)*	$0.00930	$0.00930
Regulatory Charges ($/kWh)		
Regulatory	$0.01256	$0.01256
Supplemental Regulatory *(Only applies to Outside City Limits Accounts)*	$0.00057	$0.00057

Prepayment Rates

In lieu of the Standard Rates under the Residential Service rate schedule, customers by request and on a voluntary and limited basis can receive service under this rate schedule may choose the following prepayment charges to be applied for a term of no more than twelve (12) consecutive billing cycles. This rate schedule will be limited to a participation of 300 individual meters on a first-come, first-served basis

Terms and Conditions:
In lieu of a written notice of disconnection, Austin Energy will provide program participants with a notice by text message, email, or phone call to alert them when the account balance is at or below a projected five (5) day usage. It is the participants sole responsibility to provide Austin Energy with current and correct contact information for such notice message; nor is it Austin Energy's responsibility to verify that the notice message was delivered nor refrain from disconnecting service, if it cannot deliver the notice message due to insufficient or incorrect information. Regulations and policies concerning disconnection of service due to weather, critical medical conditions, or other circumstances shall not apply to service under this rate schedule. Any charges incurred by Austin Energy as a result of insufficient fund checks/electronic fund transfers, returned credit card payments, and the like associated with prepaid service shall be applied immediately to the account balance and may result in disconnection of service without further notice. Austin Energy will disconnect any account that maintains a $0.00 balance or amount due to Austin Energy for a period of thirty (30) days; any account disconnected for such reason must reestablish service. Suspension of electric service may occur seven (7) days a week. Service will be reconnected upon receipt of payment for the outstanding balance plus a minimum $30.00 to be credited towards future energy use.

Austin Energy shall not require a deposit as a guarantee of payment for services provided. Deposits previously paid to Austin Energy shall be returned to the customer, or at the customer's request be applied to the prepayment balance.

At time of enrollment, Austin Energy and the participant shall agree to the prepayment blance amount at which a low balance-notification will be issued to the customer. Such amount shall be a reasonable approximation of five (5) days of normal usage at the premise receiving prepayment service; if there is not sufficient historical usage information for the customer or premise, the minimum notification level shall be set at $30.00 until sufficient usage information is established.

Prepayment service accounts do not receive paper statements (bills) for electric service. Billing details and usage data will be made available through Austin Energy's internet-based account management service. The customer is responsible for monitoring the account balance to ensure that the remaining prepayment amount is adequate to avoid automatic suspension of service. A meter reading will occur each calendar day. The consumption , as determined by the meter equipment, will be multiplied by the apporate daily charges, including any applicable taxes.

Prepayment Daily Charges

	Inside City Limits	Outside City Limits
Basic Charges ($/day)		
Customer		
Single-Phase	$0.33	$0.33
Three-Phase	$0.49	$0.49
Delivery	$0.00	$0.00
Summer Energy Charges ($/kWh/day) – June through September		
0 – 16 kWh	$0.03300	$0.03750
16 – 33 kWh	$0.08000	$0.08000
33 – 49 kWh	$0.09100	$0.09325
49 – 82 kWh	$0.11000	$0.09325
Over 82 kWh	$0.11400	$0.09325
Non-Summer Energy Charges ($/kWh/day) – October through May		
0 – 16 kWh	$0.01800	$0.01800
16 – 33 kWh	$0.05600	$0.05600
33 – 49 kWh	$0.07200	$0.07170
49 – 82 kWh	$0.08400	$0.07170
Over 82 kWh	$0.09600	$0.07170
Power Supply Adjustment Charge ($/kWh)		
Power Supply	$0.03627	$0.03627
Community Benefit Charges ($/kWh)		
Customer Assistance Program	$0.00172	$0.00118
Service Area Lighting	$0.00093	$0.00000
Energy Efficiency Services	$0.00400	$0.00400
Regulatory Charges ($/kWh)		
Regulatory	$0.01256	$0.01256
Supplemental Regulatory	$0.00000	$0.00057

Plug-In Electric Vehicle Charging Rates

Application:
For a separate residential sub-meter attached to an in-home electric vehicle charging station for charging a plug-in electric vehicle (PEV), which is connected to the same meter that registers usage of the customer's primary domestic residence. Customers receiving service under this rate schedule may choose the following electric vehicle charges to be applied for a term of no less than twelve (12) consecutive billing cycles, otherwise, an early termination fee of $200.00 will be applied; at Austin Energy's sole discretion the fee could be waived. This rate schedule gives the customer free access to public electric vehicle charging station under the Electric Vehicle Public Charging rate schedule.

Terms and Conditions:
These charges are in addition to any other services the premise might be receiving; customers served under this rate schedule will be provided separate primary meter billing amounts and PEV sub-meter billing amounts, in their electric bill(s). The customer's primary metered usage is billed according to the primary rate schedule selected by the customer. The customer's PEV usage is billed according to this residential EV schedule. The primary meter billed amount calculation excludes the PEV sub-meter usage. The PEV sub-meter billed amount will be based upon data delivered to Austin Energy.

In-home electric vehicle charging must be during off-peak periods, otherwise, all energy use will be multiplied by the fuel charges rates for their applicable periods; this applies when energy use outside of off-peak periods is greater than 10 percent. A one-time enrollment payment of $150 will be applied.

Customers receiving PEV charging station service are not eligible for any discounts and rider schedules under this rate schedule.

PEV Charging Station Charges

		Summer (June through September)	**Non-Summer** (October through May)
Basic Charges ($/month)			
Customer			
	Single-Phase	$10.00	$10.00
	Three-Phase	$15.00	$15.00
Delivery			
	Demand (≥ 10 kW)	$30.00	$30.00
	Demand (< 10 kW)	$40.00	$40.00
Fuel Charges ($/kWh) – Only applies if greater than 10 percent of energy is used outside of "Off-Peak" periods, then these charges are applied to all energy use.			
Weekdays			
	Off-Peak	$0.00000	$0.00000
	Mid-Peak	$0.11504	$0.11527
	On-Peak	$0.24507	$0.13110
Weekends			
	Off-Peak	$0.00000	$0.00000

Gutierrez, Jawana (JJ)

From: Cochran, Marsha
Sent: Monday, June 22, 2015 11:43 AM
To: Oberwortmann, John; Gutierrez, Jawana
Cc: Mickelson, Christopher; Gardner, Colleen; Morell, Velvee
Subject: RE: pilot project electronic copy for editing
Attachments: pilot programs_post submittal_FINAL EDITS.docx

John,

Attached are our edits for the Prepay rate schedule section.

Let me know if you have any questions.

Marsha Cochran I Austin Energy I **512.972.7731**

From: Oberwortmann, John
Sent: Friday, June 12, 2015 2:31 PM
To: Gutierrez, Jawana; Cochran, Marsha
Cc: Mickelson, Christopher; Gardner, Colleen
Subject: pilot project electronic copy for editing

Hello J.J. and Marsha,

Attached is an electronic copy of the pilot projects. I have turned on the Track Changes so we can easily update the tariff proposal.

Chris, J.J. wanted to follow up with you to find out about the back-casting of the 20 TOU accounts with the pre-payment proposal. She wants to be able to provide some assurance that our calculated rates will not over-recover. There will be a reconciliation with CC&B on a monthly basis to reconcile the pre-payment program accounts with CC&Bs monthly billing. I told J.J. and Marsha that the pre-payment rates should slightly over-recover on a monthly basis. We will then provide the customer a credit for any overpayment.

Regards,
John Oberwortmann
Austin Energy
(512) 322-6419

Residential Pilot Programs

Application:
These pilot programs rate schedules apply to residential electric service for an individually metered residence, apartment unit, mobile home or other dwelling that has a ~~whose~~ point of delivery which is ~~is~~ located within ~~within the limits of~~ Austin Energy's service territory. The appropriate General Service schedules are applicable where a portion of the dwelling unit is used for either: a) conducting a business or other non-domestic purposes, unless such use qualifies as a home occupation pursuant to City Code Chapter 25-2-900; or b) for separately-metered uses at the same premises, including, but not limited to: water wells, gates, barns, garages, boat docks, pools, and lighting.

Each pilot program will be limited to a participation of 100 individual meters on a first-come, first-served basis, unless stated otherwise on their applicable rate schedule. Austin Energy may administratively suspend availability of these pilot program options at any time or append full participation.

Character of Service:
Service provided under these rate schedules are pursuant to City Code Chapter 15-9 (*Utility Service Regulations*) and the City of Austin Utility Criteria Manual, as both may be amended from time to time, and such other rules and regulations as may be prescribed by the City of Austin. Electric service of one standard character will be delivered to one point of service on the customer's premises and measured through one meter unless, at Austin Energy's sole discretion, additional metering is required.

Terms and Conditions:
Customers shall permit Austin Energy to install all equipment necessary for metering and permit reasonable access to all electric service facilities installed by Austin Energy for inspection, maintenance, repair, removal, or data recording purposes. All non-kilowatt-hour charges under these rate schedules shall remain unaffected by the application of a rider(s).

Pilot programs availability will be contingent upon Austin Energy's operational feasibility, system configuration, availability of appropriate meters, and the customer's premise, if applicable. Customers selecting these rate options are not eligible to participate in budget billing. The rate tables below reflect rates with an effective date of November 1, 2015. For information on rates (*i.e.*, power supply adjustment, community benefit, and regulatory) prior to this effective date, please see corresponding schedules in the tariff (if applicable). For definition of charges listed below, see "Glossary of Terms" at the back of this tariff.

Time Periods:

Weekdays	
Off-Peak	10:00 P.M. – 7:00 A.M.
Mid-Peak	7:00 A.M. – 3:00 P.M., 6:00 P.M. – 10:00 P.M.
On-Peak	3:00 P.M. – 6:00 P.M.
Weekends	
Off-Peak	Entire Day

~~Residential Service (Pilots)~~

~~*Application:*~~
~~Applies to all electric service for domestic purposes in each individual metered residence, apartment unit, mobile home, or other dwelling unit whose point of delivery is located within the limits of Austin Energy's service territory. The appropriate General Service schedules are applicable where a portion of the dwelling unit is used for either: a) conducting a business or other non-domestic purposes, unless such use qualifies as a home occupation pursuant to City Code Chapter 25-2-900; or b) for separately-metered uses at the same premises, including, but not limited to: water wells, gates, barns, garages, boat docks, pools, and lighting.~~

~~*Discounts:*~~
~~*Residential customers who receive, or who reside with a household member who receives assistance from the Comprehensive Energy Assistance Program (CEAP), Travis County Hospital District Medical Assistance Program (MAP), Supplemental Security Income Program (SSI), Medicaid, the Supplemental Nutritional Assistance Program (SNAP), the Children's Health Insurance Program (CHIP), or the Telephone Lifeline Program are eligible for a discount under the Customer Assistance Program (CAP). The priority for program funding is CEAP, MAP, SSI, Medicaid, and SNAP followed by CHIP and then Telephone Lifeline recipients. Eligible residential customers will be automatically enrolled in the discount program through a third-party matching process, with self-enrollment also available directly through Austin Energy.*~~

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~~Customers enrolled in the discount program are exempt from the monthly Customer Charge and the CAP component of the Community Benefit Charge and shall receive a 10 percent bill reduction on kilowatt-hour-based charges, unless stated otherwise on their applicable rate schedule. Customers in the discount program, as well as other low income and disadvantaged residential customers, may be eligible for bill payment assistance through Plus 1 and free weatherization assistance.~~

Rider Schedules:
Service under these rate schedules are eligible for application of GreenChoice Energy (Rider) and Value-Of-Solar (Rider), unless stated otherwise on their applicable rate schedule.

Time-Of-Use Rates

In lieu of the Standard Rates under the Residential Service rate schedule, customers receiving service under this rate schedule may choose the following time-of-use charges to be applied for a term of no less than twelve (12) consecutive billing cycles, otherwise, an early termination fee of $250.00 will be applied; at Austin Energy's sole discretion the fee could be waived.

Time-Of-Use Charges

		Summer (June through September)	**Non-Summer** (October through May)
Basic Charges ($/month)			
Customer			
	Single-Phase	$10.00	$10.00
	Three-Phase	$15.00	$15.00
Delivery		$0.00	$0.00

Fuel Charges ($/kWh)		
Weekdays		
Off-Peak	$0.02732	$0.02535
Mid-Peak	$0.03374	$0.03401
On-Peak	$0.14273	$0.03561
Weekends		
Off-Peak	$0.02732	$0.02535
Energy Charges ($/kWh)		
0 – 500 kWh	$0.02300	$0.02300
501 – 1,000 kWh	$0.06400	$0.06400
1,001 – 1,500 kWh	$0.07833	$0.07833
1,501 – 2,500 kWh	$0.09267	$0.09267
Over 2,500 kWh	$0.10200	$0.10200
Community Benefit Charges ($/kWh)		
Energy Efficiency Services	$0.00400	$0.00400
Customer Assistance Program		
Inside City Limits	$0.00172	$0.00172
Outside City Limits	$0.00118	$0.00118
Service Area Lighting *(Only applies to Inside City Limits Accounts)*	$0.00930	$0.00930
Regulatory Charges ($/kWh)		
Regulatory	$0.01256	$0.01256
Supplemental Regulatory *(Only applies to Outside City Limits Accounts)*	$0.00057	$0.00057

Prepay Metering ~~ment~~ Rates

The Prepay Metering rate schedule is available in lieu of standard rates to residential electric customers by request and on a voluntary and limited basis for a term of no more than twelve (12) consecutive billing cycles. Participation is limited to a maximum of 300 individual meters on a ~~In lieu of the Standard Rates under the Residential Service rate schedule, customers by request and on a voluntary and limited basis can receive service under this rate schedule may choose the following prepayment charges to be applied for a term of no more than twelve (12) consecutive billing cycles. This rate schedule will be limited to a participation of 300 individual meters on a~~ first-come, first-served basis.

Terms and Conditions:
The Prepay pilot program does not require a security deposit, but the electric service customer must establish a prepay credit balance in order to enroll. Each Prepay account will be charged a monthly service fee, in addition to standard monthly customer charges. Deposits previously paid to Austin Energy shall be returned to the customer, or at the customer's request be applied to the prepayment balance. Any outstanding balances from an existing account must be paid prior to enrolling into the Prepay program or will be placed on a deferred payment plan with a fixed percentage of all future payments applied to the deferred balance. Prepay participants are not eligible for new payment arrangements or credit extensions. Electric customers or members of the household who are dependent upon electrical

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devices for health-related reasons (including life-sustaining equipment) or have Life Line status are ineligible to participate in the program.

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Participants in the Prepay program will no longer receive a paper or electronic monthly bill. Meter readings will occur each calendar day. If Austin Energy is unable to obtain a meter reading for the ~~p~~Prepay account, electric consumption will be estimated and any billing discrepancies will be trued up to actual usage when a reading becomes available. Energy usage will be charged on a daily basis; customer charges, miscellaneous charges, taxes and any other fees will be prorated.

Prepay pilot customers will no longer receive a written notice of disconnection. Upon enrollment, the Prepay customer will determine by which method they will receive alerts and notifications: text (which may incur phone carrier charges), email or phone call. It is the Prepay customer's responsibility to maintain at least one(1) Austin Energy approved notification method for which to receive alerts on their account. Only participants with viable notification capability will be able to participate in the program. The Prepay customer is responsible for updating alert settings and contact information so that Austin Energy may accurately send alerts and notifications. Austin Energy will not be responsible for any termination of service or other damages resulting from the account holder's failure to maintain an approved method of notification. ~~In lieu of a written notice of disconnection,~~ Austin Energy will notify ~~provide~~ program participants ~~with a notice by text message, email, or phone call to alert them~~ when the ~~p~~Prepay account balance is at or below a predetermined usage threshold. Austin Energy has the right to disconnect any Prepay account that reaches a zero or negative balance. There are no disconnections during weather moratoriums; however, customers are liable for the payment of energy usage which occurs during this time. Service will be reconnected upon receipt of payment for the outstanding balance plus ~~a~~ a payment amount ~~minimum $30.00~~ to be credited towards future energy use.
Account balances may be checked through the Prepay web portal 24 hours a day, 7 days a week.

It is the Prepay customer's responsibility to maintain a credit balance in order to maintain electric service. Prepay customers will have access to existing Austin Energy payment options. To avoid having electric service terminated, it is the customer's responsibility to allow enough time for a payment to be processed as some payment options require longer processing times. Any charges incurred by Austin Energy as a result of insufficient fund checks/electronic fund transfers, returned credit card payments, and the like associated with prepaid service shall be applied immediately to the account balance and may result in disconnection of service without further notice. Austin Energy reserves the right to disconnect electric service immediately without prior notice under specific situations, including theft of services or the existence of a dangerous situation. Austin Energy will close any Prepay account which has had a zero or negative balance for a period of thirty (30) days; any account disconnected for such reason must reestablish service. ~~It is the participants sole responsibility to provide Austin Energy with current and correct contact information for such notice message; nor is it Austin Energy's responsibility to verify that the notice message was delivered nor refrain from disconnecting service, if it cannot deliver the notice message due to insufficient or incorrect information. Regulations and policies concerning disconnection of service due to weather, critical medical conditions, or other circumstances shall not apply to service under this rate schedule.~~

~~Prepayment service accounts do not receive paper statements (bills) for electric service. Billing details and usage data will be made available through Austin Energy's internet-based account management service. The customer is responsible for monitoring the account balance to ensure that the remaining prepayment amount is adequate to avoid automatic suspension of service. A meter reading will occur each calendar day. The consumption , as determined by the meter equipment, will be multiplied by the apporate daily charges, including any applicable taxes.~~

Prepay Metering Daily Charges

	Inside City Limits	Outside City Limits
Basic Charges ($/day)		
Customer		
Single-Phase	$0.33	$0.33
Three-Phase	$0.49	$0.49
Delivery	$0.00	$0.00
Summer Energy Charges ($/kWh/day) – June through September		
0 – 16 kWh	$0.03300	$0.03750
16 – 33 kWh	$0.08000	$0.08000
33 – 49 kWh	$0.09100	$0.09325
49 – 82 kWh	$0.11000	$0.09325
Over 82 kWh	$0.11400	$0.09325
Non-Summer Energy Charges ($/kWh/day) – October through May		
0 – 16 kWh	$0.01800	$0.01800
16 – 33 kWh	$0.05600	$0.05600
33 – 49 kWh	$0.07200	$0.07170
49 – 82 kWh	$0.08400	$0.07170
Over 82 kWh	$0.09600	$0.07170
Power Supply Adjustment Charge ($/kWh)		
Power Supply	$0.03627	$0.03627
Community Benefit Charges ($/kWh)		
Customer Assistance Program	$0.00172	$0.00118
Service Area Lighting	$0.00093	$0.00000
Energy Efficiency Services	$0.00400	$0.00400
Regulatory Charges ($/kWh)		
Regulatory	$0.01256	$0.01256
Supplemental Regulatory	$0.00000	$0.00057

Plug-In Electric Vehicle Charging Rates

Application:
For a separate residential sub-meter attached to an in-home electric vehicle charging station for charging a plug-in electric vehicle (PEV), which is connected to the same meter that registers usage of the customer's primary domestic residence. Customers receiving service under this rate schedule may choose the following electric vehicle charges to be applied for a term of no less than twelve (12) consecutive billing cycles, otherwise, an early termination fee of $200.00 will be applied; at Austin Energy's sole discretion the fee could be waived. This rate schedule gives the customer free access to public electric vehicle charging station under the Electric Vehicle Public Charging rate schedule.

Terms and Conditions:
These charges are in addition to any other services the premise might be receiving; customers served under this rate schedule will be provided separate primary meter billing amounts and PEV sub-meter billing amounts, in their electric bill(s). The customer's primary metered usage is billed according to the

primary rate schedule selected by the customer. The customer's PEV usage is billed according to this residential EV schedule. The primary meter billed amount calculation excludes the PEV sub-meter usage. The PEV sub-meter billed amount will be based upon data delivered to Austin Energy.

In-home electric vehicle charging must be during off-peak periods, otherwise, all energy use will be multiplied by the fuel charges rates for their applicable periods; this applies when energy use outside of off-peak periods is greater than 10 percent. A one-time enrollment payment of $150 will be applied.

Customers receiving PEV charging station service are not eligible for any discounts and rider schedules under this rate schedule.

PEV Charging Station Charges

	Summer (June through September)	**Non-Summer** (October through May)
Basic Charges ($/month)		
Customer		
Single-Phase	$10.00	$10.00
Three-Phase	$15.00	$15.00
Delivery		
Demand (≥ 10 kW)	$30.00	$30.00
Demand (< 10 kW)	$40.00	$40.00
Fuel Charges ($/kWh) – Only applies if greater than 10 percent of energy is used outside of "Off-Peak" periods, then these charges are applied to all energy use.		
Weekdays		
Off-Peak	$0.00000	$0.00000
Mid-Peak	$0.11504	$0.11527
On-Peak	$0.24507	$0.13110
Weekends		
Off-Peak	$0.00000	$0.00000

From: Mickelson, Christopher [mailto:Christopher.Mickelson@austinenergy.com]
Sent: Tuesday, June 30, 2015 6:46 AM
To: Gutierrez, Jawana; Cochran, Marsha
Cc: Perny, Andy; Rose, Andrea; Maenius, Rusty; Oberwortmann, John
Subject: Prepayment Pilot Program

Good morning J.J. and Marsha,

Unfortunately, I received a phone call from AE's lawyer, Andrea Rose, yesterday evening as I was walking out the door. She informed me that the language within the prepayment rate schedule, such as, no monthly bills, receiving text messages, payment arrangements, basically anything outside of the normal "these are your rates" would need a city ordinance change or subsection, otherwise it gets into a legal nightmare. Andrea did indicate she would discuss with another lawyer, Andy Perny, to re-confirm what changes would be needed.

With that said, if both lawyers agree it would require an ordinance change, then we will likely have to take the prepayment rate schedule out of the current budget submittal (deadline tomorrow, July 1), since it likely will require additional paper work. Thoughts?

Chris

Christopher T. Mickelson | Regulatory Planner Utility
Austin Energy | Finance and Corporate Services Division
Town Lake Center | 721 Barton Springs Road, Austin, TX 78704-1194
ph: (512) 505-3730 | christopher.mickelson@austinenergy.com

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Gutierrez, Jawana (JJ)

From: Oberwortmann, John
Sent: Tuesday, August 04, 2015 5:22 PM
To: Gutierrez, Jawana (JJ)
Subject: AE Rate Schedules (FY 2016) - New Layout (clean)
Attachments: AE Rate Schedules (FY 2016) - New Layout (clean).docx

Hi JJ,

Attached, please find the proposed tariff that was submitted for the budget. If you have any questions, please give me a call.

Regards,
John
322-6419

Gutierrez, Jawana (JJ)

From: Cochran, Marsha
Sent: Wednesday, August 26, 2015 4:49 PM
To: Bagley, Jolisa
Cc: Gutierrez, Jawana (JJ); Morell, Velvee
Subject: Prepay Vendor Requirements
Attachments: AE Prepay Metering Vendor Requirements_0815.docx

Hello Jolisa,

Attached is the vendor requirements table, could you take a look at the highlighted sections and the table overall and provide feedback. We wish to submit the RFP this week to purchasing.

Let me know if you have any additional questions.

Thanks!

Marsha Cochran
Research Analyst I Quality Management
Austin Energy I 721 Barton Springs Road I Austin 78704
Ph: 512.972.7731
Email: marsha.cochran@austinenergy.com

Gutierrez, Jawana (JJ)

From: Cochran, Marsha
Sent: Tuesday, September 01, 2015 9:03 AM
To: Bagley, Jolisa
Cc: Gutierrez, Jawana (JJ); Morell, Velvee
Subject: RE: Prepay Vendor Requirements

Importance: High

Hello Jolisa,

Did you get a chance to review the vendor requirements table? Did you need to meet with JJ, Velvee and I to discuss any questions. Kindly let me know as we wish to close this out and send to Purchasing.

Marsha Cochran I Austin Energy I **512.972.7731**

From: Cochran, Marsha
Sent: Wednesday, August 26, 2015 4:49 PM
To: Bagley, Jolisa
Cc: Gutierrez, Jawana (JJ); Morell, Velvee
Subject: Prepay Vendor Requirements

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Thanks!

Marsha Cochran
Research Analyst I Quality Management
Austin Energy I 721 Barton Springs Road I Austin 78704
Ph: 512.972.7731
Email: marsha.cochran@austinenergy.com

Gutierrez, Jawana (JJ)

From: Bagley, Jolisa
Sent: Wednesday, September 02, 2015 10:37 AM
To: Cochran, Marsha
Cc: Gutierrez, Jawana (JJ); Morell, Velvee
Subject: RE: Prepay Vendor Requirements

Hi Marsha,

I have read through these requirements twice and I have a few suggestions:
P. 11: Should we include vendor mobile app as a payment channel?

Other than that it looks good.

Thanks,

Jolisa Bagley | Customer Account Manager- Collections & Remittance Processing | Austin Energy
721 Barton Springs Rd | Austin, TX 78704 | Phone: 512.972.7634| Fax: 512.505.3947

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From: Cochran, Marsha
Sent: Tuesday, September 01, 2015 9:03 AM
To: Bagley, Jolisa
Cc: Gutierrez, Jawana (JJ); Morell, Velvee
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Marsha Cochran | Austin Energy | **512.972.7731**

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Let me know if you have any additional questions.

Thanks!

Marsha Cochran

Research Analyst I Quality Management

Austin Energy I 721 Barton Springs Road I Austin 78704

Ph: 512.972.7731

Email: marsha.cochran@austinenergy.com

Gutierrez, Jawana (JJ)

From: Kelly-Diaz, Elaine
Sent: Wednesday, September 09, 2015 1:04 PM
To: Gutierrez, Jawana (JJ)
Cc: Kelly, William; Cochran, Marsha
Subject: Prepay and commercial meters

JJ – can you confirm if your prepay pilot will include a 3 phase commercial meter or meters? Reason being – no such animal will exist to allow remote disconnect/connect for that meter type (see below from Bill – this was part of another discussion). I would highly recommend not including this in your pilot as a meter appropriate to allowing these remote actions does not exist within our L&G metering infrastructure. Not all commercial meters are 3 phase though, so it may have been incorrect information that we got second hand.

From Bill: *I heard (second hand) that a 3-phase commercial metering Service Point is included in the testing for that pilot. There is no 3-phase service disconnect solution currently qualified on the L+G system, and none on the market as of today either that I am aware of. I am trying to track that detail down through Marsha C., to see if it is an assumption that commercial or three phase would be truck roll based, so I will follow up.*

Elaine D. Kelly-Diaz | Vice President, Customer Account Management | Austin Energy
TLC: 721 Barton Springs Road | Austin, TX 78704 | (512) 322-6667

Gutierrez, Jawana (JJ)

From: Cochran, Marsha
Sent: Wednesday, September 09, 2015 1:29 PM
To: Kelly-Diaz, Elaine; Gutierrez, Jawana (JJ)
Cc: Kelly, William
Subject: RE: Prepay and commercial meters

No, there are no plans to include commercial in the pilot. Electric only residential with an option to include one or two water customers to test feasibility in a full deployment.

Marsha Cochran | Austin Energy | 512.972.7731

From: Kelly-Diaz, Elaine
Sent: Wednesday, September 09, 2015 1:04 PM
To: Gutierrez, Jawana (JJ)
Cc: Kelly, William; Cochran, Marsha
Subject: Prepay and commercial meters

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Elaine D. Kelly-Diaz | Vice President, Customer Account Management | Austin Energy
TLC: 721 Barton Springs Road | Austin, TX 78704 | (512) 322-6667

Gutierrez, Jawana (JJ)

From: Cochran, Marsha
Sent: Monday, September 21, 2015 5:56 PM
To: Kelly, William; Clark, Dwayne; Jambor, Liz (Elizabeth); Ransburg, Eunice; Bagley, Jolisa; Campbell, Madeline M.
Cc: Gutierrez, Jawana (JJ); Kelly-Diaz, Elaine; Morell, Velvee
Subject: Prepay Metering Working Committee Meeting Notes - Action Items

Thank you all for your input regarding the Prepay RFP. Listed below are the action items and discussion points as I understand them which came out of the meeting:

Background
Bill will provide updates to the numbers in the 2nd paragraph and clarification as to which head in the meter read data will be coming from.

Project Methodology
Per Bill, we have geographic flexibility when creating customer groups as crews are all over the City so no need to select from concentrated areas.

Liz's group can create a report to pull just program participants for daily read file submitted to Vendor.

Functionality:
Enrollment
Per Bill, need to create a process to check head-in and whether remote meter is already installed.

Account Management
For customer alert type: Meter Status, report will have to be created in CC&B .

Billing/Payments
For the proof of concept, the only customer payment options will be: branch, Acculynk and Western Union.

Disconnection/Reconnect
Question: Will we allow disconnects/reconnects on Saturday?
Question: How do we forestall collection activity? Solution: flag prepay customer account "penalty exempt" in order to prevent collection activity.

Debt Recovery
It was decided that this functionality will not be included in the POC.

Reporting
Question: How are we going to get energy efficiency tracking, channel analytics from the Vendor. Solution: Liz said her group will provide this analysis.

Level of Interaction Diagram
Number of daily batch files to Vendor needs to be determined.

Vendor Responsibilities
Added: Vendor will provide project manager; hosted & **managed** infrastructure and equipment; weekly meetings; receipt & delivery of files.

Project Timeline
Remove full RFP deployment from timeline. CC&B upgrade is tentatively slated for September 2016 and will last 6-8 months.

Project Success Factors
Add: Positive Customer Feedback; Lessons Learned

Vendor Requirements
Working Committee members will review independently and provide feedback by end of week so that we may submit the RFP to Purchasing.

Let me know if I have excluded anything or did not capture a discussion point correctly.

Thank you.

Marsha Cochran

Research Analyst I Quality Management

Austin Energy I 721 Barton Springs Road I Austin 78704

Ph: 512.972.7731

Email: marsha.cochran@austinenergy.com

Gutierrez, Jawana (JJ)

From: Cochran, Marsha
Sent: Wednesday, September 23, 2015 11:09 AM
To: Gutierrez, Jawana (JJ); Kelly-Diaz, Elaine
Cc: Morell, Velvee
Subject: FW: Prepay Metering Working Committee Meeting Notes - Action Items

Kindly review the changes made to the following paragraph for accuracy.

Account Management
Austin Energy receives a variety of payment types (cash, check, ACH, credit/debit card) collected through direct and multiple third party payment methods: branch, IVR, Online Customer Care portal (Bill Matrix) and pay stations (Western Union). In some cases, e.g. cash/check payments made in the branch, the payment is posted immediately and in other cases, the payment is held in a "pending" status until it can be processed to the customer's account in a batch. Due to the variation in processing times, AE will limit payment options, for the purpose of this POC, to include branch, Acculynk (debit) and Western Union. The prepaid offering is expected to acknowledge payments received via file from CIS at to be determined specified intervals (during AE Call Center hours: M-F 7a-9p/Sa 9a-1p) and communicate the action to be initiated (e.g. service disconnection/reconnection) via file back to AE.

Thank you.

Marsha Cochran I Austin Energy I 512.972.7731

From: Cochran, Marsha
Sent: Monday, September 21, 2015 5:56 PM
To: Kelly, William; Clark, Dwayne; Jambor, Liz (Elizabeth); Ransburg, Eunice; Bagley, Jolisa; Campbell, Madeline M.
Cc: Gutierrez, Jawana (JJ); Kelly-Diaz, Elaine; Morell, Velvee
Subject: Prepay Metering Working Committee Meeting Notes - Action Items

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Vendor Responsibilities
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Add: Positive Customer Feedback; Lessons Learned

Vendor Requirements
Working Committee members will review independently and provide feedback by end of week so that we may submit the RFP to Purchasing.

Let me know if I have excluded anything or did not capture a discussion point correctly.

Thank you.

Marsha Cochran

Research Analyst I Quality Management

Austin Energy I 721 Barton Springs Road I Austin 78704

Ph: 512.972.7731

Email: marsha.cochran@austinenergy.com

Gutierrez, Jawana (JJ)

From: Cochran, Marsha
Sent: Monday, September 28, 2015 4:14 PM
To: Loots, Gage
Cc: Gutierrez, Jawana (JJ); Morell, Velvee
Subject: FW: Prepay Metering RFP documents
Attachments: AE Prepay Metering SOW_Manual Pilot_V. 27_92515.pdf; Prepay RFP_0600_FINAL.docx; Prepay RFP_0600_FINAL.docx

Gage,

Attached are the Prepay RFP documents. I could not remember who would be assigned to review them and assumed it would be James Howard. Upon your return, kindly let us know who will be handling preparation of the solicitation.

Thank you.

Marsha Cochran I Austin Energy I **512.972.7731**

From: Cochran, Marsha
Sent: Monday, September 28, 2015 3:59 PM
To: Loots, Gage; Howard, James
Cc: Gutierrez, Jawana (JJ); Morell, Velvee
Subject: FW: Prepay Metering RFP documents

Welcome back, James! Hopefully, you are back on the Prepay team. I have attached the scope of work, 0600 and list of vendors for you to review. I had to send the SOW in pDf format as no matter how many calls to the Help Desk, I am not able to get it out of edit mode.

Look forward to discussing with you tomorrow during our 11a meeting in JJ's office.

Marsha Cochran

Research Analyst I Quality Management

Austin Energy I 721 Barton Springs Road I Austin 78704

Ph: 512.972.7731

Email: marsha.cochran@austinenergy.com

Solicitation
for Participation in

Prepay Metering

City of Austin

DRAFT

1.0 INTRODUCTION

Purpose

The City of Austin d/b/a Austin Energy, hereinafter referred to as "Austin Energy" (AE), is seeking proposals from qualified service providers, hereinafter referred to as "Vendor", to participate in a minimum four (4) month multi-vendor proof of concept (POC) for an off-the-shelf Prepay Metering Solution. Selected Vendor(s) will provide the hardware, software, installation, training and support for the administration and management of processes necessary for the daily operation of a manual prepay metering offering as detailed in this Scope of Work (SOW).

Background

Austin Energy (AE) is the municipally-owned electric utility of the City of Austin (COA). AE is the eighth largest public power utility in the country with approximately 480,000 residential, commercial and industrial customers. Annual revenues are in excess of $1.3 billion. The utility's service area is 437 square miles of which 206 are encompassed within the city limits of Austin and the remainder in the incorporated or unincorporated portions of Travis and Williamson Counties. Austin Energy is a vertically integrated electric utility owning 2,389 MW of generation, approximately 630 miles of transmission lines and nearly 11,000 miles of distribution.

Austin Energy provides customer billing services for all COA utilities: electric, water, wastewater, solid waste, transportation, drainage and other related fees. AE generates 20 billing cycles per month with approximately 24,000 bills per cycle. The City of Austin went live with Oracle Utilities' Customer Care and Billing (CC&B) v.2.3.1 solution in October 2011. AE is in the process of a full AMI deployment, through the implementation of Landis+Gyr Meter Data Management System and the migration from a blended one-way/two-way AMR/AMI network to a full two-way communicating AMI network. Currently, there are 56,000 one-way meters and 398,000 residential and Commercial & Industrial two-way meters in our service territory; of which, roughly 6000 currently report to Command Center. A meter change out project to replace all remaining 1-way meters to 2-way is expected to be completed by mid-2016. For the purposes of this pilot, only two-way residential meters with remote disconnect/reconnect capability reporting through Command Center will be installed for POC participants.

2.0 PROJECT OVERVIEW

Austin Energy seeks a Vendor-hosted fully operable prepay POC solution which will operate in a manual capacity with no integration with COA systems. Selected Vendor(s) will operate in parallel and independent of each other. Austin Energy reserves the right to stop with a particular Vendor at any point during the POC.

Project Objectives

The objectives of the Prepay Metering POC are three-fold:

1. Provide the customer with an innovative payment solution
2. Enable the customer to manage their energy account on a daily basis
3. Gauge the viability of a fully integrated deployment

Project (POC) Methodology

1. Four-month duration with option for one month extensions up to 6 months
2. Multiple Vendors participating simultaneously.
3. No greater than 300 customers in total divided among Vendor(s). Customer distribution will be at AE' discretion
4. Residential electric only with an option to include a sampling of water service customer(s).
5. Design and facilitate customer surveys and focus groups.

Functionality

Outlined below is the high-level functionality of the Prepay Metering POC to be included at a minimum but not limited to:

Customer Enrollment

Enrollment in the prepay POC will be offered to existing AE customers. Customer enrollment will be entered in Austin Energy's CIS system. A customer may enroll in the prepay program either by telephone or in person. The customer will be required to acknowledge a Prepay Metering Service Agreement upon enrollment. After account set up has been completed, an AMI meter with remote connect/disconnect capability will be installed at the service address.

Account Management

The prepay customer will be able to access their account information via a Vendor-hosted portal, mobile application and Vendor IVR. Through this hosted portal and mobile application, the customer will be able to, manage their alert settings, view transactions, account balance, pending account activity, current usage, daily usage (currency and kWh) and historical trending. Austin Energy prefers that customers use a unique secure logon for access to the prepaid portal.

The prepaid offering will deliver alert notifications as the customer's balance is reduced. Customers will be able to customize the frequency, method (email, outbound dialer, SMS text) and type of alert, e.g. daily balance, payment posted, low balance (threshold set by customer), pending disconnects, meter status and monthly usage statement. Austin Energy will have the capability to include standard alerts of its own.

Customers will also be able to access their prepay accounts via inbound IVR and two-way texting capability.

Billing/Payments

Electric charges will be calculated in the vendor portal via a daily register and/or interval read file from Austin Energy's AMI system. In addition to metered usage, other charges such as drainage, solid waste service, security light, monthly consumer fees and other fixed monthly charges will be calculated and deducted daily. The prepaid system must be able to process usage charges and account adjustments that occur in the CIS system.

Austin Energy receives a variety of payment types (cash, check, ACH, credit/debit card) collected through direct and multiple third party payment methods: branch, IVR, Online Customer Care portal (Bill Matrix) and pay stations (Western Union). In some cases, e.g. cash/check payments made in the branch, the payment is posted immediately and in other cases, the payment is held in a "pending" status until it can be processed to the customer's account in a batch. Due to the variation in processing times, AE will limit payment options, for the purpose of this POC, to include branch, Acculynk (debit) and Western Union. The prepaid offering is expected to acknowledge payments received via file from CIS at to be determined specified intervals (during AE Call Center hours: M-F 7a-9p/Sa 9a-1p) and communicate the action to be initiated (e.g. service disconnection/reconnection) via file back to AE.

During the POC, customers enrolled in the prepay program will continue to receive monthly utility bills.

In addition, the prepay solution will have the capability to:

- Support complex tiered rate structures and various charges, adjustments and fees.
- Produce an accurate estimate of usage when a meter read shows incomplete data by using various input, e.g. prior usage, environmental factors, day of week etc. and indicate instances in which this occurs.

Disconnection

In the event that a customer's prepaid account balance reaches zero or is negative, the prepaid system will send a daily disconnect report to AE. The days, hours and grace period for disconnection will be determined by AE prior to installation. Disconnections are suspended by AE during defined periods of time, e.g. holidays, extreme weather moratoriums, unforeseen circumstances and on an ad hoc basis.

If disconnections are suspended, the prepaid system must be able to accrue the charges incurred by customers during the period in which utility service is still being provided. The accrued charges will be available for view on the Vendor-hosted web portal or mobile application.

Reconnection

When payments remitted are equal to or greater than the minimum amount due (negative balance + recharge amount), the prepay solution will generate a reconnect report and send to AE.

Cancellation of Service

Customers will be required to remit a minimum payment within a predetermined number of days following disconnection. Accounts disconnected for longer than the predetermined number of days (e.g. 30 days) will be considered inactive and closed. The customer will be required to contact the Customer Service department to reapply for service. The change from prepaid to postpaid will include the proper transition of credits or balances in the prepaid system. CIS will provide a list of the customers removed from the program to the prepaid system via file.

Reporting

Austin Energy requires reporting that includes but is not limited to: program participation, customer activity, channel analytics, payment and usage data for reconciliation purposes.

Debt Recovery

Debt recovery functionality will not be included in the POC.

3.0 PROJECT SCOPE

Austin Energy seeks a vendor to implement a manual Prepay Metering POC. Under a manual POC, the Vendor will not integrate with AE's billing system, payment processors or AMI system.

It is anticipated that Austin Energy will implement a full deployment pending evaluation of the proof of concept. Consequently, submitting vendors should have the capability to interface with current and future COA systems which are listed below:

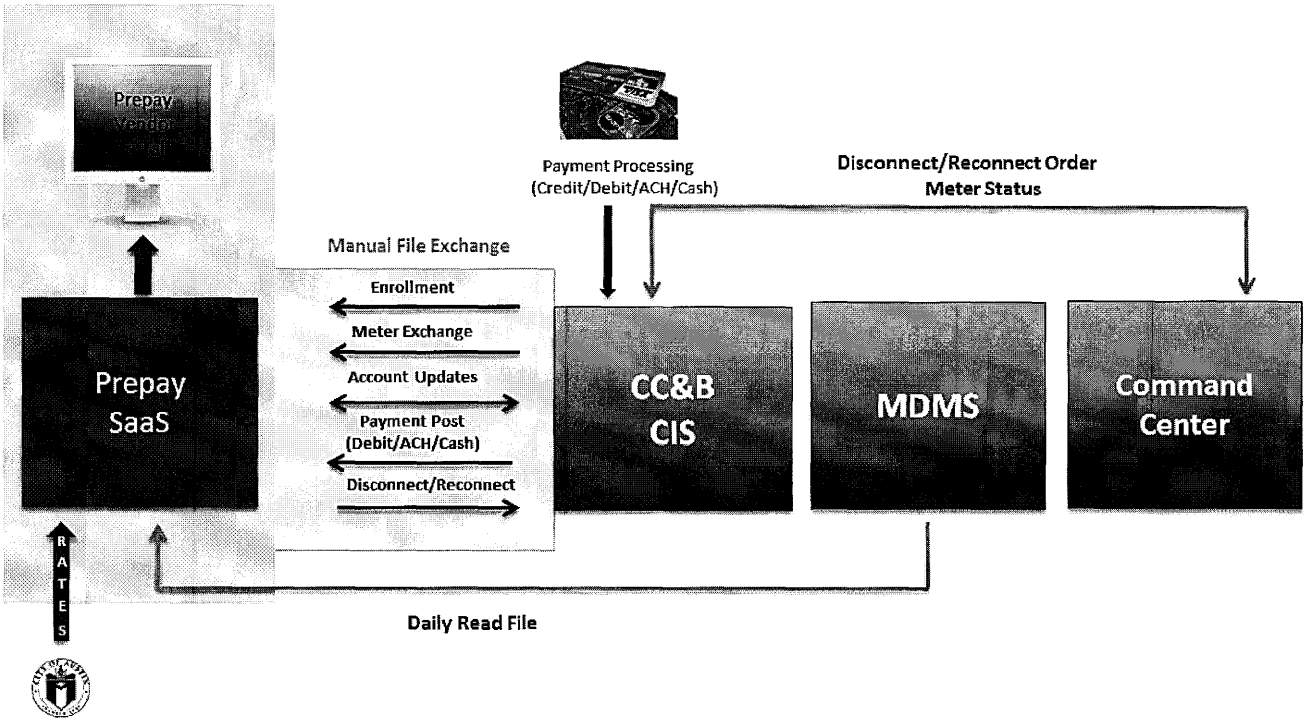
Figure 2
COA Systems Infrastructure

Interface	Current	Planned	Timeline
CIS/Billing	Oracle CC&B v.2.3.1	Oracle CC&B v.2.5	2016
IVR	Avaya	Avaya	2016
Head End	USC/L+G Command Center	L+G Command Center v. 6.3MR3	2015/2016
MDMS	L+G Navigator v. 3.2	L+G Gridstream	2015/2016

Austin Energy plans to select a SaaS solution for the Prepay Metering POC and as such, will implement the functionalities available in the current release of the solution provided by the selected Vendor(s).

Schematic of Interaction

The high-level schematic of the manually implemented Prepay Metering POC is shown below:



Vendor(s) Responsibilities

The Vendor(s) will be required to provide project management and professional services during the planning, analysis, design, construction and testing of the hosted Prepay solution. The Vendor(s) will be responsible for all set-up, configuration and testing of the hosted system environment to meet the needs of Austin Energy's functional requirements as described in this RFP. AE will test and accept solution prior to roll out.

Austin Energy requires the RFP Vendor(s) to provide:

- Project Manager who will be the single point of contact
- Hosted and managed infrastructure and equipment
- A hosted and vendor supported COA branded website, IVR and mobile application that meets AE business and technical/security requirements
- Support and maintenance of the vendor provided solution to include all infrastructure, hardware and software designed or purchased (during 4-6 month POC)
- Daily, weekly, monthly and ad-hoc metrics and reporting
- Attendance at daily, weekly, monthly meetings or as needed
- Onsite training/knowledge transfer
- Adherence to AE communication protocols with the customer (e.g.—how to setup and use the system, notification that program is ending, who to call if there are issues, etc.)
- Receipt and delivery of files to transfer required data between Vendor and AE.

Austin Energy Responsibilities

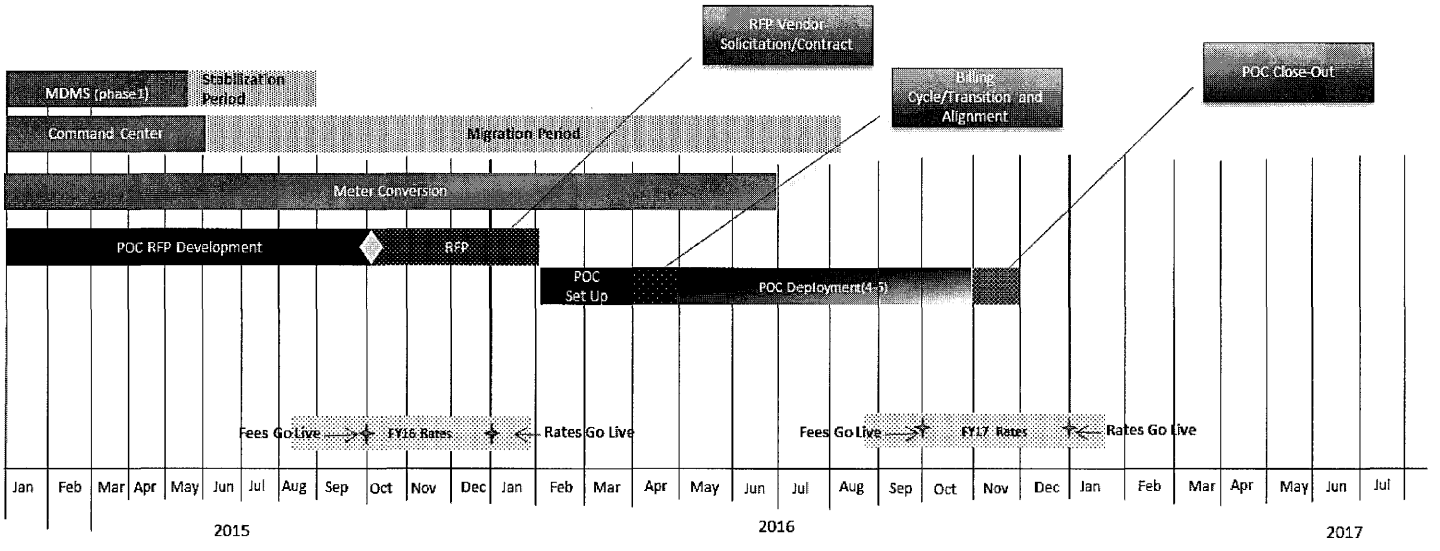
AE's personnel will be responsible for connecting the selected Vendor to appropriate resources within the various COA departments in order to implement the Vendor POC. Austin Energy's project team will be comprised of a project manager and functional resources from the various AE departments.

The AE project manager will provide the following:

- Project prioritization and scheduling with the selected Vendor's project manager.
- Access to office sites during normal business hours (based on approved criminal background investigation and formal badging process, if applicable).
- Related documentation and/or access to appropriate SMEs from Customer Care business units.
- Issue identification, prioritization, communication to Vendor(s) support staff
- Scheduling and coordinating of regular project team meetings and work sessions as needed
- Office space for Vendor project management or technical resource staff, if needed.
- Facilities, including telephones, personal computer hookups, and access to copy and fax machines, if needed.
- Facilities for all meetings, work sessions, and training classes, including any necessary audio-visual equipment.

Project Timeline

The timeline below gives a targeted schedule for a Prepay deployment along with other projects which will have an impact; including, AMI deployment and the annual rates cycle. Selected Vendor(s) must demonstrate the capability to incorporate factor changes during the annual rates cycle. Between POC planning and POC deployment is a period to transition postpaid customers to prepay. Upon close out and evaluation of the POC, the decision will be made whether to proceed with production. Integral to the go ahead of a full deployment will be approval by the EUC and City Council.



Project Success Factors

The successful completion of a project includes:

- All of the requirements identified within this SOW have been delivered, implemented and accepted to a functional POC environment in accordance with the agreed upon SOW.
- Vendor(s) have delivered support for the predetermined number of days.
- Review and approval of milestones, deliverables, status reports and invoices.
- Positive Customer Feedback
- Lessons Learned

Pilot Milestones

- Installation and Set Up
- Testing and Training
- Monthly operation of the POC

4.0 VENDOR REQUIREMENTS

The functional requirements describe product features and functionality pertaining to our end users. To ensure that a proposed solution is thoroughly represented, Vendors must respond sequentially to each requirement listed below.

"Importance Rating" indicates how critical the requirement is to achieving project objectives.

- **Must Have:** These requirements may or may not be industry standards but are highly critical to the project. They must either be satisfied by the system's base functionality or the Vendor must offer an alternative to satisfy the base functional requirement.
- **Expected:** These requirements describe features that are important to the end users of the system. .
- **Desired:** These requirements add value, but are not critical to our end users. These features are considered optional.

If there are responses that Vendors deem optimal to those suggested by the requirement description or response, please provide the alternate solution with a detailed explanation.

	Operational Functionality	
Req #	Requirement Description	Rating
O.1	The Prepay Metering Solution includes a Vendor provided web portal (allows for unique logon ID), mobile app, IVR and alert system.	Must Have
O.2	The Prepay Metering Solution includes a Vendor IVR.	Desired
O.3	Is compatible with multiple mobile operating systems (iOS, Android, Blackberry, Windows).	Must Have
O.4	Includes both English and Spanish versions of its website, mobile application, customer support, IVR and alerts.	Desired
O.5	Is compatible with all major web browsers (Internet Explorer, Chrome, Safari, Firefox, etc.).	Must Have
O.6	Vendor provides online help features.	Must Have

	Reporting	
Req #	Requirement Description	Rating
R.1	The Prepay Metering Solution provides reporting that includes but is not limited to: program participation, customer enrollment, customer activity (web portal usage, payments, alerts, etc.), energy efficiency tracking, payment and usage data for purposes of reconciliation between AE's CIS and prepay systems.	Must Have

	Customer Experience	
Req #	Requirement Description	Rating
C.1	The Prepay Metering Solution will present customer account information via web portal and mobile app including but not limited to: daily energy usage, payment history, current balance, usage/service fees for each utility service, estimated disconnect date, alerts history and pending account activity.	Must Have
C.2	Website and mobile app includes energy usage (kWh, dollar), time series charts to allow for trending, ability to compare energy consumption with environmental factors, e.g. temperature.	Desired
C.3	Provides ability to project/forecast time remaining before disconnection based upon current credit balance and historical energy consumption.	Must Have

	Customer Enrollment	
Req #	Requirement Description	Rating
C.4	The Prepay Metering Solution recognizes the COA's CIS (CC&B v.2.3.1) as the system of record and works in concert with that system and the AMI network (L+G) to exchange customer data, usage and charges via daily secure file transfer protocol (SFTP).	Must Have
C.5	Allows for customer service representative (CSR) to access customer info through Vendor web portal.	Must Have
C.6	Offers ability to set up prepay services for multiple commodities under one account.	Must Have
C.7	Ability for customer to be removed from prepay upon request.	Must Have

	Payments/Billing	
Req #	Requirement Description	Rating
P.1	The Prepay Metering Solution is able to duplicate seasonal and tiered rate structures for multiple utilities.	Must Have
P.2	The Prepay Metering Solution has the ability to receive and process customer account updates from CIS (account, rate, customer info, etc.) via daily SFTP.	
P.3	Ability to receive and process rate changes with effective dates from CIS.	Must Have
P.4	Vendor system must reconcile posted payments and billing adjustments with those of COA's CIS (Oracle CC&B v.2.3.4) at least monthly.	Must Have
P.5	System must have capability to compile and present prepaid utility information for COA utility services (electric, drainage, solid waste, transportation, etc.).	Must Have
P.6	Vendor system must have capability to measure and prorate all service charges (compiling AMI register reads, manual meter reads and unmetered fixed monthly charges). Prepayment balance must decrease each day by the daily consumption of the combined charges for each service.	Must Have
P.7	Payments received from CIA must be allocated to the separate utilities according to each service's proportion of daily service charges.	Must Have
P.8	Adjustments made to incorrect meter reads must be recognized and updated in the Vendor system.	Must Have
P.9	Vendor system must read, interpret, compile and present utility data including but not limited to: • Energy usage (kWh, gallons, etc.) • Energy cost adjustments • Base charges • Taxes and miscellaneous service fees	Must Have
P.10	Vendor system is able to accrue charges incurred by customers during disconnection moratoriums (i.e. weekends, holidays, after hours, weather conditions) and subtract consumption from recharge credit.	Must Have
P.11	Minimum payment required to re-establish service (negative balance + recharge amount) is available for review on web portal for view by customers and AE employees.	Must Have
P.12	Minimum payment required to re-establish service (negative balance + recharge amount) is available for review on mobile app for view by customers and AE employees.	Must Have
P.13	Minimum payment required to re-establish service (negative balance + recharge amount) is available through Vendor IVR for view by customers and AE employees.	Must Have

	Notifications/Alerts	
Req #	Requirement Description	Rating
N.1	The Prepay Metering Solution provides multiple alert types (e.g. daily balance, low balance, pending disconnection) that are selectable by customers and AE employees.	Must Have
N.2	The Prepay Metering Solution provides several methods of receiving alerts (text message, outbound IVR, email) that are available for selection by customer.	Must Have
N.3	The Prepay Metering Solution provides an outbound dialer as a method for customers to receive alerts.	Desired
N.4	Ability to log and display alerts and notification sent to the customer (time, date, alert type and alert method) accessible by AE employees.	Must Have

	Disconnection/Reconnection	
Req #	Requirement Description	Rating
DR.1	The Prepay Metering Solution has the ability to receive consumption data via daily register read file and issue disconnect file to Austin Energy when all pre-purchased credit is zero or negative.	Must Have
DR.2	Ability to send reconnect file to AE at specified intervals (to be determined) when customer pays minimum amount required to reconnect.	Must have
DR.3	Accounts disconnected for 30 days or more will be closed in CIS. CIS will provide a list of the customers removed from the program to the Vendor via file. The web portal and mobile app will advise these customers to contact customer service.	Expected

	Service Cancellation	
Req #	Requirement Description	Rating
S.1	The Prepay Metering Solution permits disenrollment from the program at any time and may be initiated by the customer or AE employee. CIS will provide a list of the customers removed from the program to the prepaid system via file.	Must Have

CITY OF AUSTIN
PURCHASING OFFICE
PROPOSAL PREPARATION INSTRUCTIONS AND EVALUATION FACTORS
SOLICITATION NUMBER: RFP

PROPOSAL FORMAT

Prefacing the proposal, the Proposer shall provide an Executive Summary of three (3) pages or less, which gives in brief, concise terms, a summation of the proposal. The proposal itself shall be organized in the following format and informational sequence:

Part I - Business Organization: State full name and address of your organization and identify parent company if you are a subsidiary. Specify the branch office address or other subordinate element which will perform, or assist in performing work herein. Indicate whether you operate as a partnership, corporation, or individual. Include the State in which incorporated or licensed to operate.

Part II - System Concept and Solution: A) Complete and define in detail your project understanding, overall approach and methodology and ability to meet Vendor requirements presented in the Scope of Work of this RFP. B) Provide a detailed response to the Vendor requirements in a format as shown in the table below. All responses should be sequential as listed in the Vendor requirements section of the SOW.

Req #	Requirement Description	Rating	Fully Meets	Partially Meets	Does Not Meet
Explain how the product meets requirement:					

Part III – Proof of Concept (POC) Plan: Describe your project plan for implementation and execution of the prepay POC (estimated duration of 4 months with one month extensions up to 6 months; 300 customers maximum). Include such time-related displays, graphs and charts as necessary to show tasks, sub-tasks, milestones and decision points related to the Scope of Work and your plan for accomplishment. Indicate whether tasks are onsite or remote. Provided below is a high-level timeline for reference.

Specifically indicate:

i. List and description of tasks and any technical factors which need to be considered. Detail the steps you will take in proceeding from Task 1 to the final tasks.

ii. The points at which written, deliverable reports will be provided.

iii. A statement of your compliance with all applicable rules and regulations of Federal, State and Local governing entities. The Proposer must state his compliance with terms of this Request for Proposal (RFP). *Where does this belong?*

Part IV - Project Management Structure: Provide a general explanation and chart which specifies project leadership and reporting responsibilities. If use of subcontractors is proposed, identify their placement in the primary management structure, and provide internal management description for each subcontractor.

CITY OF AUSTIN
PURCHASING OFFICE
PROPOSAL PREPARATION INSTRUCTIONS AND EVALUATION FACTORS
SOLICITATION NUMBER: RFP

Part **V - Prior Experience:** Describe relevant corporate experience. Supply the project title, year, reference name, present address and phone number of principal person for whom prior projects were accomplished. Provide brief description of project, e.g. pilot or full deployment, number of customers, length of deployment.

Part VI - Personnel: Include names and qualifications of all professional personnel who will be assigned to this project. State the primary work assigned to each person and the percentage of time each person will devote to this work. Identify key persons by name and title. Provide all resumes. Specify whether they will be working onsite.

Part VII - Local Business Presence: The City seeks opportunities for businesses in the Austin Corporate City Limits to participate on City contracts. A firm (Offeror or Subcontractor) is considered to have a Local Business Presence if the firm is headquartered in the Austin Corporate City Limits, or has a branch office located in the Austin Corporate City Limits in operation for the last five (5) years. The City defines headquarters as the administrative center where most of the important functions and full responsibility for managing and coordinating the business activities of the firm are located. The City defines branch office as a smaller, remotely located office that is separate from a firm's headquarters that offers the services requested and required under this solicitation. Points will be awarded through a combination of the Offeror's Local Business Presence and/or the Local Business Presence of their subcontractors. Evaluation of the Team's Percentage of Local Business Presence will be based on the dollar amount of work as reflected in the Offeror's MBE/WBE Compliance Plan or MBE/WBE Utilization Plan. Specify if and by which definition the Offeror or Subcontractor(s) have a local business presence. Identify office location/address and number of years at location.

Part VIII - Non-Collusion, Non-Conflict of Interest, and Anti-Lobbying:

i. On November 10, 2011, the Austin City Council adopted Ordinance No. 20111110-052 amending Chapter 2-7, Article 6 of the City Code relating to Anti-Lobbying and Procurement. The policy defined in this Code applies to Solicitations for goods and/or services requiring City Council approval under City Charter Article VII, Section 15 (Purchase Procedures). During the No-Contact Period, Offerors or potential Offerors are prohibited from making a representation to anyone other than the Authorized Contact Person in the Solicitation as the contact for questions and comments regarding the Solicitation.

ii. If during the No-Contact Period an Offeror makes a representation to anyone other than the Authorized Contact Person for the Solicitation, the Offeror's Offer is disqualified from further consideration except as permitted in the Ordinance.

iii. If a Respondent has been disqualified under this article more than two times in a sixty (60) month period, the Purchasing Officer shall debar the Offeror from doing business with the City for a period not to exceed three (3) years, provided the Respondent is given written notice and a hearing in advance of the debarment.

iv. The City requires Offerors submitting Offers on this Solicitation to provide a signed Section 0810, Non-Collusion, Non-Conflict of Interest, and Anti-Lobbying Affidavit certifying that the Offeror has not in any way directly or indirectly made representations to anyone other than the Authorized Contact Person during the No-Contact Period as defined in the Ordinance The text of the City Ordinance is posted on the Internet at:
http://www.ci.austin.tx.us/edims/document.cfm?id=161145

CITY OF AUSTIN
PURCHASING OFFICE
PROPOSAL PREPARATION INSTRUCTIONS AND EVALUATION FACTORS
SOLICITATION NUMBER: RFP

Part IX - Proposal Acceptance Period: All proposals are valid for a period of one hundred and twenty (120) calendar days subsequent to the RFP closing date unless a longer acceptance period is offered in the proposal

Part X - Proprietary Information: All material submitted to the City becomes public property and is subject to the Texas Open Records Act upon receipt. If a Proposer does not desire proprietary information in the proposal to be disclosed, each page must be identified and marked proprietary at time of submittal. The City will, to the extent allowed by law, endeavor to protect such information from disclosure. The final decision as to what information must be disclosed, however, lies with the Texas Attorney General. Failure to identify proprietary information will result in all unmarked sections being deemed non-proprietary and available upon public request.

Part XI - Authorized Negotiator: Include name, address, and telephone number of person in your organization authorized to negotiate Contract terms and render binding decisions on Contract matters.

Part XII - Cost Proposal: A firm fixed price is contemplated for the proposed duration of the POC. A proposed firm fixed price or not-to-exceed Contract is contemplated, with progress payments as mutually determined to be appropriate for the POC. Ten percent (10%) of the total contractual price will be retained until submission and acceptance of all work products. Respondent is expected to provide the number of hours and the unit cost per hour of service that can be expected for the accomplishment of this project.

4 Month POC	Cost
Set Up, Testing, Training	
Monthly Operation	
Total:	

Indicate the additional per month cost for a 5th and 6th month extension.

EXCEPTIONS:

Be advised that exceptions to any portion of the Solicitation may jeopardize acceptance of the Proposal.

PROPOSAL PREPARATION COSTS:

All costs directly or indirectly related to preparation of a response to the RFP or any oral presentation required to supplement and/or clarify a proposal which may be required by the City shall be the sole responsibility of the Proposer.

CITY OF AUSTIN
PURCHASING OFFICE
PROPOSAL PREPARATION INSTRUCTIONS AND EVALUATION FACTORS
SOLICITATION NUMBER: RFP

EVALUATION FACTORS AND AWARD

A. **Competitive Selection**: This procurement will comply with applicable City Policy. The successful Proposer will be selected by the City on a rational basis. Evaluation factors outlined in Paragraph B below shall be applied to all eligible, responsive Proposers in comparing proposals and selecting the Best Offeror. Award of a Contract may be made without discussion with Proposers after proposals are received. Proposals should, therefore, be submitted on the most favorable terms.

B. **Evaluation Factors**: ***110 points.***

- System Concept and Solution: (30 points)
  - Proven understanding of Services Required (SOW).
  - Presents approach and methodology
  - Ability to meet requirements

- Proof of Concept (POC) Plan: (20 points)
  - Appropriate planning steps and level of detail
  - Ability to perform in a timely manner
  - Appropriate project structure

- Demonstrated Applicable Experience (10 points)
  - Prior experience serving similar municipalities
  - Relevant references
  - Accomplishments on behalf of other clients

- Personnel Qualifications (20 points)
  - Experience of assigned staff

- Evaluation of Cost Structure (20 points)
  - Cost of proposed services

- LOCAL BUSINESS PRESENCE (Maximum 10 points)

Team's Local Business Presence	Points Awarded
Local business presence of 90% to 100%	10
Local business presence of 75% to 89%	8
Local business presence of 50% to 74%	6
Local business presence of 25% to 49%	4
Local presence of between 1 and 24%	2
No local presence	0

Prepay Metering Vendor Solicitation List

John Bastian
President
SmartGridCIS
12600 Deerfield Parkway, Suite 100
Alpharetta, GA 30004
Email: jbastian@smartgridcis.com
404-630-6943

Rob Gilpin
National Sales Director
iFactor
60 E. Rio Salado Parkway / Suite #715
Tempe, AZ 85281
rob@ifactorinc.com
251-709-1099

David Elve
Executive Vice President & Chief Marketing Officer
PayGo
333 North Point Center East, Suite 650
Alpharetta, GA 30022
(404) 368-3262

Bob Finley
Director of Sales
Exceleron Software
8411 Walnut Hill Road, Suite 905
Dallas, TX 75231
bfinley@exceleron.com
T: 972-852-2711 | M: 214-537-6008

Jan Cook
Vice President, Sales
Accelerated Innovations, LLC
366 Jackson Street
St. Paul, MN
jan@acceleratedinnovationsllc.com
440-570-0941

Gutierrez, Jawana (JJ)

From: Loots, Gage
Sent: Monday, September 28, 2015 4:51 PM
To: Cochran, Marsha
Cc: Gutierrez, Jawana (JJ); Morell, Velvee; Depaul, Debbie
Subject: Re: Prepay Metering RFP documents

Debbie DePaul

Gage Loots
Sent from my iPhone

On Sep 28, 2015, at 4:13 PM, Cochran, Marsha <Marsha.Cochran@austinenergy.com> wrote:

Gage,

Attached are the Prepay RFP documents. I could not remember who would be assigned to review them and assumed it would be James Howard. Upon your return, kindly let us know who will be handling preparation of the solicitation.

Thank you.

Marsha Cochran I Austin Energy I **512.972.7731**

From: Cochran, Marsha
Sent: Monday, September 28, 2015 3:59 PM
To: Loots, Gage; Howard, James
Cc: Gutierrez, Jawana (JJ); Morell, Velvee
Subject: FW: Prepay Metering RFP documents

Welcome back, James! Hopefully, you are back on the Prepay team. I have attached the scope of work, 0600 and list of vendors for you to review. I had to send the SOW in pDf format as no matter how many calls to the Help Desk, I am not able to get it out of edit mode.

Look forward to discussing with you tomorrow during our 11a meeting in JJ's office.

Marsha Cochran
Research Analyst I Quality Management
Austin Energy I 721 Barton Springs Road I Austin 78704
Ph: 512.972.7731
Email: marsha.cochran@austinenergy.com

<AE Prepay Metering SOW_Manual Pilot_V. 27_92515.pdf>
<Prepay RFP_0600_FINAL.docx>

<Prepay RFP_0600_FINAL.docx>

Gutierrez, Jawana (JJ)

From: Depaul, Debbie
Sent: Tuesday, September 29, 2015 5:01 PM
To: Cochran, Marsha; Gutierrez, Jawana (JJ); Morell, Velvee
Subject: RE: Updated Prepay SOW v.28 - 0600 documents

I will review. I have to get thru the crunch of getting out everything for FY15 tomorrow, and then the crunch of getting out the FY16 pending contracts, but hopefully I'll have time to work on this extensively the early part of next week.

From: Cochran, Marsha
Sent: Tuesday, September 29, 2015 4:58 PM
To: Gutierrez, Jawana (JJ); Morell, Velvee
Cc: Depaul, Debbie
Subject: Updated Prepay SOW v.28 - 0600 documents

Greetings

Per our earlier discussion, I have attached the latest version of the scope of work to include training in the Vendor Requirements section. Kindly review for wording and accuracy. I pulled this from Ocala's RFP but they integrated. Also see changes to the 0600 document. If a section is in italics we are waiting for confirmation from Debbie as to whether it should be included in the section of the RFP.

Thanks!

Marsha Cochran
Research Analyst I Quality Management
Austin Energy I 721 Barton Springs Road I Austin 78704
Ph: 512.972.7731
Email: marsha.cochran@austinenergy.com

Gutierrez, Jawana (JJ)

From: Cochran, Marsha
Sent: Friday, October 23, 2015 1:23 PM
To: Depaul, Debbie
Cc: Gutierrez, Jawana (JJ); Kelly-Diaz, Elaine
Subject: FW: Prepay Final Draft of 0500 and 0600 FINAL VERSIONS
Attachments: Prepay Metering Vendor Solicitation List.docx; Prepay Metering Vendor Requirements_102315.docx; AE Prepay Metering SOW_Manual Pilot_V. 32.docx

Debbie,

JJ and I reviewed the Vendor Requirements and made a few changes to the Importance Ratings and language. Attached is the final version.

I converted the RFP pDf to a word document but had some formatting issues which hopefully won't affect your compiling of the solicitation documents.

5) No, we will not have a pre-proposal meeting.

6) I guess technically completion of Set Up would be the first milestone and then payment of the monthly operating costs would be subsequent milestones.

Let me know if you have any additional questions. I believe that you now have everything you need from us as the requisition was submitted on Monday. When can we expect the RFP to go out?

Marsha Cochran I Austin Energy I 512.972.7731

From: Cochran, Marsha
Sent: Friday, October 16, 2015 3:22 PM
To: Depaul, Debbie
Cc: Gutierrez, Jawana (JJ)
Subject: RE: Prepay Final Draft of 0500 and 0600

Hello Debbie,

1) Interactive Voice Recognition
2) Yes, but I have attached the word document for them to complete as well.
3) No, not an alternate proposal. An alternate solution to the requirement. I borrowed from 2-3 other Utility's requirements within their RFPs. JJ, see highlighted section in Q3. I would not immediately eliminate but the scoring would reflect accordingly. Good question. I think we need to revisit our requirements to determine if we should change those requirements in which we have more latitude to "expected" instead, e.g. O.6
4) Yes. I will convert. I could not get the original out of editing format even with 2 calls to the AE and City help desks so I sent in pDf. Once in pDf, I can convert to a word doc and it will eliminate the previous edits. (Note: I cannot seem to delete page 13)
5) Let me get back to you regarding this one. JJ, Do we want a pre-proposal meeting?
6) I changed the Pilot Milestones on pg. 5 to replicate the Cost Proposal in section 0600 as we are requesting a total pilot cost, we will not be paying on milestones. JJ, please confirm.

I will follow up regarding the Vendor Requirements importance rating.

Marsha Cochran I Austin Energy I **512.972.7731**

From: Depaul, Debbie
Sent: Thursday, October 15, 2015 1:16 PM
To: Cochran, Marsha
Subject: RE: Prepay Final Draft of 0500 and 0600

Marsha: I have reviewed your last SOW and have a couple of questions:

1) what does **IVR** stand for please?
2) Under 4.0 Vendor Requirements, the SOW indicates that, "**Vendors must respond sequentially to each requirement listed below.**" Please confirm the response to each requirement should follow this format:

Req #	Requirement Description	Importance Rating	Select One		
			Fully Meets	Partially Meets	Does Not Meet
Explain how the product meets requirement:					

3) Under 4.0 Vendor Requirements, the SOW, **"If there are responses that Vendors deem optimal to those suggested by the requirement description or response, please provide the alternate solution with detailed explanation."** Are you suggesting to the vendor, that if he can't provide what we've asked for that he submit an alternate proposal instead? If the vendor provides an alternate proposal do you still want them to address each of the Requirements listed? We've only listed Must Have and Desired in our importance ratings; can I assume that if the answer on a "must-have" is "~~can't supply~~ does not meet" then that proposal is immediately eliminated? In preparing this spec, did you borrow heavily from one-vendor's sales literature please?

4) Please provide the AE Prepay Metering SOW in .doc format please.

5) Did you decide you wanted a pre-proposal meeting?

6) Do you want pricing for each of the 3 line items presented on Page 5 of the Prepay Metering Proof of Concept document? Please confirm we are only requesting pricing only for the POC component at this time.

That is it! Thank you!

Please be advised that once this request is published I will be the single point of contact; any questions pertaining to the solicitation or the response to it will necessarily be referred to me for response, which will be broadcast simultaneously to all subscribers to the solicitation.

From: Cochran, Marsha
Sent: Tuesday, October 13, 2015 3:03 PM
To: Depaul, Debbie
Cc: Gutierrez, Jawana (JJ); Kelly-Diaz, Elaine; Morell, Velvee
Subject: RE: Prepay Final Draft of 0500 and 0600

Debbie,

Do you need anything else from me, aside from a purchase requisition, to move forward?

Marsha Cochran | Austin Energy | **512.972.7731**

From: Cochran, Marsha
Sent: Tuesday, October 06, 2015 4:44 PM
To: Depaul, Debbie
Cc: Gutierrez, Jawana (JJ); Kelly-Diaz, Elaine; Morell, Velvee
Subject: Prepay Final Draft of 0500 and 0600

Hello Debbie,

An additional edit was made to the scope of work. Please delete the previous versions. The final is now V.30.

Thank you.

Marsha Cochran | Austin Energy | **512.972.7731**

From: Cochran, Marsha
Sent: Tuesday, October 06, 2015 3:18 PM
To: Depaul, Debbie
Cc: Gutierrez, Jawana (JJ); Morell, Velvee
Subject: FW: Updated Prepay SOW v.28 - 0600 documents

Hello Debbie,

Attached is the final draft of the RFP documents which includes revisions to the Training Requirement added to the scope of work (v.29) and 0600. Sections in italics in the 0600 document are questionable as to whether they should be included or not.

Marsha Cochran | Austin Energy | **512.972.7731**

From: Cochran, Marsha
Sent: Tuesday, September 29, 2015 4:58 PM
To: Gutierrez, Jawana (JJ); Morell, Velvee
Cc: Depaul, Debbie
Subject: Updated Prepay SOW v.28 - 0600 documents

Greetings

Per our earlier discussion, I have attached the latest version of the scope of work to include training in the Vendor Requirements section. Kindly review for wording and accuracy. I pulled this from Ocala's RFP but they integrated. Also see changes to the 0600 document. If a section is in italics we are waiting for confirmation from Debbie as to whether it should be included in the section of the RFP.

Thanks!

Marsha Cochran

Research Analyst I Quality Management

Austin Energy I 721 Barton Springs Road I Austin 78704

Ph: 512.972.7731

Email: marsha.cochran@austinenergy.com

Gutierrez, Jawana (JJ)

From: Cochran, Marsha
Sent: Friday, October 23, 2015 2:20 PM
To: Gutierrez, Jawana (JJ)
Subject: FW: AE Rate Schedules (FY 2016) - New Layout (clean)
Attachments: AE Rate Schedules (FY 2016) - New Layout (clean).docx

Importance: High

The RFP timeline shows that if we use the six month option for the POC, it would put us at the end of October 2016. Shown below is an excerpt taken from the first paragraph on page 46 in the City of Austin Electric Tariff for Prepay. Do we need to change the language and timeline in the RFP or can we leave "as is" because the solicitation is for a four month POC with the option for 2 more one month extensions and we just do not use the 2nd extension option?

Please advise.

"The prepayment pilot program is available for a term of no more than 9 consecutive billing cycles, with no term extending beyond September 30, 2016"

Marsha Cochran | Austin Energy | **512.972.7731**

From: Gutierrez, Jawana (JJ)
Sent: Tuesday, August 04, 2015 5:36 PM
To: Cochran, Marsha
Subject: FW: AE Rate Schedules (FY 2016) - New Layout (clean)

Jawana JJ Gutierrez | Vice President Customer Care Services | Austin Energy
721 Barton Springs Road | Austin, Texas 78704 | (P) 512-322-6596 | (F) 512-505-3964

IMPORTANT NOTICE: This message and any attachments are intended solely for the original recipient named and may contain material deemed sensitive, proprietary or confidential in nature. Any unauthorized transmission, duplication, use, disclosure or other manipulation is expressly forbidden without written consent of the original sender. You are hereby notified that not adhering to this notice may constitute a violation of federal and/or state law. If you are not the intended recipient, please delete this message and any attachments and notify the sender immediately via phone, fax or e-mail. Austin Energy is a department of the City of Austin.

From: Oberwortmann, John
Sent: Tuesday, August 04, 2015 5:22 PM
To: Gutierrez, Jawana (JJ)
Subject: AE Rate Schedules (FY 2016) - New Layout (clean)

Hi JJ,

Attached, please find the proposed tariff that was submitted for the budget. If you have any questions, please give me a call.

Regards,

John
322-6419

Gutierrez, Jawana (JJ)

From: Depaul, Debbie
Sent: Tuesday, November 03, 2015 12:59 PM
To: Cochran, Marsha
Cc: Gutierrez, Jawana (JJ)
Subject: RE: Prepay Final Draft of 0500 and 0600 FINAL VERSIONS

I cannot lie- I have not yet put it together. I have 3 items I need to get on Council agendas; as soon as that is done I will work on your RFP. Shouldn't take but a day to get it out there.

From: Cochran, Marsha
Sent: Tuesday, November 03, 2015 11:51 AM
To: Depaul, Debbie
Cc: Gutierrez, Jawana (JJ)
Subject: RE: Prepay Final Draft of 0500 and 0600 FINAL VERSIONS
Importance: High

Hello Debbie,

I was checking in to learn how the RFP solicitation was progressing and when we can expect it to go out on the street.

Marsha Cochran | Austin Energy | **512.972.7731**

From: Cochran, Marsha
Sent: Friday, October 23, 2015 1:23 PM
To: Depaul, Debbie
Cc: Gutierrez, Jawana (JJ); Kelly-Diaz, Elaine
Subject: FW: Prepay Final Draft of 0500 and 0600 FINAL VERSIONS

Debbie,

JJ and I reviewed the Vendor Requirements and made a few changes to the Importance Ratings and language. Attached is the final version.

I converted the RFP pDf to a word document but had some formatting issues which hopefully won't affect your compiling of the solicitation documents.

5) No, we will not have a pre-proposal meeting.

6) I guess technically completion of Set Up would be the first milestone and then payment of the monthly operating costs would be subsequent milestones.

Let me know if you have any additional questions. I believe that you now have everything you need from us as the requisition was submitted on Monday. When can we expect the RFP to go out?

Marsha Cochran | Austin Energy | **512.972.7731**

From: Cochran, Marsha
Sent: Friday, October 16, 2015 3:22 PM
To: Depaul, Debbie
Cc: Gutierrez, Jawana (JJ)
Subject: RE: Prepay Final Draft of 0500 and 0600

Hello Debbie,

1) Interactive Voice Recognition
2) Yes, but I have attached the word document for them to complete as well.
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5) Let me get back to you regarding this one. JJ, Do we want a pre-proposal meeting?
6) I changed the Pilot Milestones on pg. 5 to replicate the Cost Proposal in section 0600 as we are requesting a total pilot cost, we will not be paying on milestones. JJ, please confirm.

I will follow up regarding the Vendor Requirements importance rating.

Marsha Cochran I Austin Energy I **512.972.7731**

From: Depaul, Debbie
Sent: Thursday, October 15, 2015 1:16 PM
To: Cochran, Marsha
Subject: RE: Prepay Final Draft of 0500 and 0600

Marsha: I have reviewed your last SOW and have a couple of questions:

1) what does **IVR** stand for please?
2) Under 4.0 Vendor Requirements, the SOW indicates that, "**Vendors must respond sequentially to each requirement listed below.**" Please confirm the response to each requirement should follow this format:

Req #	Requirement Description	Importance Rating	Select One		
			Fully Meets	Partially Meets	Does Not Meet
Explain how the product meets requirement:					

3) Under 4.0 Vendor Requirements, the SOW, **"If there are responses that Vendors deem optimal to those suggested by the requirement description or response, please provide the alternate solution with detailed explanation."** Are you suggesting to the vendor, that if he can't provide what we've asked for that he submit an alternate proposal instead? If the vendor provides an alternate proposal do you still want them to address each of the Requirements listed? We've only listed Must Have and Desired in our importance ratings; can I assume that if the answer on a "must-have" is "~~can't supply~~ does not meet" then that proposal is immediately eliminated? In preparing this spec, did you borrow heavily from one-vendor's sales literature please?

4) Please provide the AE Prepay Metering SOW in .doc format please.

5) Did you decide you wanted a pre-proposal meeting?

6) Do you want pricing for each of the 3 line items presented on Page 5 of the Prepay Metering Proof of Concept document? Please confirm we are only requesting pricing only for the POC component at this time.

That is it! Thank you!

Please be advised that once this request is published I will be the single point of contact; any questions pertaining to the solicitation or the response to it will necessarily be referred to me for response, which will be broadcast simultaneously to all subscribers to the solicitation.

From: Cochran, Marsha
Sent: Tuesday, October 13, 2015 3:03 PM
To: Depaul, Debbie
Cc: Gutierrez, Jawana (JJ); Kelly-Diaz, Elaine; Morell, Velvee
Subject: RE: Prepay Final Draft of 0500 and 0600

Debbie,

Do you need anything else from me, aside from a purchase requisition, to move forward?

Marsha Cochran I Austin Energy I **512.972.7731**

From: Cochran, Marsha
Sent: Tuesday, October 06, 2015 4:44 PM
To: Depaul, Debbie
Cc: Gutierrez, Jawana (JJ); Kelly-Diaz, Elaine; Morell, Velvee
Subject: Prepay Final Draft of 0500 and 0600

Hello Debbie,

An additional edit was made to the scope of work. Please delete the previous versions. The final is now V.30.

Thank you.

Marsha Cochran I Austin Energy I **512.972.7731**

From: Cochran, Marsha
Sent: Tuesday, October 06, 2015 3:18 PM
To: Depaul, Debbie
Cc: Gutierrez, Jawana (JJ); Morell, Velvee
Subject: FW: Updated Prepay SOW v.28 - 0600 documents

Hello Debbie,

Attached is the final draft of the RFP documents which includes revisions to the Training Requirement added to the scope of work (v.29) and 0600. Sections in italics in the 0600 document are questionable as to whether they should be included or not.

Marsha Cochran I Austin Energy I **512.972.7731**

From: Cochran, Marsha
Sent: Tuesday, September 29, 2015 4:58 PM
To: Gutierrez, Jawana (JJ); Morell, Velvee
Cc: Depaul, Debbie
Subject: Updated Prepay SOW v.28 - 0600 documents

Greetings

Per our earlier discussion, I have attached the latest version of the scope of work to include training in the Vendor Requirements section. Kindly review for wording and accuracy. I pulled this from Ocala's RFP but they integrated. Also see changes to the 0600 document. If a section is in italics we are waiting for confirmation from Debbie as to whether it should be included in the section of the RFP.

Thanks!

Marsha Cochran

Research Analyst I Quality Management

Austin Energy I 721 Barton Springs Road I Austin 78704

Ph: 512.972.7731

Email: marsha.cochran@austinenergy.com

Gutierrez, Jawana (JJ)

From: Cochran, Marsha
Sent: Friday, November 20, 2015 3:15 PM
To: Gutierrez, Jawana (JJ)
Cc: Mendoza, Ronnie; Depaul, Debbie
Subject: RE: Prepay Final Draft of 0500 and 0600 FINAL VERSIONS - Release Update Request

JJ,

I spoke with Debbie regarding the release of the Prepay RFP. She is working on 3 RFQs for release next week. Debbie is aware of the importance of the RFP being released on the street in November in order for us to meet our pilot start date timeline. As she will be out of the office the week of November 30th, she concurs that it is essential that it be completed next week. She is confident that she will be successful.

Debbie, feel free to add anything that I might have missed.

Thanks, Debbie for your understanding of our sense of urgency as we move into the holidays when things naturally slow down.

Marsha Cochran I Austin Energy I **512.972.7731**

From: Cochran, Marsha
Sent: Tuesday, November 17, 2015 4:55 PM
To: Depaul, Debbie
Cc: Gutierrez, Jawana (JJ); Mendoza, Ronnie
Subject: RE: Prepay Final Draft of 0500 and 0600 FINAL VERSIONS - Release Update Request

Welcome back, Debbie

Just checking in to make sure that we are on schedule for a release of the RFP prior to Thanksgivings.

Included in this email is Ronnie Mendoza who is the new project manager for the Prepay pilot.

Looking forward to the results of your enthusiastic tackling of our solicitation!

Marsha Cochran I Austin Energy I **512.972.7731**

From: Depaul, Debbie
Sent: Tuesday, November 10, 2015 2:05 PM
To: Cochran, Marsha
Subject: RE: Prepay Final Draft of 0500 and 0600 FINAL VERSIONS

I will absolutely send you the package before I release to public.
We do have the holiday tomorrow and I was going to come in and work it, but I got called in to do shelter duty (for the flood victim). I am out Friday- Tuesday, but will return Wednesday with much enthusiasm for your project.

From: Cochran, Marsha
Sent: Tuesday, November 10, 2015 1:58 PM
To: Depaul, Debbie
Cc: Gutierrez, Jawana (JJ)
Subject: RE: Prepay Final Draft of 0500 and 0600 FINAL VERSIONS

Hello Debbie,

I am just checking in to make sure we are on schedule for release at the end of this week. Kindly let us review the solicitation package before it is sent out.

Thank you.

Marsha Cochran I Austin Energy I **512.972.7731**

From: Depaul, Debbie
Sent: Tuesday, November 03, 2015 1:50 PM
To: Cochran, Marsha
Subject: RE: Prepay Final Draft of 0500 and 0600 FINAL VERSIONS

At the latest next week. Hopefully this week.

From: Cochran, Marsha
Sent: Tuesday, November 03, 2015 1:06 PM
To: Depaul, Debbie
Cc: Gutierrez, Jawana (JJ)
Subject: RE: Prepay Final Draft of 0500 and 0600 FINAL VERSIONS

Thanks for the update, Debbie. When do you expect to be finished with the 3 Council items?

Marsha Cochran I Austin Energy I **512.972.7731**

From: Depaul, Debbie
Sent: Tuesday, November 03, 2015 12:59 PM
To: Cochran, Marsha
Cc: Gutierrez, Jawana (JJ)
Subject: RE: Prepay Final Draft of 0500 and 0600 FINAL VERSIONS

I cannot lie- I have not yet put it together. I have 3 items I need to get on Council agendas; as soon as that is done I will work on your RFP. Shouldn't take but a day to get it out there.

From: Cochran, Marsha
Sent: Tuesday, November 03, 2015 11:51 AM
To: Depaul, Debbie
Cc: Gutierrez, Jawana (JJ)
Subject: RE: Prepay Final Draft of 0500 and 0600 FINAL VERSIONS
Importance: High

Hello Debbie,

I was checking in to learn how the RFP solicitation was progressing and when we can expect it to go out on the street.

Marsha Cochran I Austin Energy I **512.972.7731**

From: Cochran, Marsha
Sent: Friday, October 23, 2015 1:23 PM
To: Depaul, Debbie
Cc: Gutierrez, Jawana (JJ); Kelly-Diaz, Elaine
Subject: FW: Prepay Final Draft of 0500 and 0600 FINAL VERSIONS

Debbie,

JJ and I reviewed the Vendor Requirements and made a few changes to the Importance Ratings and language. Attached is the final version.

I converted the RFP pDf to a word document but had some formatting issues which hopefully won't affect your compiling of the solicitation documents.

5) No, we will not have a pre-proposal meeting.

6) I guess technically completion of Set Up would be the first milestone and then payment of the monthly operating costs would be subsequent milestones.

Let me know if you have any additional questions. I believe that you now have everything you need from us as the requisition was submitted on Monday. When can we expect the RFP to go out?

Marsha Cochran I Austin Energy I **512.972.7731**

From: Cochran, Marsha
Sent: Friday, October 16, 2015 3:22 PM
To: Depaul, Debbie
Cc: Gutierrez, Jawana (JJ)
Subject: RE: Prepay Final Draft of 0500 and 0600

Hello Debbie,

1) Interactive Voice Recognition
2) Yes, but I have attached the word document for them to complete as well.
3) No, not an alternate proposal. An alternate solution to the requirement. I borrowed from 2-3 other Utility's requirements within their RFPs. JJ, see highlighted section in Q3. I would not immediately eliminate but the scoring would reflect accordingly. Good question. I think we need to revisit our requirements to determine if we should change those requirements in which we have more latitude to "expected" instead, e.g. O.6
4) Yes. I will convert. I could not get the original out of editing format even with 2 calls to the AE and City help desks so I sent in pDf. Once in pDf, I can convert to a word doc and it will eliminate the previous edits. (Note: I cannot seem to delete page 13)
5) Let me get back to you regarding this one. JJ, Do we want a pre-proposal meeting?
6) I changed the Pilot Milestones on pg. 5 to replicate the Cost Proposal in section 0600 as we are requesting a total pilot cost, we will not be paying on milestones. JJ, please confirm.

I will follow up regarding the Vendor Requirements importance rating.

Marsha Cochran | Austin Energy | **512.972.7731**

From: Depaul, Debbie
Sent: Thursday, October 15, 2015 1:16 PM
To: Cochran, Marsha
Subject: RE: Prepay Final Draft of 0500 and 0600

Marsha: I have reviewed your last SOW and have a couple of questions:

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Thanks!

Marsha Cochran

Research Analyst I Quality Management

Austin Energy I 721 Barton Springs Road I Austin 78704

Ph: 512.972.7731

Email: marsha.cochran@austinenergy.com

PREPAY PILOT RFP

CITY OF AUSTIN, TEXAS

Purchasing Office

REQUEST FOR PROPOSAL (RFP)

OFFER SHEET

SOLICITATION NO: DMD0002

DATE ISSUED: 12/31/2015

COMMODITY/SERVICE DESCRIPTION: Proof of Concept for Utility Bill Prepayment

REQUISITION NO.: A341482

COMMODITY CODE: 91832, 91842

PRE-PROPOSAL CONFERENCE TIME AND DATE: N/A

FOR ALL ISSUES CONTACT THE FOLLOWING AUTHORIZED CONTACT PERSON:

Debbie DePaul

Phone: (512) 322-6235
E-Mail: debbie.depaul@austinenergy.com

QUESTIONS DUE PRIOR TO: 5:00 P.M. CST, January 14, 2016

PROPOSALS DUE PRIOR TO: 3:00 P.M. CST, Tuesday, January 19, 2016

LOCATION for OFFER SUBMITTAL: MUNICIPAL BUILDING, 124 W 8th STREET, RM 308, AUSTIN, TEXAS 78701

When submitting a sealed Offer and/or Compliance Plan, use the proper address for the type of service desired, as shown below:

Address for US Mail (Only)	Address for Fedex, UPS, Hand
City of Austin	City of Austin, Municipal Building
Purchasing Office-Response Enclosed for Solicitation # DMD002	Purchasing Office-Response Enclosed for Solicitation # DMD002
P.O. Box 10880	124 W 8th Street, Rm 308
Austin, Texas 78767-8845	Austin, Texas 78701
	Reception Phone: (512) 974-2500

NOTE: Offers must be received and time stamped in the Purchasing Office prior to the Due Date and Time. It is the responsibility of the Offeror to ensure that their Offer arrives at the receptionist's desk in the Purchasing Office prior to the time and date indicated. Arrival at the City's mailroom, mail terminal, or post office box will not constitute the Offer arriving on time. See Section 0200 for additional solicitation instructions.

All Offers (including Compliance Plans) that are not submitted in a sealed envelope or container will not be considered.

SUBMIT 2 ORIGINAL HARD COPIES, AND 4 ELECTRONIC COPIES OF YOUR RESPONSE (Stick or CD)

*****SIGNATURE FOR SUBMITTAL REQUIRED ON PAGE 3 OF THIS DOCUMENT*****

This solicitation is comprised of the following required sections. Please ensure to carefully read each section including those incorporated by reference. By signing this document, you are agreeing to all the items contained herein and will be bound to all terms.

SECTION NO.	TITLE	PAGES
0100	STANDARD PURCHASE DEFINITIONS	*
0200	STANDARD SOLICITATION INSTRUCTIONS	*
0300	STANDARD PURCHASE TERMS AND CONDITIONS	*
0400	SUPPLEMENTAL PURCHASE PROVISIONS	4
0500	SCOPE OF WORK	7
	Appendix A – Project Timeline	1
	Appendix B – Vendor Requirements & Response Sheet	6
	Appendix C – Pricing Proposal	2
0600	PROPOSAL PREPARATION INSTRUCTIONS & EVALUATION FACTORS	3
0605	LOCAL BUSINESS PRESENCE IDENTIFICATION FORM – Complete and return	2
0700	REFERENCE SHEET – Complete and return if required	2
0800	NON-DISCRIMINATION CERTIFICATION	*
0805	NON COLLUSION, NON CONFLICT OF INTEREST AND ANTI LOBBYING CERTIFICATION	*
0835	NON RESIDENT BIDDER PROVISIONS	1
0905	FACTA AFFIDAVIT	1

* Documents are hereby incorporated into this Solicitation by reference**, with the same force and effect as if they were incorporated in full text. The full text versions of these Sections are available, on the Internet at the following online address:**

http://www.austintexas.gov/financeonline/vendor_connection/index.cfm#STANDARDBIDDOCUMENTS

If you do not have access to the Internet, you may obtain a copy of these Sections from the City of Austin Purchasing Office located in the Municipal Building, 124 West 8th Street, Room #308 Austin, Texas 78701; phone (512) 974-2500. Please have the Solicitation number available so that the staff can select the proper documents. These documents can be mailed, expressed mailed, or faxed to you.

The undersigned, by his/her signature, represents that he/she is submitting a binding offer and is authorized to bind the respondent to fully comply with the solicitation document contained herein. The Respondent, by submitting and signing below, acknowledges that he/she has received and read the entire document packet sections defined above including all documents incorporated by reference, and agrees to be bound by the terms therein.

Company Name: _____

Company Address: _____

City, State, Zip: _____

Federal Tax ID No. _____

Printed Name of Officer or Authorized Representative: _____

Title: _____

Signature of Officer or Authorized Representative: _____

Date: _____

Email Address: _____

Phone Number: _____

*** Proposal response must be submitted with this Offer sheet to be considered for award**

Section 0605: Local Business Presence Identification

A firm (Offeror or Subcontractor) is considered to have a Local Business Presence if the firm is headquartered in the Austin Corporate City Limits, or has a branch office located in the Austin Corporate City Limits in operation for the last five (5) years, currently employs residents of the City of Austin, Texas, and will use employees that reside in the City of Austin, Texas, to support this Contract. The City defines headquarters as the administrative center where most of the important functions and full responsibility for managing and coordinating the business activities of the firm are located. The City defines branch office as a smaller, remotely located office that is separate from a firm's headquarters that offers the services requested and required under this solicitation.

OFFEROR MUST SUBMIT THE FOLLOWING INFORMATION FOR EACH LOCAL BUSINESS (INCLUDING THE OFFEROR, IF APPLICABLE) TO BE CONSIDERED FOR LOCAL PRESENCE.

NOTE: ALL FIRMS MUST BE IDENTIFIED ON THE MBE/WBE COMPLIANCE PLAN OR NO GOALS UTILIZATION PLAN (REFERENCE SECTION 0900).

USE ADDITIONAL PAGES AS NECESSARY

OFFEROR:

Name of Local Firm		
Physical Address		
Is your headquarters located in the Corporate City Limits? (circle one)	Yes	No
or		
Has your branch office been located in the Corporate City Limits for the last 5 years?		
Will your business be providing additional economic development opportunities created by the contract award? (e.g., hiring, or employing residents of the City of Austin or increasing tax revenue?)	Yes	No

SUBCONTRACTOR(S):

Name of Local Firm		
Physical Address		
Is your headquarters located in the Corporate City Limits? (circle one)	Yes	No
or		
Has your branch office been located in the Corporate City Limits for the last 5 years	Yes	No

Will your business be providing additional economic development opportunities created by the contract award? (e.g., hiring, or employing residents of the City of Austin or increasing tax revenue?)	Yes	No

SUBCONTRACTOR(S):

Name of Local Firm		
Physical Address		
Is your headquarters located in the Corporate City Limits? (circle one)	Yes	No
or		
Has your branch office been located in the Corporate City Limits for the last 5 years	Yes	No
Will your business be providing additional economic development opportunities created by the contract award? (e.g., hiring, or employing residents of the City of Austin or increasing tax revenue?)	Yes	No

Section 0700: Reference Sheet

The Offeror shall furnish, with the Offer, the following information, for at least five recent customers to whom products and/or services have been provided that are similar to those required by this Solicitation.

Responding Company Name _____

1. Company's Name _____

   Name and Title of Contact _____

   Present Address _____

   City, State, Zip Code _____

   Telephone Number (____)_____ Fax Number (____)_____

   Email Address _____

2. Company's Name _____

   Name and Title of Contact _____

   Present Address _____

   City, State, Zip Code _____

   Telephone Number (____)_____ Fax Number (____)_____

   Email Address _____

3. Company's Name _____

   Name and Title of Contact _____

   Present Address _____

   City, State, Zip Code _____

   Telephone Number (____)_____ Fax Number (____)_____

   Email Address _____

Section 0835: Non-Resident Bidder Provisions

Company Name _____

A. Bidder must answer the following questions in accordance with Vernon's Texas Statues and Codes Annotated Government Code 2252.002, as amended:

   Is the Bidder that is making and submitting this Bid a "Resident Bidder" or a "non-resident Bidder"?

   Answer: _____

   (1) Texas Resident Bidder- A Bidder whose principle place of business is in Texas and includes a Contractor whose ultimate parent company or majority owner has its principal place of business in Texas.
   (2) Nonresident Bidder- A Bidder who is not a Texas Resident Bidder.

B. If the Bidder id a "Nonresident Bidder" does the state, in which the Nonresident Bidder's principal place of business is located, have a law requiring a Nonresident Bidder of that state to bid a certain amount or percentage under the Bid of a Resident Bidder of that state in order for the nonresident Bidder of that state to be awarded a Contract on such bid in said state?

   Answer: _____ Which State: _____

C. If the answer to Question B is "yes", then what amount or percentage must a Texas Resident Bidder bid under the bid price of a Resident Bidder of that state in order to be awarded a Contract on such bid in said state?

   Answer: _____

AFFIDAVIT OF COMPLIANCE (0905)

I HEREBY AFFIRM that I, [name] _____, am the [title] _____, and the duly authorized representative of [name of business] _____. I am over 18 years of age, of sound mind, capable of making this affidavit, personally acquainted with the facts stated in it, and I possess the legal authority to make this Affidavit on behalf of myself and the business for which I am acting.

I ACKNOWLEDGE that, in accordance with the Fair and Accurate Credit Transactions Act (FACTA), the City of Austin is required to ensure that the activities of service providers who provide the City services related to covered accounts under FACTA are conducted in accordance with reasonable policies and procedures designed to detect, prevent, and mitigate the risk of identity theft.

I FURTHER AFFIRM that the aforementioned entity has in place reasonable policies and procedures designed to detect, prevent, and mitigate the risk of identity theft.

Signed this the ____ day of _____, 20__.

_____
Signature of Affiant

BEFORE ME, the undersigned authority, personally appeared _____, who being by me duly sworn, stated that the contents of this affidavit are true and correct.

SWORN TO AND SUBSCRIBED before me on the ____ day of _____, 20__.

_____
Notary Public in and for the State of Texas

My commission expires: _____

CITY OF AUSTIN
PURCHASING OFFICE
SUPPLEMENTAL PURCHASE PROVISIONS ("0400")

The following Supplemental Purchasing Provisions apply to this solicitation:

1. **EXPLANATIONS OR CLARIFICATIONS:**

All requests for explanations or clarifications must be submitted electronically, via email, to the Buyer/Point of Contact: Debbie.DePaul@uastinenergy.com., no later than 5:00 P.M. CST, Thursday, January 14, 2015

For the purpose of clarification, *Proposals MAY NOT be sent to this address*. Please see the front page of the solicitation for instructions on how to submit a proposal. Please note: proposals sent via email to Debbie DePaul will be deleted immediately and will not be logged as a Proposal Received.

2. **ALTERNATE OFFERS:** (reference paragraph 7A in Section 0200)

For the purposes of this POC only, Proposals offering the requested SOW and qualifications will be evaluated. However, if you are aware of alternate technology that would help us achieve the same results, please do submit information to the Buyer for review.

3. **INSURANCE:** Insurance is required for this solicitation.

A. **General Requirements:** See Section 0300, Standard Purchase Terms and Conditions, paragraph 32, entitled Insurance, for general insurance requirements.

i. The Contractor shall provide a Certificate of Insurance as verification of coverages required below to the City at the below address prior to contract execution and within 14 calendar days after written request from the City. Failure to provide the required Certificate of Insurance may subject the Offer to disqualification from consideration for award

ii. The Contractor shall not commence work until the required insurance is obtained and until such insurance has been reviewed by the City. Approval of insurance by the City shall not relieve or decrease the liability of the Contractor hereunder and shall not be construed to be a limitation of liability on the part of the Contractor.

iii. The Contractor must also forward a Certificate of Insurance to the City whenever a previously identified policy period has expired, or an extension option or holdover period is exercised, as verification of continuing coverage.

iv. The Certificate of Insurance, and updates, shall be mailed to the following address:

City of Austin Purchasing Office
P. O. Box 1088
Austin, Texas 78767

B. **Specific Coverage Requirements:** The Contractor shall at a minimum carry insurance in the types and amounts indicated below for the duration of the Contract, including extension options and hold over periods, and during any warranty period. These insurance coverages are required minimums and are not intended to limit the responsibility or liability of the Contractor.

i. **Worker's Compensation and Employers' Liability Insurance:** Coverage shall be consistent with statutory benefits outlined in the Texas Worker's Compensation Act (Section 401). The minimum policy limits for Employer's Liability are $100,000 bodily injury each accident, $500,000 bodily injury by disease policy limit and $100,000 bodily injury by disease each employee.

(1) The Contractor's policy shall apply to the State of Texas and include these endorsements in favor of the City of Austin:

(a) Waiver of Subrogation, Form WC420304, or equivalent coverage

(b) Thirty (30) days Notice of Cancellation, Form WC420601, or equivalent coverage

CITY OF AUSTIN
PURCHASING OFFICE
SUPPLEMENTAL PURCHASE PROVISIONS ("0400")

ii. **Commercial General Liability Insurance:** The minimum bodily injury and property damage per occurrence are $500,000 for coverages A (Bodily Injury and Property Damage) and B (Personal and Advertising Injury).
(1) The policy shall contain the following provisions:
(a) Contractual liability coverage for liability assumed under the Contract and all other Contracts related to the project.
(b) Contractor/Subcontracted Work.
(c) Products/Completed Operations Liability for the duration of the warranty period.
(d) If the project involves digging or drilling provisions must be included that provide Explosion, Collapse, and/or Underground Coverage.
(2) The policy shall also include these endorsements in favor of the City of Austin:
(a) Waiver of Subrogation, Endorsement CG 2404, or equivalent coverage
(b) Thirty (30) days Notice of Cancellation, Endorsement CG 0205, or equivalent coverage
(c) The City of Austin listed as an additional insured, Endorsement CG 2010, or equivalent coverage

iii. **Business Automobile Liability Insurance:** The Contractor shall provide coverage for all owned, non-owned and hired vehicles with a minimum combined single limit of $500,000 per occurrence for bodily injury and property damage. Alternate acceptable limits are $250,000 bodily injury per person, $500,000 bodily injury per occurrence and at least $100,000 property damage liability per accident.
(1) The policy shall include these endorsements in favor of the City of Austin:
(a) Waiver of Subrogation, Endorsement CA0444, or equivalent coverage
(b) Thirty (30) days Notice of Cancellation, Endorsement CA0244, or equivalent coverage
(c) The City of Austin listed as an additional insured, Endorsement CA2048, or equivalent coverage.

C. **Endorsements:** The specific insurance coverage endorsements specified above, or their equivalents must be provided. In the event that endorsements, which are the equivalent of the required coverage, are proposed to be substituted for the required coverage, copies of the equivalent endorsements must be provided for the City's review and approval.

4. **TERM OF CONTRACT:**

A. The Contract shall be in effect for an initial term of four (4) months and may be extended thereafter for up to two (2) additional one (1) month periods ("Term"), subject to the approval of the Contractor and the City Purchasing Officer or his designee.

B. Prices are firm and fixed for the Term. Vendor my submit invoices at the conclusion of each month of the POC.

5. **LOCATION OF SERVICE PERFORMANCE: The POC will be performed at The Town Lake Center Bldg. on 721 Barton Springs Rd., Austin, TX 78702.**

6. **INVOICES and PAYMENT:** (reference paragraphs 12 and 13 in Section 0300)

A. Invoices shall contain a unique invoice number and the information required in Section 0300, paragraph 12, entitled "Invoices." Invoices received without all required information cannot be processed and will be returned to the vendor.

Invoices shall be mailed to the below address:

	City of Austin

CITY OF AUSTIN
PURCHASING OFFICE
SUPPLEMENTAL PURCHASE PROVISIONS ("0400")

	Austin Energy
Attn:	Accounts Payable
Address	P.O. Box 3546
City, State Zip Code	Austin, TX 78764

7. **WORKFORCE SECURITY CLEARANCE AND IDENTIFICATION (ID):**

A. Access to the Town-Lake Center Building ("TLC") Department building by the Contractor, all subcontractors and their employees will be strictly controlled at all times by the City. Security badges will be issued by the Department for this purpose. The Contractor shall submit a complete list of all persons requiring access to TLC at least thirty (30) days in advance of their need for access. The City reserves the right to deny a security badge to any Contractor personnel for reasonable cause. The City will notify the Contractor of any such denial no more than twenty (20) days after receipt of the Contractor's submittal.

B. Where denial of access by a particular person may cause the Contractor to be unable to perform any portion of the work of the contract, the Contractor shall so notify the City's Contract Manager, in writing, within ten (10) days of the receipt of notification of denial.

C. Contractor personnel will be required to check in at the security desk when entering or leaving the TLC building and security badges must be on display at all times when in the building. Failure to do so may be cause for removal of Contractor Personnel from the worksite, without regard to Contractor's schedule. Security badges may not be removed from the premises.

D. The Contractor shall provide the City's Contract Manager with a list of personnel scheduled to enter the building, seven days in advance. The list shall identify the persons by name, date of birth, driver's license number, the times that they will be inside the building and the areas where they will be working. Only persons previously approved by the City for the issuance of security badges will be admitted to the building.

E. The Contractor shall comply with all other security requirements imposed by the City and shall ensure that all employees and subcontractors are kept fully informed as to these requirements.

8. **OWNERSHIP AND USE OF DELIVERABLES:** The City shall own all rights, titles, and interests to the data throughout the world.

A. **Patents:** As to any patentable subject matter contained in the Deliverables, the Contractor agrees to disclose such patentable subject matter to the City. Further, if requested by the City, the Contractor agrees to assign and, if necessary, cause each of its employees to assign the entire right, title, and interest to specific inventions under such patentable subject matter to the City and to execute, acknowledge, and deliver and, if necessary, cause each of its employees to execute, acknowledge, and deliver an assignment of letters patent, in a form to be reasonably approved by the City, to the City upon request by the City.

B. **Copyrights:** As to any Deliverable containing copyrighted subject matter, the Contractor agrees that upon their creation, such Deliverables shall be considered as work made-for-hire by the Contractor for the City and the City shall own all copyrights in and to such Deliverables, provided however, that nothing in this Paragraph 36 shall negate the City's sole or joint ownership of any such Deliverables arising by virtue of the City's sole or joint authorship of such Deliverables. Should by operation of law, such Deliverables not be considered work made-for-hire, the Contractor hereby assigns to the City (and agrees to cause each of its employees providing services to the City hereunder to execute, acknowledge, and deliver an assignment to the City of Austin) all worldwide right, title, and interest in

CITY OF AUSTIN
PURCHASING OFFICE
SUPPLEMENTAL PURCHASE PROVISIONS ("0400")

and to such Deliverables. With respect to such work made-for-hire, the Contractor agrees to execute, acknowledge and deliver and cause each of its employees providing services to the City hereunder to execute, acknowledge, and deliver a work-for-hire agreement, in a form to be reasonably approved by the City, to the City upon delivery of such Deliverables to the City or at such other time as the City may request.

C. **Additional Assignments:** The Contractor further agrees to, and if applicable, cause each of its employees to execute, acknowledge, and deliver all applications, specifications, oaths, assignments, and all other instruments which the City might reasonably deem necessary in order to apply for and obtain copyright protection, mask work registration, trademark registration and/or protection, letters patent, or any similar rights in any and all countries and in order to assign and convey to the City, its successors, assigns, and nominees, the sole and exclusive right, title, and interest in and to the Deliverables, The Contractor's obligations to execute acknowledge, and deliver (or cause to be executed, acknowledged, and delivered) instruments or papers such as those described in this Paragraph 36 A., B., and C. shall continue after the termination of this Contract with respect to such Deliverables. In the event the City should not seek to obtain copyright protection, mask work registration or patent protection for any of the Deliverables, but should arise to keep the same secret, the Contractor agrees to treat the same as Confidential Information under the terms of Paragraph above.

9. **CONTRACT MANAGER:** The following person is designated as Contract Manager, and will act as the contact point between the City and the Contractor during the term of the Contract:

Ronnie Mendoza

10. **FACTA:** The City requires Offerors submitting Offers on any Solicitation which may utilize or access City Customer Account Information, directly or indirectly, to provide a signed affidavit certifying that the Offeror has reviewed the provisions of the Fair and Accurate Credit Transactions Act (FACTA) [16 CFR 681] and agrees to exercise due diligence, in accordance with reasonable policies and procedures, to detect, deter and prevent the risk of identity theft (See Section 0903, FACTA Affidavit). By signing the Affidavit, the Offeror affirms to the City that it maintains its own identity theft prevention program. The City may only award a Contract, to which this provision applies, once the signed and notarized Affidavit is received.

SCOPE OF WORK - 0500

Request for Proposal No. DMD0002

Utility Bill Prepayment Proof of Concept

City of Austin/Austin Energy

1.0 INTRODUCTION

Purpose

The City of Austin d/b/a Austin Energy, hereinafter referred to as "Austin Energy" (AE), is seeking proposals from qualified service providers, hereinafter referred to as "Vendor(s)", to participate in a Utility Bill Prepayment Proof of Concept ("POC") for an estimated time period of four (4) to six (6) months. The purpose of the POC is to allow multiple Vendors the opportunity to demonstrate their Utility Bill Prepayment ("Solution"). Up to a maximum number of four (4) vendors will be awarded to run concurrently. The Vendor(s) Solution will not integrate with AE's billing system, payment processors or Automated Metering Infrastructure (AMI). During the POC period, selected Vendor(s) will provide the hardware, software, installation, training, support for the administration and management of processes necessary for the daily operation of a manual Utility Bill Prepayment offering as detailed in this Scope of Work (SOW).

Background

Austin Energy (AE) is the municipally-owned electric utility of the City of Austin (COA). AE is the eighth largest public power utility in the country with approximately 480,000 residential, commercial and industrial customers. Annual revenues are in excess of $1.3 billion. The utility's service area is 437 square miles of which 206 are encompassed within the city limits of Austin and the remainder in the incorporated or unincorporated portions of Travis and Williamson Counties. Austin Energy is a vertically integrated electric utility which owns 2,389 MW of generation, approximately 630 miles of transmission lines and nearly 11,000 miles of distribution.

Austin Energy provides customer billing services for all COA utilities: electric, water, wastewater, solid waste, transportation, drainage and other related fees. AE generates 20 billing cycles per month with approximately 24,000 bills per cycle. The City of Austin went live with Oracle Utilities' Customer Care and Billing (CC&B) v.2.3.1 solution in October 2011. AE is in the process of a full AMI deployment, through the implementation of Landis+Gyr Meter Data Management System (MDMS) and the migration from a blended one-way/two-way AMR/AMI network to a full two-way communicating AMI network. Currently, there are 56,000 one-way meters and 398,000 residential and Commercial & Industrial two-way meters in our service territory; of which, roughly 6000 currently report to L+G Command Center. A meter change out project to replace all remaining 1-way meters to 2-way is expected to be completed by mid-2016. For the purposes of this pilot, only two-way residential meters with remote disconnect/reconnect capability reporting through Command Center will be installed for POC participants.

2.0 PROJECT OVERVIEW

Austin Energy seeks a Vendor-hosted, fully operable Solution which will operate in a manual capacity with <u>no</u> integration with AE systems. Selected Vendor(s) will operate in parallel and independent of each other. Although not anticipated, Austin Energy reserves the right to discontinue the POC at any point.

Project Objectives

The objectives of the Utility Bill Prepayment POC are three-fold:

1. Provide AE's utility customers with an innovative payment solution permitting pre-payment of their utility bills.
2. Enable the AE customer to manage their energy account on a daily basis
3. Gauge the viability of a fully integrated deployment

Project (POC) Methodology

1. Estimated four (4) to six (6) month POC
2. Up to a maximum of four (4) Vendors participating simultaneously
3. No greater than 300 customers in total divided among successful Vendor(s); Customer distribution will be at AE discretion
4. The scope for the POC includes residential electric-only customers with an option to include a sampling of water service customer(s)
5. Design and facilitate customer surveys and focus groups

Functionality

Outlined below are the minimum requirements/qualifications for the high-level functionality of the Solution.

Customer Enrollment

Enrollment in the POC will be offered to existing AE customers. Customer enrollment will be entered in AE's CC&B system. A customer may enroll in the prepay program either by telephone or in person with AE staff. The customer will be required to acknowledge a Utility Bill Prepayment Service Agreement upon enrollment. After account set up has been completed, an AMI meter with remote connect/disconnect capability will be installed at the service address if not pre-existing.

Account Management

The prepay customer will be able to access their account information via a Vendor-hosted portal and mobile application. It is desired that customers will also be able to access their prepay accounts via inbound IVR and two-way texting capability.
Through the hosted portal and mobile application, the customer will be able to: manage their alert settings and view transactions, account balance, pending account activity, current usage, daily usage (currency and kWh) and historical trending. Austin Energy prefers customers use a unique secure logon for access to the Vendor portal.

The Solution will deliver alert notifications as the customer's balance is reduced. Customers will be able to customize the frequency, method (email, outbound dialer, SMS text) and type of alert, e.g. daily balance, payment posted, low balance (threshold set by customer), pending disconnects, meter status and monthly usage statement. Austin Energy will have the capability to include standard alerts of its own as part of this POC.

Billing/Payments

Electric charges will be calculated in the vendor portal via a daily register and/or interval read file from AE's AMI system. In addition to metered usage, other charges such as drainage, solid waste service, security light, monthly consumer fees and other fixed monthly charges will be calculated and deducted daily. The Solution must be able to process usage charges and account adjustments occurring in the CC&B system as identified in the daily Secure File Transfer Protocol (SFTP) file to Vendor.

Austin Energy receives a variety of payment types (cash, check, ACH, credit/debit card) collected through direct and multiple third party payment methods: branch, IVR, Online Customer Care portal (e.g. Bill Matrix) and pay stations (Western Union). In some cases, e.g. cash/check payments made in the branch, the payment is posted immediately and in other cases, the payment is held in a "pending" status until it can be processed to the customer's account in a batch. The Solution is expected to acknowledge payments received via file from CC&B at yet to be determined specified intervals, and communicate the action to be initiated (e.g. service disconnection/reconnection) via file back to AE.

During the POC, enrolled customers will continue to receive monthly utility bills. The proposed Solution will have the capability to:

- Adjust account balances during monthly true-ups with AE's CC&B system.
- Support complex tiered rate structures and various charges, adjustments and fees.
- Produce an accurate estimate of usage when a meter read shows incomplete data by using various input, e.g. prior usage, environmental factors, day of week, etc. and indicate instances in which this occurs.

Disconnection:

POI: During the POC, Vendor's sole responsibility regarding disconnection is to notify AE of zero or negative dollar(s) balances. Vendor is not responsible for physical disconnection.

In the event that a customer's prepaid account balance reaches zero or is negative, the Solution will send a daily disconnect report to AE. AE will notify Vendor of completed disconnects via file. Vendor will update customer account status accordingly. The days, hours and grace period for disconnection will be determined by AE prior to Solution implementation. Periodically, AE may suspend disconnections during defined periods of time, e.g. holidays, extreme weather, moratoriums, unforeseen circumstances, etc. Vendor will be notified of any such suspension of disconnection.

If disconnections are suspended by AE, the Solution must be able to accrue the charges incurred by customers during the period in which utility service is still being provided. The accrued charges will be available for view on the Vendor-hosted web portal or mobile

application.

Reconnection

When payments remitted are equal to or greater than the minimum amount due (negative balance + recharge amount), the Solution will generate a reconnect report and send to AE. Austin Energy will notify Vendor of completed reconnects via file. Vendor will update customer account status accordingly.

Cancellation of Service

Customers will be required to remit a minimum payment within a predetermined number of days following disconnection. Accounts disconnected for longer than the predetermined number of days (e.g. 30 days) will be considered inactive and closed. The customer will be required to contact the AE Customer Service department to reapply for service. CC&B will provide a list of the customers removed from the program to the Solution via file.

Reporting

Austin Energy requires reporting including but not limited to: program participation, customer activity, channel analytics, payment and usage data for reconciliation purposes.

Debt Recovery

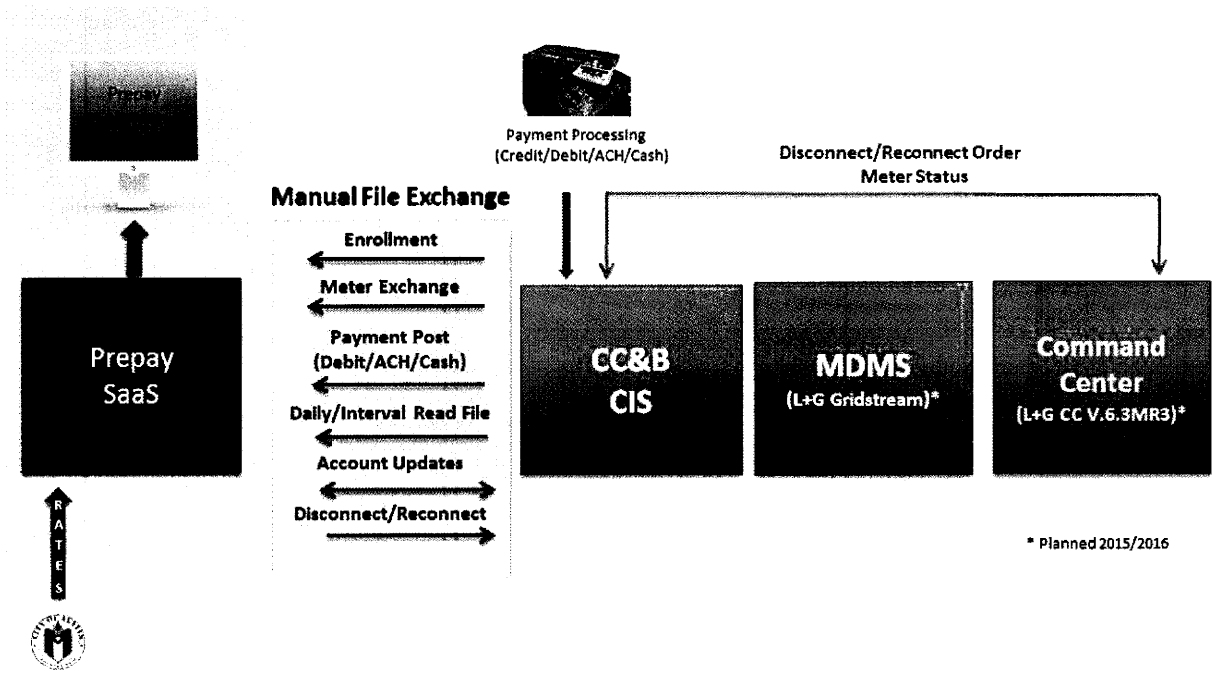
Austin Energy currently offers payment arrangements to customers with outstanding balances. The Solution must allow for similar functionality wherein current customers with pre-existing debt from an AE utility account will be given the opportunity to allocate a portion of their prepayment amount to pay down debt balances. Austin Energy will determine the default allocation percentage. Both AE and the customer must be able to view the current status of the debt and payments applied toward it.

3.0 PROJECT SCOPE

Austin Energy seeks a Vendor to implement a manual Utility Bill Prepayment POC. Under a manual POC, the Vendor will **not** integrate with AE's billing system, payment processors or AMI system.

The high-level schematic of the manually implemented Solution is shown on the next page:

Schematic of Interaction



Austin Energy plans to utilize Software as a Service (SaaS) for the POC and will only implement the functionalities available in the current release of the solution provided by the selected Vendor(s).

Vendor(s) Responsibilities

The Vendor(s) will be required to provide project management and professional services during the planning, analysis, design, construction, testing and operation of the hosted POC. The Vendor(s) will be responsible for all set-up, configuration and testing of the hosted system environment to meet the needs of Austin Energy's functional requirements as described in this RFP. Austin Energy will test and accept solution prior to roll out.

Austin Energy requires Proposers provide the following:

- Project Manager who will be the single point of contact
- Hosted and managed infrastructure and equipment
- Hosted and Vendor supported COA branded: website, mobile application and IVR (desired), which meets AE's business and vendor requirements as indicated herein within this SOW
- Support and maintenance of the Solution including all infrastructure, hardware and software designed or purchased (during 4-6 month POC)
- Daily, weekly, monthly and ad-hoc metrics and reporting
- Attendance at meetings
- Onsite training/knowledge transfer
- Present any customer facing communication for review prior to go-live
- Receipt and delivery of files to transfer required data between Vendor and AE.

Additionally, all Vendor staff associated with the project will have to sign City-Issued Non-Disclosure agreements and the Vendor will have to sign the attached FACTA AFFIDAVIT (0905). Verbiage regarding the form and why the City requires it can be found at the end of the 0400 document.

Austin Energy Responsibilities

Austin Energy's project team will be comprised of a project manager and functional resources from the various AE departments.

The AE project manager will provide the following:

- Project prioritization and scheduling with the selected Vendor's project manager
- Access to office sites during normal business hours (based on approved criminal background investigation and formal badging process (see 0400 document)
- Related documentation and/or access to appropriate SMEs
- Issue identification, prioritization and communications to Vendor(s) support staff
- Scheduling and coordinating of regular project team meetings and work sessions as needed
- Office space for Vendor project management or technical resource staff, if needed
- Facilities, including telephones, personal computer hookups, and access to copy and fax machines, if needed
- Facilities for all meetings, work sessions and training classes, including any necessary audio-visual equipment

There is no expectation on the part of AE that Vendor be onsite post go-live.

Project Timeline

The timeline shown in Appendix A gives a targeted schedule for the Solution deployment. Upon contract execution, successful Vendor(s) must be fully operable within 60 days. Vendor(s) should be able to incorporate any COA rate changes if they occur. Between POC set up and POC deployment is a period to transition postpaid customers to prepay. Upon close out and evaluation of the POC, the decision will be made whether to proceed with production.

To the extent possible, AE will compress the RFP solicitation, contract review and POC set up periods in the timeline above.

Project Milestones

Vendor(s) are required to provide a cost to set up and run their Utility Prepayment Solution (see Pricing Proposal). Invoices are expected to coincide with milestones.

- Milestone 1: Set up (Configuration, Testing, Training)
- Milestones 2-5: Monthly operation charge (Milestones 6-7 are optional)

Project Success Factors

- Review and acceptance of milestones.
- Review and acceptance of deliverables:
  - reporting (frequency to be determined)
  - daily SFTP files
- Receive customer feedback throughout POC
- Adherence to meeting schedule between Vendor(s) and AE staff
- Develop lessons learned document

4.0 VENDOR REQUIREMENTS

The functional requirements describe product features and functionality pertaining to AE Customers. To ensure your proposed Solution is thoroughly represented, Vendors must respond to all of the requirements listed in Appendix B in sequential order .

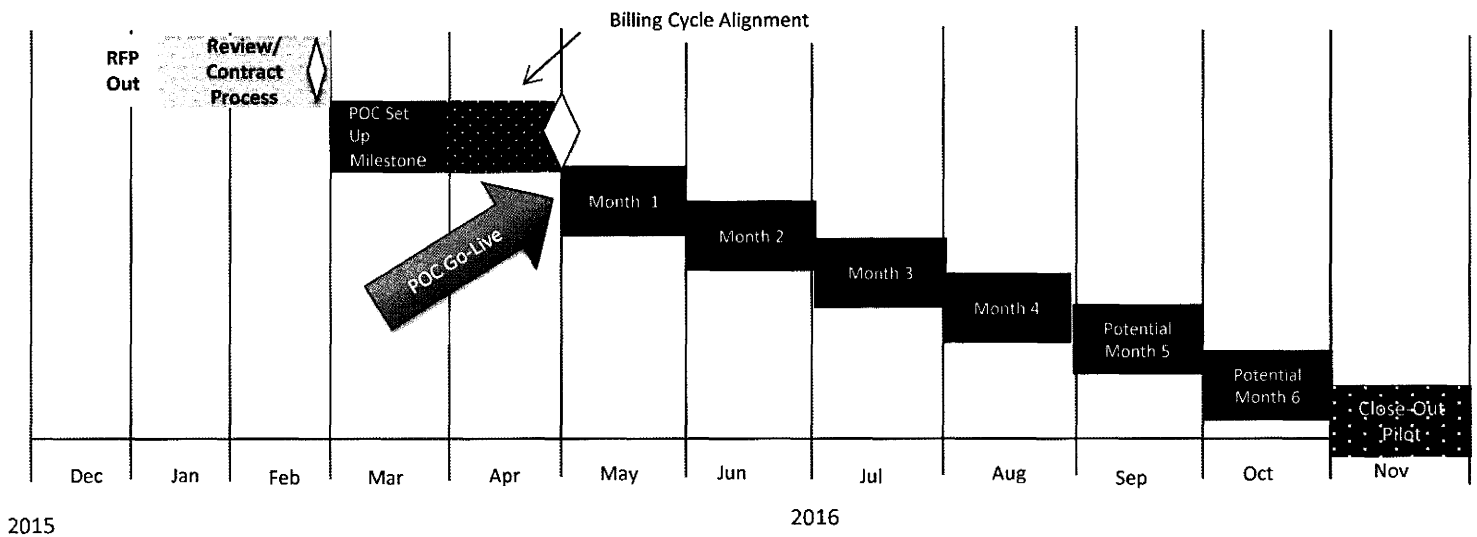
"Importance Rating" indicates how critical the requirement is to achieving project objectives.

- **Must Have:** These requirements may or may not be industry standards but are highly critical to the POC. They must either be satisfied by the system's base functionality or the Vendor must offer an alternative to satisfy the base functional requirement.
- **Desired:** These requirements add value, but are not critical to our end users. These features are considered optional.

If there are responses that Vendors deem optimal to those suggested by the requirement description or response, please provide the alternate solution with a detailed explanation.

RFP Timeline Revision – Appendix A (December 2015)

- RFP out: Dec. 31-Jan 19
- Proposal review sessions: Jan 20-29
- Evaluation meetings: Starting Feb 1
- Contract negotiation/finalization: Feb 29
- Vendor Set Up: Mar 1-Apr 30 (overlaps with bill cycle alignment)
- Go-live: May 1, 2016



CITY OF AUSTIN
PURCHASING OFFICE
PROPOSAL PREPARATION INSTRUCTIONS AND EVALUATION FACTORS ("0600")
SOLICITATION NUMBER: DMD0002

1. PROPOSAL FORMAT

Prefacing the proposal, the Proposer shall provide an Executive Summary of three (3) pages or less, which gives in brief, concise terms, a summation of the proposal. The proposal itself shall be organized in the following format and informational sequence:

A. **Business Organization**: State full name and address of your organization and identify parent company if you are a subsidiary. Specify the branch office address or other subordinate element which will perform, or assist in performing work herein. Indicate whether you operate as a partnership, corporation, or individual. Include the State in which incorporated or licensed to operate.

B. **Authorized Negotiator**: Include name, address, and telephone number of person in your organization authorized to negotiate Contract terms and render binding decisions on Contract matters.

C. **Pricing Proposal**: Please Complete Appendix C. Please. In addition, please provide any other pricing details the City should consider to evaluate your proposal.

D. **Proof of Concept and Solution**: Please complete Appendix B. In addition, please provide any other details the City should consider when evaluating your proposal.

E. **Experience & Performance Capability:** Describe corporate experience related to producing the services specified in this solicitation. Please provide a:

   i. list of your customers to whom similar services have been provided, including company name, contact information, description of the services provided, date of work and contract value.

   ii. detailed description of experience installing and maintaining your Solution.

F. **Personnel**: Include names and qualifications of all professional personnel who will be assigned to this project. State the primary work assigned to each person and the percentage of time each person will devote to this work. Identify key persons by name and title. Provide all resumes, including any sub-consultant personnel.

G. **Project Management Structure**: Provide a general explanation and chart which specifies project leadership and reporting responsibilities; and interface the team with City project management and team personnel. If use of subcontractors is proposed, identify their placement in the primary management structure, and provide internal management description for each subcontractor.

H. **Time-Line**: Indicate your ability to perform the services in the time-line indicated in Exhibit A.

I. **Exceptions:** Be advised that exceptions to any portion of the Solicitation may jeopardize acceptance of the Proposal.

   The terms and conditions stated in this RFP shall constitute the terms and conditions of the final contract with the successful Proposer after award. If any exceptions are taken by a Proposer to any term or condition of this RFP, the Proposer must clearly indicate each specific exception taken, include a full explanation of the reason for said exception, and include any proposed language for any alternative term as a separate attachment to the Proposal, stating clearly in writing that the Proposer's Contract or Legal staff have reviewed and proposed all such terms in the Proposer's exceptions.

CITY OF AUSTIN
PURCHASING OFFICE
PROPOSAL PREPARATION INSTRUCTIONS AND EVALUATION FACTORS ("0600")
SOLICITATION NUMBER: DMD0002

Proposer must also certify in their proposal, that its authorized agents have reviewed all terms and conditions of the RFP, and, except for any exceptions, have authority to bind Proposer to comply with all of the City of Austin's terms and conditions. The failure to identify exceptions or proposed changes with a full explanation and substitute language shall constitute acceptance by the Proposer of the Solicitation as proposed by the City.

The City reserves the right to reject a proposal containing exceptions, additions, qualifications or conditions not called for in the Solicitation. Additionally, all exceptions or supplemental terms and conditions proposed by a Proposer in response to any portion of this RFP but not submitted at the time required for submitting of the Initial Proposal (i.e., the specified RFP closing date and time listed on the cover sheet of the Solicitation) may be rejected at the sole discretion of the City.

2. **ADDITIONAL PROPOSAL TERMS**

A. **Local Business Presence**: The City seeks opportunities for businesses in the Austin Corporate City Limits to participate on City contracts. A firm (Offeror or Subcontractor) is considered to have a Local Business Presence if the firm is headquartered in the Austin Corporate City Limits, or has a branch office located in the Austin Corporate City Limits in operation for the last five (5) years, currently employs residents of the City of Austin, Texas, and will use employees that reside in the City of Austin, Texas, to support this contract. The City defines headquarters as the administrative center where most of the important functions and full responsibility for managing and coordinating the business activities of the firm are located. The City defines branch office as a smaller, remotely located office that is separate from a firm's headquarters that offers the services requested and required under this solicitation. Points will be awarded through a combination of the Offeror's Local Business Presence and/or the Local Business Presence of their subcontractors. Evaluation of the Team's Percentage of Local Business Presence will be based on the dollar amount of work as reflected in the Offeror's MBE/WBE Compliance Plan or MBE/WBE Utilization Plan. Specify if and by which definition the Offeror or Subcontractor(s) have a local business presence.

B. **Proposal Acceptance Period**: All proposals are valid for a period of one hundred and twenty (120) calendar days subsequent to the RFP closing date unless a longer acceptance period is offered in the proposal.

C. **Proprietary Information**: All material submitted to the City becomes public property and is subject to the Texas Open Records Act upon receipt. If a Proposer does not desire proprietary information in the proposal to be disclosed, each page must be identified and marked proprietary at time of submittal. The City will, to the extent allowed by law, endeavor to protect such information from disclosure. The final decision as to what information must be disclosed, however, lies with the Texas Attorney General. Failure to identify proprietary information will result in all unmarked sections being deemed non-proprietary and available upon public request.

D. **Proposal Preparation Costs**: All costs directly or indirectly related to preparation of a response to the RFP or any oral presentation required to supplement and/or clarify a proposal which may be required by the City shall be the sole responsibility of the Proposer.

CITY OF AUSTIN
PURCHASING OFFICE
PROPOSAL PREPARATION INSTRUCTIONS AND EVALUATION FACTORS ("0600")
SOLICITATION NUMBER: DMD0002

EVALUATION FACTORS AND AWARD

A. **Competitive Selection**: This procurement will comply with applicable City Policy. The successful Proposers will be selected by the City based on scored proposal ratings. Evaluation factors outlined in Paragraph B below shall be applied to all responsive, responsible Proposers in comparing proposals and selecting the Best Offers. Award of Contract(s) may be made without discussion with Proposers after proposals are received. Proposals should, therefore, be submitted on the most favorable terms.

B. **Evaluation Factors**:

- Proof of Concept and Solution: (20 points)
  - Proven understanding of Services Required (SOW).
  - Presents approach and methodology
  - Ability to meet requirements

- Proof of Concept (POC) Plan: (15 points)
  - Appropriate planning steps and level of detail
  - Ability to perform in a timely manner
  - Appropriate project structure

- Demonstrated Applicable Experience (10 points)
  - Prior experience serving similar municipalities
  - Relevant references
  - Accomplishments on behalf of other clients

- Personnel Qualifications (10 points)
  - Experience of assigned staff

- Evaluation of Pricing (25 points)
  - Pricing offered for performance of the proposed services

- Adherence to COA's Standard Terms and Conditions (10)
  - Contractor has accepted City Terms and Conditions
  - Proposer certifies has read RFP
  - Proposer indicates adherence to all Local, City, State and Federal laws with respect to the provision of their Solution.

- LOCAL BUSINESS PRESENCE (Maximum 10 points)

Team's Local Business Presence	Points Awarded
Local business presence of 90% to 100%	10
Local business presence of 75% to 89%	8
Local business presence of 50% to 74%	6
Local business presence of 25% to 49%	4
Local presence of between 1 and 24%	2
No local presence	0

ADDENDUM 1

Utility Bill Prepayment Proof of Concept

PURCHASING OFFICE
CITY OF AUSTIN, TEXAS

REQUEST FOR PROPOSAL NO: **DMD0002** ADDENDUM NO. **1**
DATE OF ADDENDUM: **January 13, 2016.**

This addendum incorporates Questions and Answers to help potential Offerors have a better understanding of the requirements associated with this RFP.

Question: Many of the questions in Appendix B have provided a space for explanation. If our system provides the requirement do we have to provide additional detail?

Answer: To the extent an evaluator may want a better understanding of how your system meets that requirement may be a consideration in how an evaluator scores your proposal. Evaluators are coming from varying specialties and may not have a clear understanding of certain mechanisms. Therefore, an explanation may be important. If, in your opinion, no explanation is required, then you may leave the space empty.

Question: Is the project budget of $50,000 the total project budget, or the maximum allotment to each awarded vendor?

Answer: In fact, the budget is hereby corrected to $57,999; this is the amount Austin Energy has available for the entire pilot project. Accordingly, price is a factor in the evaluation. Total scoring will determine the highest rated proposals. For example: A technically good proposal available at a low price may score higher than an excellent proposal at a high price.

Point of Information: The purpose of having multiple vendors provide their solutions is to provide AE staff with a good understanding of what is available in the market today to meet our customer's utility bill paying preferences, and what a fully implemented price to Austin Energy might be.

Question: There is a conflict in the Scope of Work, under Project Milestones and the way pricing is requested in Exhibit C.

Answer: Under Project Milestones please replace the heading and current language with the following:

Project Pricing Format

- Contractors are to provide a price to set up their Utility Prepayment Solution (requested for information purposes only).
- Contractors are to provide pricing based on a four-month project; this price is to include all associated pricing to set-up their Solution and run it for four (4) months.
- Funding for a potential of up to two, one-month options may be available. Contractor shall provide pricing to continue their Solution for up to 2, additional one- month periods. Since all pricing pertaining to the set-up cost was already included in the quote under the-four month price/month quote, the expectation is the price for these two options will be lower than the amounts quoted for the first four months.

- Appendix C: Prepay Metering Pricing Proposal. Please replace in its entirety with the attached, " Prepay Metering Pricing Proposal, Revised per Addendum No. 1".

All other terms and conditions remain the same.

BY THE SIGNATURES affixed below, this addendum is hereby incorporated and made a part of the above referenced Solicitation.

APPROVED BY: _____
Debbie DePaul, Buyer
Purchasing Office, 512-322-6235

ACKNOWLEDGE BY:

_____	_____	_____
SUPPLIER	AUTHORIZED SIGNATURE	DATE

RETURN ONE (1) COPY OF THIS ADDENDUM TO PURCHASING OFFICE, CITY OF AUSTIN, WITH PROPOSAL PRIOR TO OPENING DATE.
FAILURE TO DO SO MAY CONSTITUE GROUND FOR REJECTION OF YOUR OFFER.

ADDENDUM 2

Utility Bill Prepayment Proof of Concept

PURCHASING OFFICE
CITY OF AUSTIN, TEXAS

REQUEST FOR PROPOSAL NO: **DMD0002** ADDENDUM NO. **2**
DATE OF ADDENDUM: **January 15, 2016.**

This addendum incorporates Questions and Answers to help potential Offerors have a better understanding of the requirements associated with this RFP.

Question: What are all the rates and commodity services calculations required to be provided as part of the POC?

Answer: The City of Austin has a complex tiered rate structure. Prepayment rates can be found under "Residential Service Pilot Programs" located in the City of Austin Electric Tariff, effective November 1, 2015. The awarded Vendor solution would have to be able to calculate the cost of daily energy usage utilizing these rates. In addition to metered charges, the awarded Vendor solution must also be able to prorate other non-metered charges such as drainage, solid waste service, security light, monthly consumer fees and other fixed monthly charges and deduct from the customer's account on a daily basis.

The link to the rates referenced above is:

https://austinenergy.com/wps/wcm/connect/2ec866e7-4556-407b-baed-207b227c9441/ResidentialPilotPrograms.pdf?MOD=AJPERES&projectid=4ad3e956-2c0e-4720-8e2b-a3465d07ec02&projectid=4ad3e956-2c0e-4720-8e2b-a3465d07ec02&projectid=4ad3e956-2c0e-4720-8e2b-a3465d07ec02&projectid=4ad3e956-2c0e-4720-8e2b-a3465d07ec02&projectid=4ad3e956-2c0e-4720-8e2b-a3465d07ec02&projectid=4ad3e956-2c0e-4720-8e2b-a3465d07ec02&projectid=0a174104-032d-4c45-8540-b19486afb043

POI: The expectation is that the Vendor will receive a daily flat file of meter reads from which the Vendor will calculate the customer's energy usage

All other terms and conditions remain the same.

BY THE SIGNATURES affixed below, this addendum is hereby incorporated and made a part of the above referenced Solicitation.

APPROVED BY: _____
Debbie DePaul, Buyer
Purchasing Office, 512-322-6235

ACKNOWLEDGE BY:

_____	_____	_____
SUPPLIER	AUTHORIZED SIGNATURE	DATE

RETURN ONE (1) COPY OF THIS ADDENDUM TO PURCHASING OFFICE, CITY OF AUSTIN, WITH PROPOSAL PRIOR TO OPENING DATE.
FAILURE TO DO SO MAY CONSTITUE GROUND FOR REJECTION OF YOUR OFFER.

Vendor Requirements
Appendix B

Adjust the size of the, "Explain how product meets requirement" box to meet your needs.

Operational Functionality			Select One		
Req #	**Requirement Description**	**Importance Rating**	**Fully Meets**	**Partially Meets**	**Does Not Meet**
O.1	The Utility Bill Prepayment Solution includes a Vendor provided web portal (allows for unique logon ID), mobile app and alert system.	Must Have			
Explain how product meets requirement:					
O.2	The Utility Bill Prepayment Solution includes a Vendor IVR.	Desired			
Explain how product meets requirement:					
O.3	Is compatible with multiple mobile operating systems (iOS, Android, Blackberry and Windows)	Must Have			
Explain how product meets requirement:					
O.4	Is compatible with all major web browsers (Internet Explorer, Chrome, Safari, Firefox, etc.)	Must Have			
Explain how product meets requirement:					
O.5	Includes both English and Spanish versions of its website, mobile application, customer support, IVR and alerts	Desired			
Explain how product meets requirement:					
O.6	The Utility Bill Prepayment solution provides online help features.	Must Have			
Explain how product meets requirement:					

Customer Enrollment			Select One		
Req #	**Requirement Description**	**Importance Rating**	**Fully Meets**	**Partially Meets**	**Does Not Meet**
C.1	The Utility Bill Prepayment Solution recognizes the COA's CIS (CC&B v.2.3.1) as the system of record and works in concert with that system and the AMI network (L+G) to exchange customer data, usage and charges via daily secure file transfer protocol (STFP).	Must Have			
Explain how product meets requirement:					

C.2	The Utility Bill Prepayment Solution allows for customer service representatives (CSR) to access customer info through Vendor web portal.	Must Have			
Explain how product meets requirement:					
C.3	Offers ability to set up prepay services for multiple commodities under one account	Must Have			
Explain how product meets requirement:					
C. 4	The Utility Bill Prepayment Solution will present customer account information via web portal and mobile app including but not limited to: daily energy usage (kWh, dollar), payment history, current balance, usage/service fees for each utility service, estimated disconnect date, alerts history and pending account activity.	Must Have			
Explain how product meets requirement:					
C.5	Website and mobile app include time series charts to allow for trending, ability to compare energy consumption with environmental factors, e.g. temperature.	Desired			
Explain how product meets requirement:					
C.6	Provides ability to project/forecast time remaining before disconnection based upon current credit balance and historical energy consumption	Must Have			
Explain how product meets requirement:					

Notifications/Alerts			**Select One**		
Req #	**Requirement Description**	**Importance Rating**	**Fully Meets**	**Partially Meets**	**Does Not Meet**
N.1	The Utility Bill Prepayment Solution provides multiple alert types, e.g. daily balance, low balance, pending disconnection) that are selectable by customers and AE employees.	Must Have			
Explain how product meets requirement:					
N.2	The Utility Bill Prepayment Solution provides several methods for customers to receive alerts (e.g. text message, email).	Must Have			
Explain how product meets requirement:					

N.3	The Utility Bill Prepayment Solution provides an outbound dialer as a method for customers to receive alerts.	Desired			
Explain how product meets requirement:					
N.4	Ability to log and display alerts and notification sent to the customer (time, date, alert type and alert method) accessible by AE employees	Must Have			
Explain how product meets requirement:					

Payments/Billing			**Select One**		
Req #	**Requirement Description**	**Importance Rating**	**Fully Meets**	**Partially Meets**	**Does Not Meet**
P.1	The Utility Bill Prepayment Solution is able to duplicate seasonal and tiered rate structures for multiple utilities.	Must Have			
Explain how product meets requirement:					
P.2	Ability to receive and process rate changes with effective dates from CIS	Must Have			
Explain how product meets requirement:					
P.3	The Utility Bill Prepayment Solution has the ability to receive and process customer account updates from CIS (account, rate, customer info, etc.) via daily SFTP.	Must Have			
Explain how product meets requirement:					
P.4	Vendor solution must reconcile posted payments and billing adjustments with those of COA's CIS (Oracle CC&B v.2.3.4) at least monthly.	Must Have			
Explain how product meets requirement:					
P.5	Vendor solution must have capability to compile (e.g. AMI register reads, manual meter reads and unmetered fixed monthly charges), prorate and present usage for multiple COA utility services (electric, drainage, solid waste, transportation, etc.). Prepay balance must decrease each day by the daily consumption of the combined charges for each service.	Must Have			
Explain how product meets requirement:					

P.6	Vendor solution must have capability to measure, prorate and present all service charges (e.g. base charges, taxes and miscellaneous service fees). Prepayment balance must decrease each day by the daily consumption of the combined charges for each service.	Must Have			
Explain how product meets requirement:					
P.7	Payments received from CIS must be allocated to the separate utilities according to each service's proportion of daily service charges.	Must Have			
Explain how product meets requirement:					
P.8	Adjustments made to incorrect meter reads must be recognized and updated in the Vendor solution.	Must Have			
Explain how product meets requirement:					
P.9	Vendor solution is able to accrue charges incurred by customers during disconnection moratoriums (i.e. weekends, holidays, after hours, weather conditions) and subtract consumption from recharge credit.	Must Have			
Explain how product meets requirement:					
P.10	Minimum payment required to re-establish service (negative balance + recharge amount) is available for review on web portal and mobile app by customers and AE employees.	Must Have			
Explain how product meets requirement:					
P.11	Minimum payment required to re-establish service (negative balance + recharge amount) is available through Vendor IVR for customers and AE employees.	Desired			
Explain how product meets requirement:					

Disconnection/Reconnection			**Select One**		
Req #	**Requirement Description**	**Importance Rating**	**Fully Meets**	**Partially Meets**	**Does Not Meet**
DR.1	The Utility Bill Prepayment Solution has the ability to receive consumption data via daily SFTP file and issue disconnect report to Austin Energy when all pre-purchased credit is zero or negative.	Must Have			

Explain how product meets requirement:					
DR.2	Ability to send reconnect report to AE at specified intervals (to be determined) when customer pays minimum amount required to reconnect	Must Have			
Explain how product meets requirement:					
DR.3	Accounts disconnected for 30 days or more will be closed in CIS. CIS will provide a list of the customers removed from the program to the Vendor via file. The web portal and mobile app will advise these customers to contact customer service.	Desired			
Explain how product meets requirement:					

Service Cancellation			**Select One**		
Req #	**Requirement Description**	**Importance Rating**	**Fully Meets**	**Partially Meets**	**Does Not Meet**
S.1	The Utility Bill Prepayment Solution permits disenrollment from the program at any time and may be initiated by the customer or AE employee. The change from prepaid to postpaid will include the proper transition of credits or balances in the Vendor solution.	Must Have			
Explain how product meets requirement:					

Reporting			**Select One**		
Req #	**Requirement Description**	**Importance Rating**	**Fully Meets**	**Partially Meets**	**Does Not Meet**
R.1	The Utility Bill Prepayment Solution provides reporting that includes but is not limited to: program participation, customer enrollment, customer activity (web portal usage, payments, alerts, etc.), energy efficiency tracking, payment and usage data for purposes of reconciliation between AE's CIS and Vendor prepay solution.	Must Have			
Explain how product meets requirement:					

Training			**Select One**		
Req #	**Requirement Description**	**Importance Rating**	**Fully Meets**	**Partially Meets**	**Does Not Meet**

T.1	Training Plan: Vendor should provide an end user training plan preferably computer-based specific to how the AE Prepay system has been set up to operate	Must Have			
Explain how product meets requirement:					

T.2	Training Materials: Vendor should provide training materials that can be adapted for use by AE staff to conduct end user training	Must Have			
Explain how product meets requirement:					
T.3	Training Materials: Vendor should provide an operating instruction manual detailing all aspects of the software capabilities	Must Have			
Explain how product meets requirement:					
T.4	Training: Vendor should provide training to AE Prepay staff in all aspects of the product	Must Have			
Explain how product meets requirement:					

Debt Recovery			**Select One**		
Req #	**Requirement Description**	**Importance Rating**	**Fully Meets**	**Partially Meets**	**Does Not Meet**
D.1	Vendor Solution includes a debt recovery module which allows AE to apply a percentage of a customer's prepay amount towards an outstanding balance	Must Have			
Explain how product meets requirement:					
D.2	Ability to deduct the calculated usage charge plus a portion of the arrears on a daily basis from the customer's account	Must Have			
Explain how product meets requirement:					
D.3	Allows AE to define the standard percentage of prepaid funds to be allocated to arrears and override percentage on a case by case basis	Must Have			
Explain how product meets requirement:					
D.4	A customer may view their debt balance via web portal and mobile app	Must Have			
Explain how product meets requirement:					

D.5	A customer may obtain their debt balance via IVR	Desired			
Explain how product meets requirement:					

APPENDIX C

Prepay Metering Pricing Proposal

The budget total for all POCs selected for demonstration for the duration of the POC is is $50,000

Expand each item, as necessary, for you to provide a complete response.

Item		Unit Price	Extended for 4 Months
1	Monthly Fee*		
	*Monthly Fee consists of all items listed in SOW for the POC/Pilot project, including the cost of Vendor project manager,and technical staff and administrative staff required to provide the POC, travel charges, per diems. Vendors are encouraged to provide a break-put of their Monthly Pricing so AE can better gauage the pricing of a full scale system.		
2	Please identify meetings with AE staff included as part of your monthly fee and those that will incurr additional charges and what, if any, those charges will be.		
3	Please identify fee, if any, for participation in AE's Lessons Learned Forum at the conclusion of the POC.		
4	Please identify any other potential charges that might be assessed to AE during the POC. For example: text message charges, report generation or sending of a payments received file.		
5	Please identify office space requirements for Vendor Project Manager or technical resource staff if required.		
6	Please identify the amount of ramp-up time you will require to implent the hardware and software necessary for your POC		

Answers to the items below is used only for informational purposes; they will not be considered in the award of the POC.

7	Based on your experience, please describe other costs that may be associated with establishing a full scale system that would integrate with a fully integrated system.
8	Are you aware of an alternate Solution capable of meeting this RFPs objectives that is availabe for a lower life-cycle price? If yes, please provid information.
9	Based on the results of this POC and other factors, the City may elect to implement a system integrating with the Austin Energy Network and Software. Would your firm be able to propose with that additional requirement?

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Prepaid Metering Program

Steering Committee

April 11, 2014

JJ Gutierrez/Elaine Kelly-Diaz

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AUSTIN ENERGY

Program Meeting Agenda

- Prepaid Metering Drivers
- Industry Data
- Prepaid Metering Program Status
- Prepaid Metering Governance Structure
- Next Steps

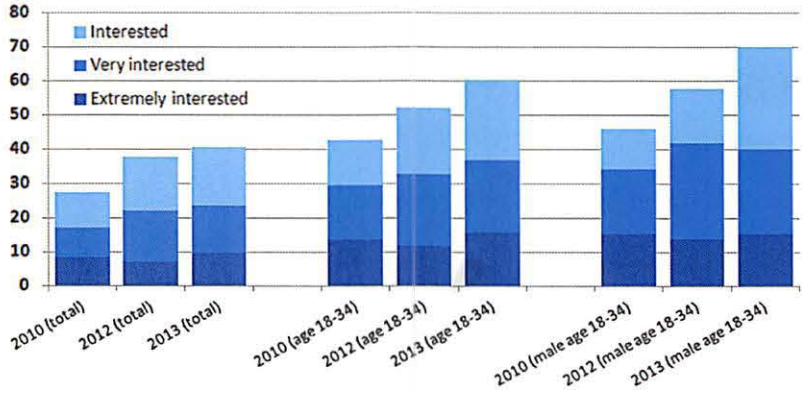
2

Program Drivers

- **Opportunity to Rebuild Customer Confidence**
- **Improve Customer Service –** Offer more payment options for customers (it allows them to choose when they pay, how they pay, and what they pay)
- **Technology** - allows the Austin Energy to leverage the AMI and smart meters infrastructure
- **Administrative (Accounting & Billing)**
  - Increases productivity and cost savings
  - Reduces negative dialog about past due accounts
  - Creates a win-win situation between Austin Energy and the customer
- **Reduced losses as a result of Bad Debt**
- **Improved Energy Efficiency/Conservation**

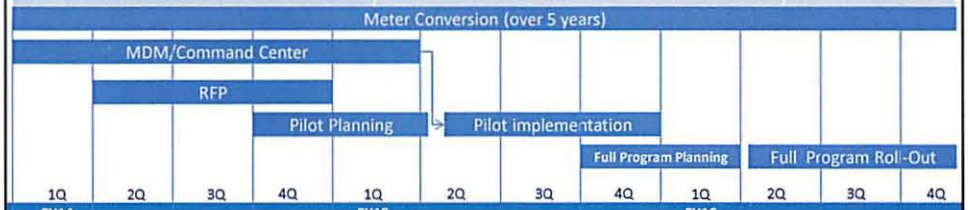
Program Industry Data

Percent Respondent Interest in Prepay Electric Service by Survey Year and Selected Age Range and Gender



Austin Energy's Prepaid Program - Status Update (March 5, 2014)

Components	Status	Next Steps
Metering Infrastructure •Prepay program will require 2-way meters to allow for remote connect/disconnect	•Currently 2-way meters (320,000) can receive remote connect/disconnect signal, but not optimized for mass commands. •Meter change-outs will have to occur even in the 2-way population to replace regular meters with meters that have the under glass switch. •1-way meter population (100,000) will need to be converted to 2-way meters. This 5-year CIP project started in 2014.	•Meter exchanges are planned to start in April.
Systems Infrastructure •Daily/Interval consumption data is required •Staff will need software that supports remote connect/disconnect capability (Command Center) •Customers will require simple payment channels to add money to their accounts	•The MDMS project and its associated interfaces will have to be completed. •The conversion of the head-in system from USC to Command Center will provide remote connect/disconnect capability. •A prepay website, mobile phone app, and payment kiosks are planned in 2014/15 CIP.	•MDM interface with CC&B is critical, dependent upon IBM's agreement on 3rd party code
Process & Program Infrastructure •A review of City Regulations (Chapter 15-9) is necessary • Program design will encompass decisions such as participant criteria, are deposits required, disconnection threshold, etc. •Business processes must be developed and staff trained	•A pilot program is now planned to start 2QFY15. •Pilot will be limited to electric-only customers for meters located in a small radius in order to optimize infrastructure. •Pilot participants will be part of a controlled focus group. •Lessons learned from pilot will help shape full program. •Marketing and stakeholder education will be vital to program success.	•Conduct research and draft RFP for Prepay Pilot vendor. Target to send out solicitation for proposals by end of April.



Program Governance Structure

- **Formally Initiates the Prepaid Metering Program**
- **Identify Stakeholders**
  - CMO
  - RMC
  - Billing
  - CC
  - Conservation
  - Marketing
- **Finalize Steering Committee Members**
- **Finalize Working Committee Members**
- **Committee Roles & Responsibilities**

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Prepaid Metering Program

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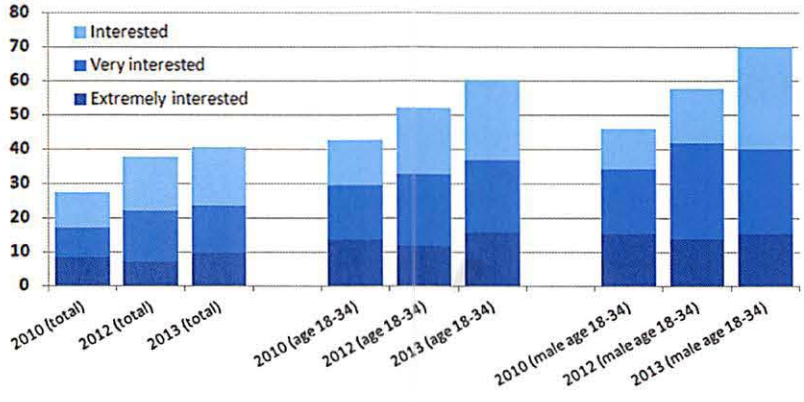

Program Next Steps

- Convene Working Committee
- Develop Project Charter
- Continue Industry Data Gathering
- Establish Document Shared Drive
- Additional Actions or Requests from Steering Committee

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Prepay Metering Solution

Update

January 2015

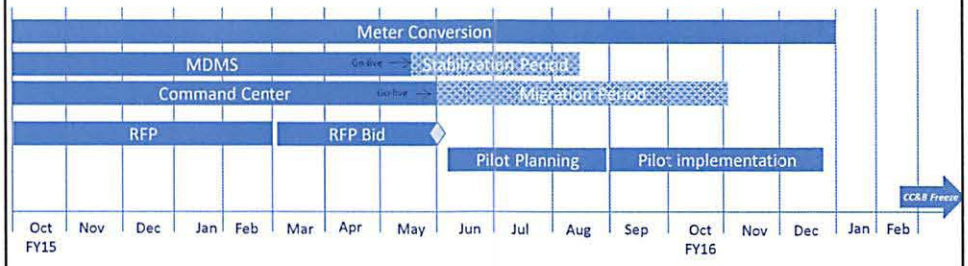
CLEAN, AFFORDABLE, RELIABLE ENERGY AND EXCELLENT CUSTOMER SERVICE

Update

- Original Plan
  - Phase 1 Pilot with multiple vendors, Phase 2 full deployment with 1-2 vendors.
- Pending system upgrades to CC&B and other systems have impacted Phase 2 deployment of a full Prepay Metering Solution
- The recommendation is to proceed with a proof of concept (pilot) with 2 phases:
  - Phase 1a: employees, friends and family (manual integration)
  - Phase 1b: Apartment Complex (limited integration)

Schedule of System Upgrades

- There are currently 438k meters , of which 330k are two-way. The conversion of the remaining 108k one-way meters to two-way is expected to be completed by end-December 2015.
- MDMS is scheduled to go-live May 15, 2015.
- Command Center will go live approximately two weeks after MDMS towards end-May. The migration period is expected to extend into October.
- CC&B is slated to be upgraded in 2017/2018. If the upgrade is scheduled for February 2017, a freeze on any code modifications will occur one year prior and will last 18 months.



3

Single vs. Multiple Vendor?

- Depending on the proposal evaluation we will determine the number of vendors for the pilot
  - Total cost of pilot (greater than Council limit)
  - Length of pilot as it impacts last vendor to participate
  - The benefits of a multiple vendor evaluation are nullified as pending system upgrades will create a 18+ month gap between pilot and full deployment. Selecting vendors based upon current usability is no longer applicable.

Prepay Vendor Pilot Cost Estimates

Pilot Duration	Average Cost	Single Vendor	2or 3 Vendors	3+ Vendors
3 mos.	5,000/mo	5,000	9,167	
Total	9,000	15,000	27,501	
6 mos.	3,000	5,000	5,833	n/a
Total	18,000	30,000	34,998	n/a

4

How Prepay Metering Works

Overview

How Does Prepay Work?

- As an alternative to a monthly bill with a pre-determined due date, Prepay allows a customer to deposit a lump sum into an account where charges are deducted in real time as energy is consumed. As the account balance diminishes, customers may deposit additional funds to continue consuming energy with no break in service.

2

Prepaid vs. Postpaid

	Prepaid	Postpaid
New Accounts	• No Deposit Required	• Deposit
Account Management	• Balance and Usage Information available daily via web, mobile app, SMS, email.	• Usage information available at end of month via bill or online
Bill Payment	• Prepay for usage • Can pay in small amounts often • Can pay via mobile app, text, web, IVR	• Pay lump sum at end of month • Pay via walk in, web.
Disconnect/Reconnect	• Power restored automatically after payment	• Customer calls to restore service • Reconnect can take hours or next day
Cancel Service	• Refund unused balance	• Billing for final usage sent after cancellation

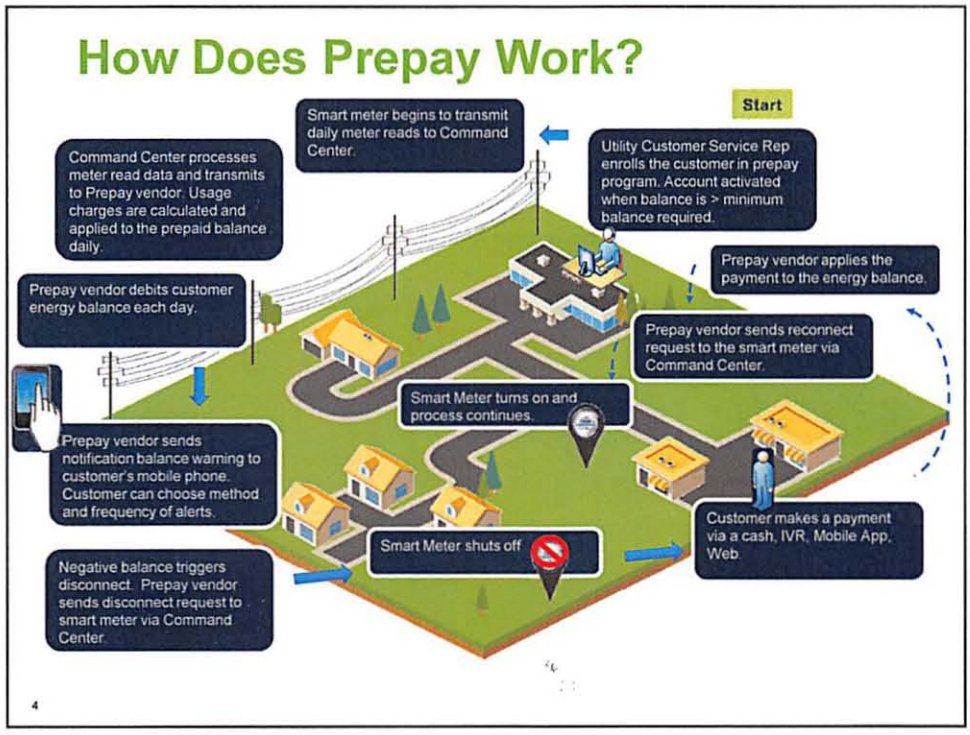
Benefits of Prepay

Utility Benefits

- Leverage AMI
- Increased customer satisfaction
- Improve service levels
- Reduce call volume
- Decreased disconnects
- Greater energy conservation
- Lowers outstanding debt

Customer Benefits

- Easier budgeting
- No deposit required
- No late fees
- Convenient payments
- Informed energy usage
- No surprises



Prepay Solution Functionality

- Account Management
  - Enables customer to actively manage their prepay account via web portal or smartphone. Offers CSR portal.
- Customer Alerts
  - Solution provides alerts to notify customers of pertinent account information.
- Payment Channels
  - Allows for multiple channels of customer payment
  - Offers debt recovery
- Disconnect/Reconnect
  - Allows for real or near-real time disconnect/reconnect capability

6

Account Management

- Customer can view account balances in days, dollars and kWh remaining in actual and forecasted time
- Make payments anytime, anywhere from smartphone
- View daily usage and forecast information
- Manage alerts
- Set up "Autopay"
- View usage graphs and reports

7

Account Management:
How the Customer is Billed

- Daily usage is loaded and rated by prepay vendor
- Non-metered charges are prorated and charged on a daily basis, e.g. solid waste, wastewater
- Fixed monthly fees, e.g. street service, drainage

8

Communication

- Prepay participants will not receive paper bills or paper communication throughout the program
- Participants have a choice of multiple communication channels all of which are self-selected, including:
  - Web portal
  - SMS/Text
  - Emails
  - IVR/Outbound Dialer
- Participants then choose type and frequency of communication alerts they wish to receive.

9

Communication Alerts

- Consumer chooses alert types:
  - Daily usage
  - Low balance warning
  - Disconnected notification
  - Reconnected confirmation
  - Credits posted
  - Outages

10

Payment Options

- All payments are posted to the CIS prior to updating the prepay balance
- Method of payment:
  - Smart phone
  - In person (branch, authorized pay stations)
  - Web portal
  - IVR
- Type of payment:
  - Debit/credit, cash, ACH
  - third party gifting (pledges)

11

Disconnect/Reconnect

- Allows for customer to receive a daily pending disconnect notification once they have reached a preset number of days remaining.
- Allows for reconnects to be initiated remotely within two hours of credit balance being re-established
- Soft-Arm solution allows for safe restoration of service at customer's convenience. Does not require "arming" switch on the meter.

12

Deployment Options

- Prepay vendor runs independently of the Legacy CIS. Account information is entered manually.

- Process is fully automated. Integration is through web services, API (Application Programming Interface).

13

Industry Leaders for Prepay Platforms*

PayGo

- CheckOut by PayGo
- Company started: 2006
- Years in prepay: 6
- No. of prepay deployments: 10

Exceleron software

- Developed first patented web-based prepay platform
- Company started: 1999
- Years in prepay: 15
- No. of prepay deployments: 75

SmartGridCIS

- Company started: 2009
- Years in prepay: 5
- No. of prepay deployments: 12

iFactor

- Company started: 2004
- Years in prepay: 2
- No. of prepay deployments: 0

mymeter

- Company started: 2004
- Years in prepay: 1
- No. of prepay deployments: 1

14

*All responding vendors will be considered during the RFP process

What's happening in the Industry

Comparison of Prepay Metering Programs by Utility - September 2014

Utility	Program Name	Status	Launch Date	No. of Prepay Accounts	Vendor Selected	Mobile App
Consumers Energy	Pay As You Go	Pilot	Oct-13	32	PayGo	Yes
DTE Energy	Pay As You Go	Pilot	Jan-12	163	In House	
Duke Energy Progress	Prepay Program	Pilot	May-12	36	SmartGridCIS	Yes
Oklahoma Gas & Electric	Pay As You Go	Pilot	cancelled [3]	660 [1]	Exceleron	Yes
Santee Cooper	Prepay Metering	Pilot	Jan-14	100	PayGo	Yes
Tacoma Public Utilities	Pay As You Go	Pilot	2006	700	In House	No
Westar Energy	Pay As You Go	Pilot	Jul-14	50 (1000) [1]	Exceleron	Yes
City of Tallahassee	Pay As You Go	Pilot	Mar-14	20	Exceleron	Yes
MLGW	Prepaid Metering	Production	Jan-15	na	Exceleron	Yes
NV Energy	FlexPay	Production	late 2015	1000 [1]	PayGo	Yes
Direct Energy	Power To Go	Program	Jul-10	10,000+	Xamarin	Yes
Cowlitz PUD	My Power Pay	Program	Feb-14	755	Exceleron	Yes
City of Ocala	Pay As You Go	Program	Sep-11	5,255	Exceleron	Yes
JEA	MyWay	Program	Feb-14	8,500	Exceleron	Yes
Greystone Electric	Prepaid Metering	Program	Mar-11	5,300	Exceleron	Yes
Oklahoma Electric Cooperative	Prepaid Metering	Program	Aug-06	6,571	Exceleron	Yes
Orlando Utilities Commission*	Power Pass	Program	Jul-14	45+	Exceleron	Yes
Salt River Project	M-Power	Program	2002	149,000	In Home UDT	No
Georgia Power dba Southern Co.	na	Program	Oct-14	20 (3000) [2]	PayGo	Yes
Alabama Power dba Southern Co.	na	Program	Jan-15	na	PayGo	Yes

Bold type indicates CC&B/L&G maximum [1] Current (anticipated 2015) [2] pilot ended - program dropped - working with Oklahoma State Commission [3]
*Piggybacked on Ocala

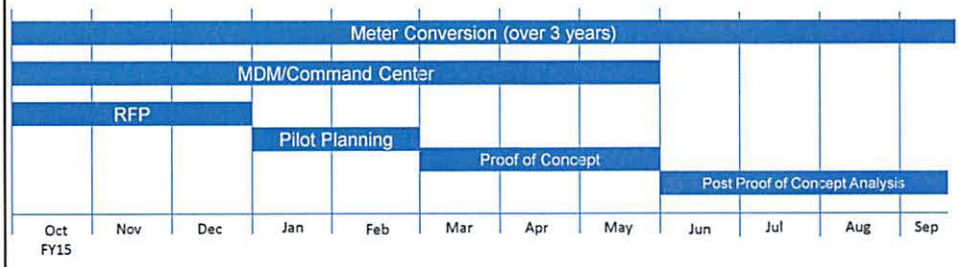
15

Prepay in Texas Since 2011

- In 2011, the PUCT issued rules to govern the roll out of Prepay tariffs in Texas (see Texas Substantive Rules Applicable to Electric Service providers Sec. 25.498).

Next Steps – Prepay Electric Proof of Concept

- A Proof of Concept is planned to start in FY15.
- It will be limited to electric-only customers for meters located in a small radius in order to optimize infrastructure.
- Participants will be part of a controlled focus group.
- A two-phased vendor selection process will be used.
- The Proof of Concept will utilize multiple vendors/solutions
- Lessons learned from Proof of Concept will help shape full program.



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Prepay Metering Solution

Business Mapping Discussion

February 13, 2015

CLEAN, AFFORDABLE, RELIABLE ENERGY AND EXCELLENT CUSTOMER SERVICE

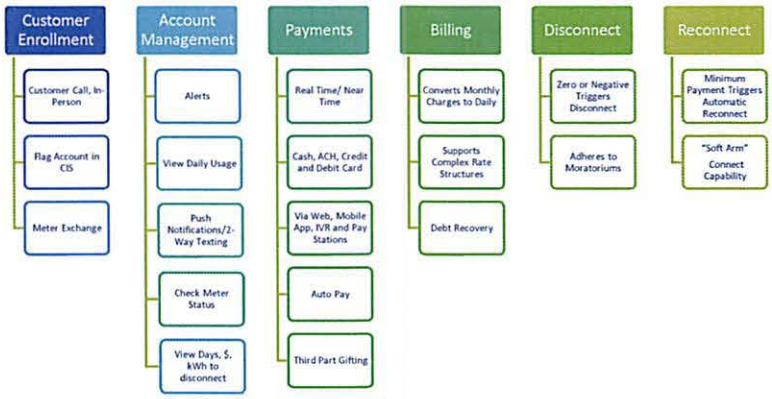
AUSTIN ENERGY

Prepay Customer Benefits

2

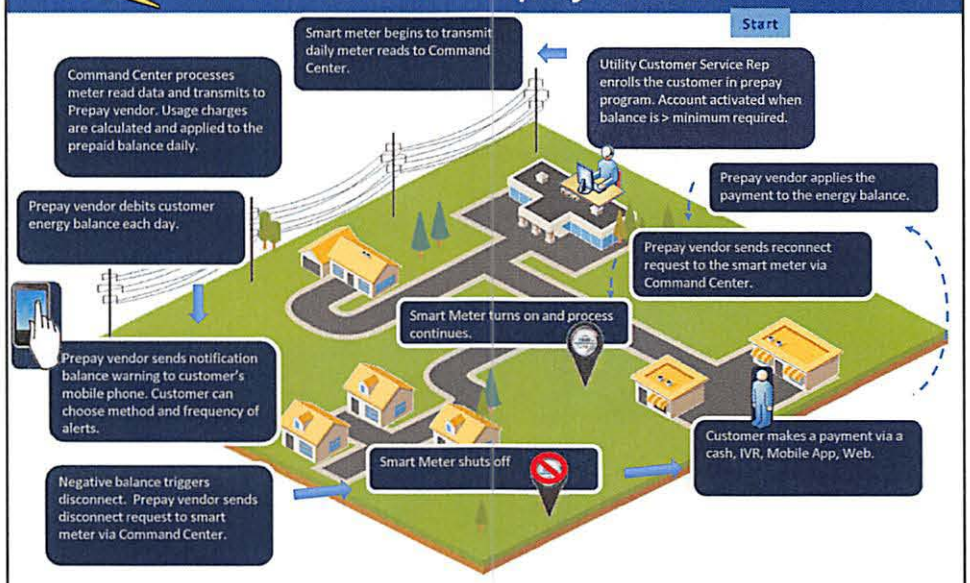
Prepay Metering Functionality

- The Prepay Metering Solution will allow customers to monitor energy consumption, view account information and make payments via a consumer web portal and/or smartphone application.



3

How Does Prepay Work?



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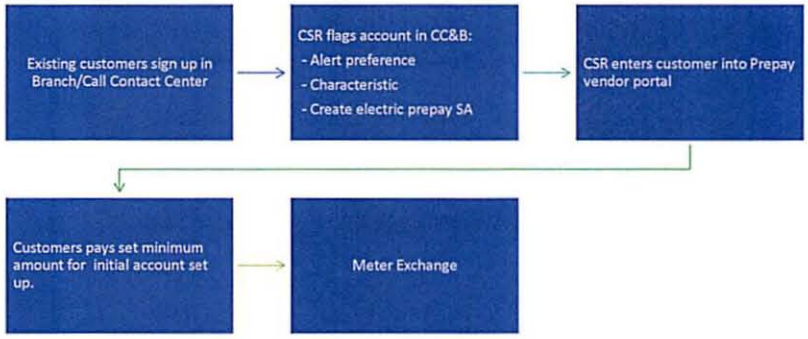
Account Set-Up Process

Manual Deployment



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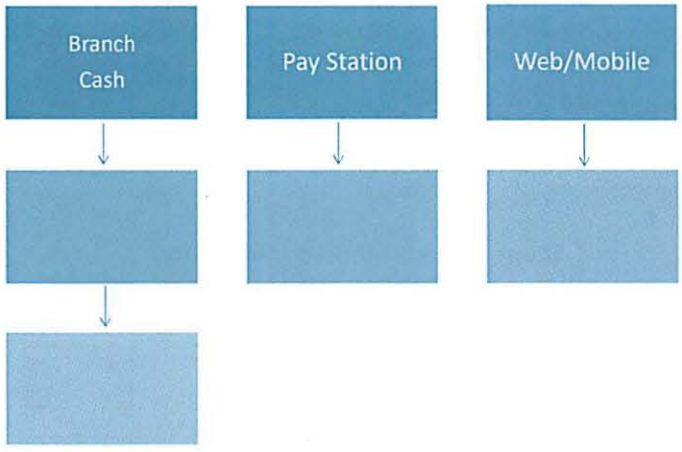
Customer Payment Process

Manual Deployment



6

Disconnect/Reconnect Process

Manual Deployment

7

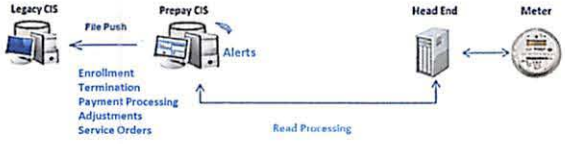
Pilot Deployment Options

Manual – No Integration

- CSR enters information into CC&B flags account as prepay, then enters same information into vendor portal.
- Prepay vendor does billing calculation.
- There is no integration to the head end: prepay vendor keeps meter reads which are received by flat file.

Standalone – Limited Integration

- Prepay vendor runs independently of the Legacy CIS.
- Prepay vendor keeps meter reads which are received either by flat file or via integration with the head end.



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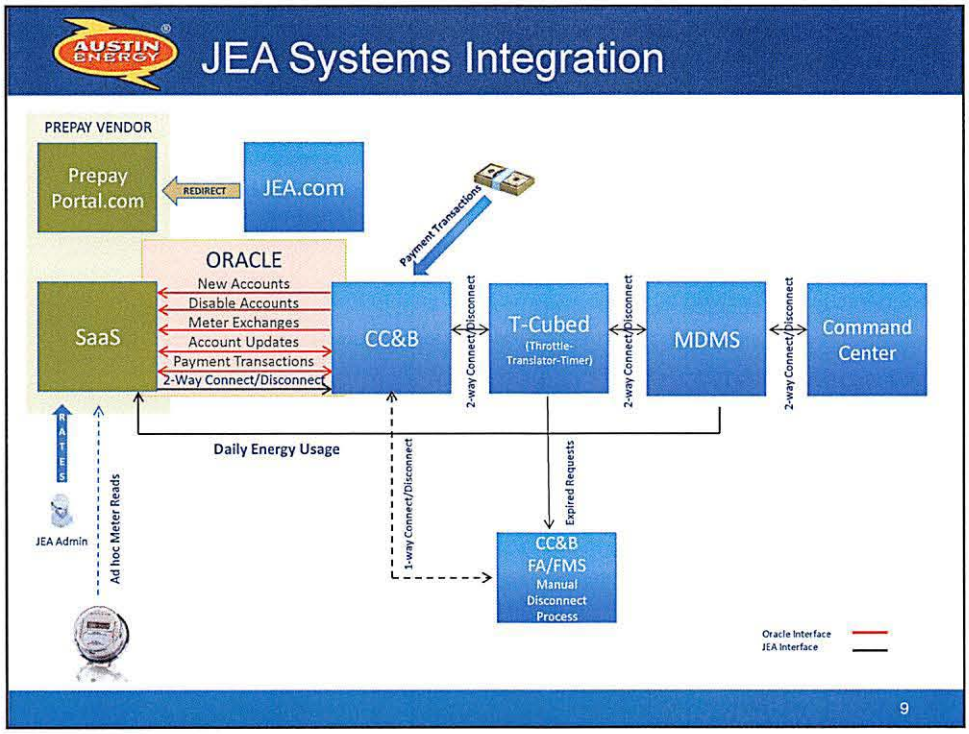
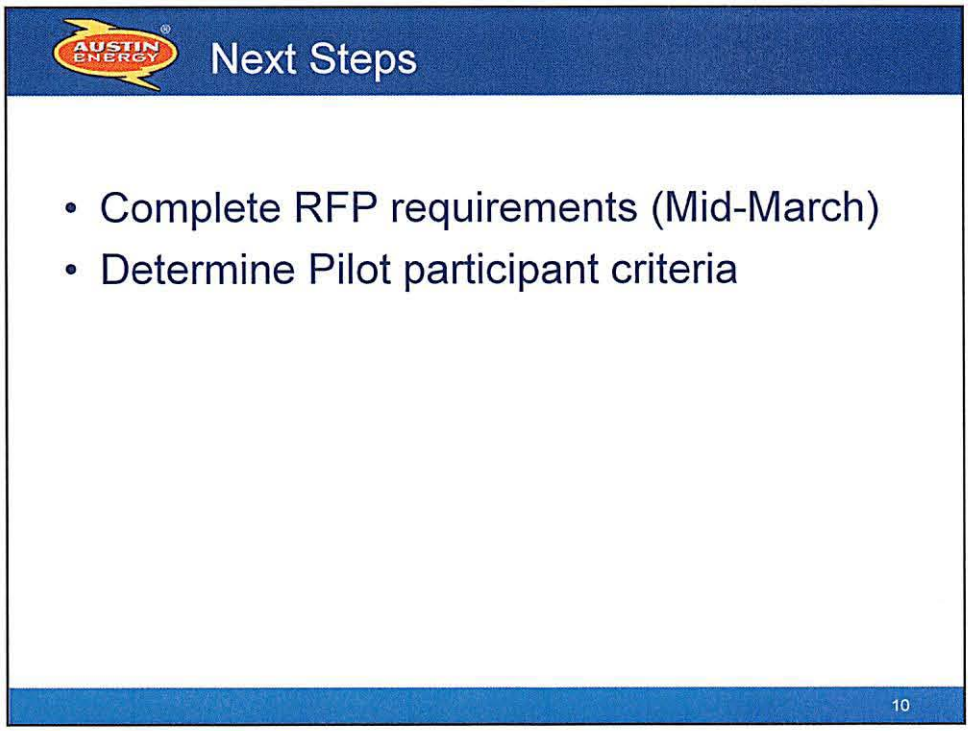
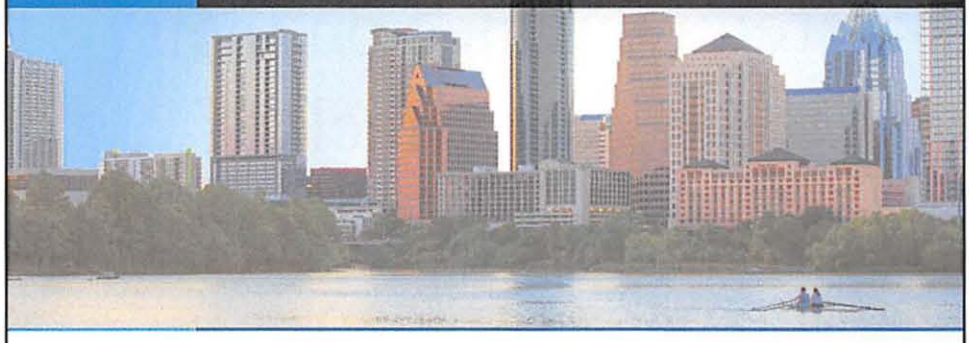

JEA Systems Integration
PREPAY VENDOR
Prepay Portal.com
REDIRECT
JEA.com
Payment Transactions
ORACLE
New Accounts
Disable Accounts
Meter Exchanges
Account Updates
Payment Transactions
2-Way Connect/Disconnect
SaaS
CC&B
2-way Connect/Disconnect
T-Cubed
(Throttle-Translator-Timer)
2-way Connect/Disconnect
MDMS
2-way Connect/Disconnect
Command Center
RATES
JEA Admin
Ad hoc Meter Reads
Daily Energy Usage
1-way Connect/Disconnect
Expired Requests
CC&B FA/FMS
Manual Disconnect Process
Oracle Interface
JEA Interface
9


Next Steps
• Complete RFP requirements (Mid-March)
• Determine Pilot participant criteria
10

Understanding Prepaid Metering



What is Prepaid?

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3/22/2016

allows customers to keep a credit balance on their account, keep track of their daily usage and bill, and pay as they go.

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Credit Based Service

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Traditional Credit Based Service

- Utility companies bill on a post-paid basis
  - Utility tracks a customer's usage
  - Usually on the previous monthly or quarterly period
- Utility companies bill customer based on that usage
- Customer makes payment in a pre-determined time frame
- No payment then disconnection procedures are inevitable
  - Disconnection notifications activated
- Payment Options available
- Financial assistance available

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Prepaid Service

www.austinenergy.com

- Customers pay on a prepaid basis
  - Utilities still track customer usage
  - Usage is on a daily basis
- Utility does not have to bill customer
  - If we do bill then it would be a different format
- Customers required to pay in advance for their service
- Balances decreasing as service is delivered
- No prepaid balance then account automatically disconnected
  - No disconnection notification
  - No payment options
- Financial Assistance available

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Prepaid Benefits

www.austinenergy.com

How does the customer benefit?

- No surprise bills at the end of the month
- No deposits
- No late fees
- No reconnect fees
- Customers can monitor their usage daily
- Customers pay what they use
- Customers understand usage within the household
- Customers can budget more effectively
- Customers began to conserve usage
- Customers take advantage of conservation programs

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How does the utility benefit?

- Greater Customer Satisfaction
  - Customers empowered
- Better Employee Morale
  - Less customer complaints
  - CSR's can provide viable customer options
- Improved Cash Flow
  - Upfront payments
  - Less collection activities
- Reduced Write-offs & Bad Debt
  - Less financial risk

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Prepaid Critiques

Critiques of Prepaid Services.

- Households with the least means are trapped under prepayment
- Paying higher costs and transaction fees
- Forfeiture of regulatory consumer protections
- Customers experience more frequent, disruptive, and dangerous loss of service
- Threatens health & safety of customers
  - Elderly/Disabled/Children/Medically Vulnerable
- Prepaid creates a two-tiered system
  - Wealthier credit-paying households
  - Low – Moderate Income households

Solutions to overcome critiques

- Consumer protections should be maintained or enhanced
- Health and safety risks must be reduced
- Vulnerable populations must be protected
- Marketing should focus on it being voluntary
- Payment assistance and arrearage management programs must be adopted or maintained
- Rates should be lower than rates for comparable credit-based service
  - Due to reduced carrying costs
- Transaction and other junk fees should be eliminated
- Initiate "on demand" service
  - Ability for customer to make payments 24 hours
- Tracking and reporting should be monitored and disclosed

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Implementing Prepaid

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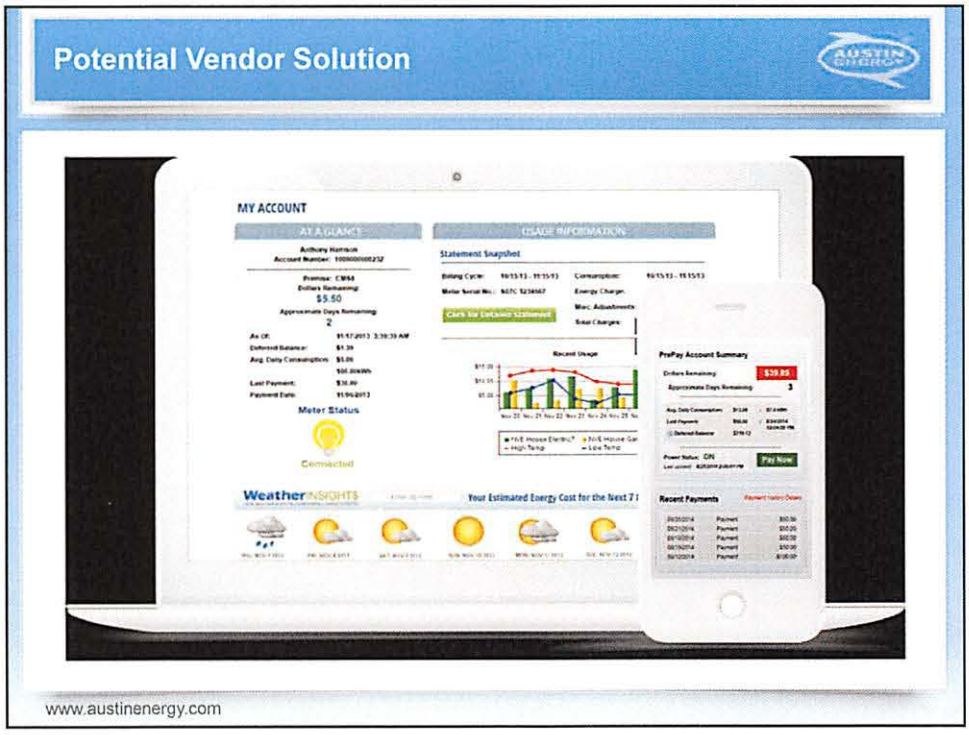
Utility Infrastructure

- AMI System
- AXR SD Meters
- Robust Billing System

Vendor infrastructure

- Web Portal
  - Customer
  - Vendor
- IVR
- Outbound dialer
- Multiple payment methods
- Full integration with billing system
- Flexibility with mobile operating systems
- Multilingual
- Multiple commodity structure capabilities
- Multi-rate structure capabilities
  - Proration capable
- Complex customer information presentation
  - charts/payment history/balances/daily usage/alerts


Potential Vendor Solution
MY ACCOUNT
AT A GLANCE
USAGE INFORMATION
Statement Snapshot
Meter Status
Connected
Weather INSIGHTS
Your Estimated Energy Cost for the Next 7
PrePay Account Summary
Pay Now
Recent Payments
www.austinenergy.com

Gutierrez, Jawana (JJ)

From: Mendoza, Ronnie
Sent: Friday, January 29, 2016 3:50 PM
To: Gutierrez, Jawana (JJ)
Cc: Lewis, Stacy
Subject: Pre Paid Metering Presentation
Attachments: What is Prepaid.ppt

JJ I didn't want this to wait so I threw some stuff together. I kept it very macro level about prepaid and avoided discussing our current process. Please let me know if I am off base. Please feel free to change at will. Thanks.

Ronnie R. Mendoza | Manager, Customer Assistance | Austin Energy
721 Barton Springs Road | Austin, Texas 78704 | (P) 512-972-7725 | (F) 512-505-4028

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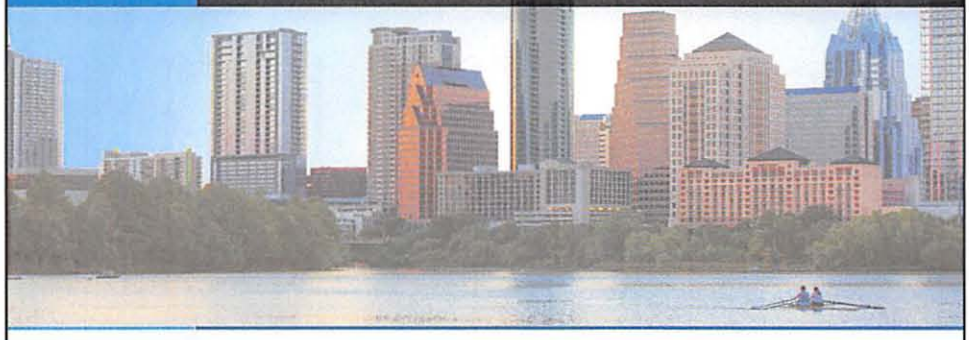
Utility Bill Prepayment POC
Steering Committee Update
February 18, 2016



Utility Bill Prepayment Proof of Concept

Project (POC) Methodology

- Estimated four (4) to six (6) month POC
- Manual: no integration with CC&B, AMI or payment processors
- Up to a maximum of four (4) Vendors participating simultaneously
  - Selection process has yielded two (2) Vendors awarded. Contracts pending.
- No greater than 300 customers in total divided among Vendor(s)
- Customer distribution will be at AE discretion
- Residential electric-only customers
  - Option to include a sampling of water service customer(s)
- Design and facilitate customer surveys and focus groups

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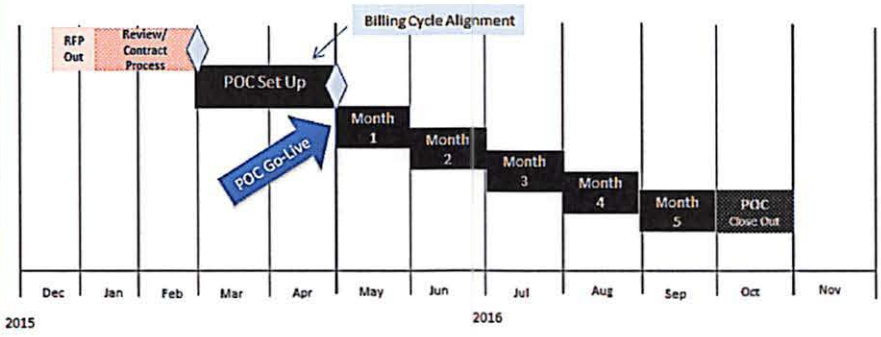
Utility Bill Prepayment POC Timeline

- Contract finalization: Feb 12 - 29
- Vendor Set Up: Mar 1-Apr 30 (overlaps with bill cycle alignment)
- Go-live: May 1, 2016



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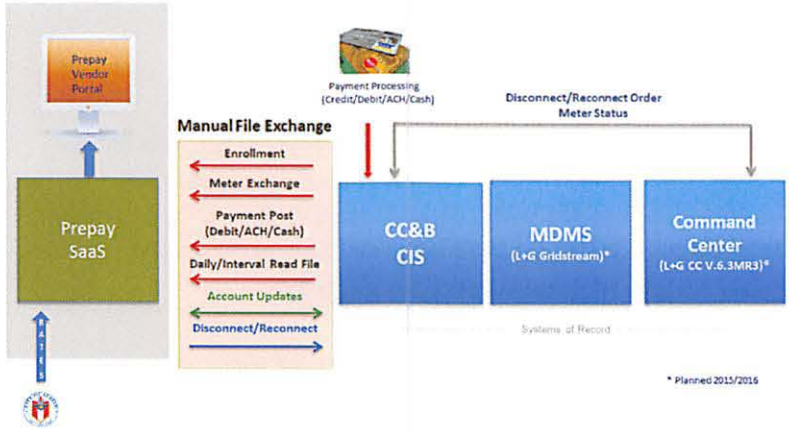
Utility Bill Prepayment POC High Level Manual Back End Solution



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Utility Bill Prepayment POC
Front Facing Customer Solution

- Customer will access account info via vendor-hosted portal and mobile app
- Customer will be able to manage alert settings and view transactions, account balance, pending account activity, current usage, daily usage and historical trending

COA Electric Tariff
Residential Service Pilot Programs - Prepayment Rates

Overview of Terms and Conditions	
Program Length	Prepayment pilot is available for no more than 9 consecutive billing cycles, with no term extending beyond September 30, 2016
Number of Participants	Limited to 300 on first come, first serve basis
Governance	Service is pursuant to terms set forth in Prepayment Rates Schedule and City Code Chapter 15-9. In event of conflict Prepayment Rates Schedule shall govern.
Participation Ineligibility	Customers dependent upon electrical devices for health-related reasons or have Lifeline status; Customer Assistance Program (CAP) and Value-of-Solar participants.
Amount to Start Service	Minimum balance required to start service
Security Deposit Required	No
Outstanding Balances	Outstanding balances from existing postpaid account must be paid prior to participating or placed on payment plan with fixed percentage of future payments applied to outstanding balance. Prepay participants are not eligible for new payment arrangements.
Monthly Bills	Prepay participants will continue to receive paper or electronic bills.
Web Portal Operating Hours	24/7
Alerts/Notifications	Required upon prepay account set up. Customer must choose between text, email or phone.
Notification Threshold	Program participants will be notified when balance is at or below predetermined usage threshold.
Disconnection	Account may be disconnected if account is zero or negative. Prepay customers **will not** receive a written notice of disconnection. AE reserves the right to disconnect electric service immediately without prior notice for specific reasons per City Code Chapter 15-9, Article 7.
Payment Options	Prepay customers will have access to existing methods of payment.
Inactive Accounts	Austin Energy will close any prepay account that has a zero or negative balance for 30 days.

Utility Bill Prepayment POC
Steering Committee Policy Discussions

- Program Length
- Enrollment
- Security Deposit
- Fees

Program Length

Program Length

Policy Question: **How long should the POC run?**

		Comparatives
1	We anticipate a 5-month POC. Should we request an extension of the Tariff beyond September 30, 2016 to allow for an additional 1 or 2 months if necessary?	Other utility pilots ranged from 4 mos. – 2 years.

Enrollment

Enrollment

Policy Question: **How do we define participation in the POC?**

		Comparatives
1	Should the POC be for existing customers only or include new? *(see deposit discussion)*	Santee Cooper has a two-phase pilot: 1st employees (10); 2nd customers (100). City of Tallahassee and City of Ocala had employees only for the pilot (12-16). Larger utilities opened up pilot to customers.
2	Should participation be conditional upon the customer committing to the entire 4-6 month pilot program?	Santee Cooper and Tallahassee did not require a commitment but City of Ocala did.
3	What is the starting account balance requirement?	Minimum balance requirement to start service for 11 utilities polled: $20 (1); $25 (1); $30 (2); $35 (1) $40 (4); $50 (2)
4	Should we require that the customer acknowledges a Prepay Service Agreement?	Santee Cooper, City of Tallahassee and Ocala each required a signed service agreement.

Deposits

Deposits

Policy Question: **What is our policy regarding security deposits?**

		Comparatives
1	If an **existing** customer has an active deposit, do we: a. leave the deposit on the account? b. refund the deposit? c. Apply the deposit towards credit balance?	Tariff states that deposits for existing customers will be refunded or applied as a credit balance. New customers do not pay a security deposit.
2	For the **existing** customer who received a security deposit refund or applied it as a credit balance, do we request another deposit when they convert back to postpaid or do we waive this requirement?	Nearly all utilities did not require a deposit for the Prepay Pilot with the exception of one ($15). Salt River Project charged $87.50 for in home display system-refundable.
3	If **new** customers are allowed to participate in the POC, should they be accessed a security deposit once they convert to postpaid or do we waive this requirement?	
4	If **new** customers are required to pay a security deposit upon conversion to postpaid, does the 12 month consecutive on-time payment requirement begin at enrollment or conversion?	

Fees

Fees

Policy Question: **What is our policy regarding fees?**

		Comparatives
1	Should we charge a non-refundable fee to set up the Prepay account for POC participants?	Yes (connection fee): Santee Cooper ($20), City of Tallahassee. City of Ocala did not in the beginning but does so now. No Fees: Consumers Energy, Georgia Power Company, Public Service Company of Oklahoma, Jacksonville Electric Authority, Pacific Gas and Electric Company
2	Should we charge a monthly (vendor) fee to the customer?	Monthly vendor fees range from $6-9. Most utilities absorbed this fee for the pilot.
3	Should we charge a reconnect fee?	Most utilities responded they did not except one ($5).

ICA 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.

ANSWER:

DABI means Data Analytics and Business Intelligence. DABI is a division of the Customer Energy Solutions business unit and includes the following 17 Austin Energy employees:

- Liz Jambor
- Brenda Harnsberry
- Brian Kennedy
- Darlene Berghammer
- John Trowbridge
- Sandra Calles
- Tamisha Robinson
- Frank DiSienna
- Janice Ellis
- Jeff Acklen
- John McInnis
- Rebecca Baise
- Jeff Sanderson
- Julia Black
- Linda Rickard
- Michael McCarthy
- Norman Muraya

The Prepaid Executive Steering Committee consists of the following members:

- JJ Gutierrez
- Dan Smith
- Elaine Kelly-Diaz
- Mercedes Sanchez
- Debbie Kimberly
- Robert Cullick

The Prepaid Working Committee consists of the following members:

- Ronnie Mendoza
- Marsha Cochran
- Madeline Campbell
- Eunice Ransburg
- Jolisa Bagley
- Dwayne Clark
- Bill Kelly
- Seth Nishimura

Prepared by: RM
Sponsored by: Kerry Overton

ICA 2-20 Referencing question 2-18, identify the corresponding internal working groups for the other two proposed residential rate pilots.

ANSWER:

For the Time-of-Use and Plug-In Electric Charging pilots, there are no specific internal working groups for these pilots.

Prepared by: CM
Sponsored by: Mark Dombroski

ICA 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.

ANSWER:

The reason for the pilot programs is to collect information related to O&M and capital expenses, incremental costs and savings. The residential time of use pilot program began on January 1, 2016. The plug-in electric vehicle program has not yet begun. The prepayment program begins on April 1, 2016. Accordingly, at this time Austin Energy has not determined the costs associated with these programs.

Prepared by: CM
Sponsored by: Mark Dombroski

ICA 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.

ANSWER:

Insofar as these pilot programs are still in their early stages, Austin Energy has not determined how it will evaluate these programs upon completion. The evaluation methodology and criteria plan are still being developed.

Prepared by: CM
Sponsored by: Mark Dombroski

ICA 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.

ANSWER:

See Attachment 1.

Prepared by: JL
Sponsored by: Elaina Ball

Austin Energy System Peaks

Month	MW
January 2006	1370
February 2006	1553
March 2006	1484
April 2006	2061
May 2006	2092
June 2006	2304
July 2006	2373
August 2006	2430
September 2006	2266
October 2006	2009
November 2006	1803
December 2006	1592
January 2007	1830
February 2007	1794
March 2007	1487
April 2007	1663
May 2007	1953
June 2007	2256
July 2007	2213
August 2007	2391
September 2007	2228
October 2007	2103
November 2007	1700
December 2007	1648
January 2008	1727
February 2008	1653
March 2008	1642
April 2008	1964
May 2008	2343
June 2008	2466
July 2008	2486
August 2008	2514
September 2008	2441
October 2008	2034
November 2008	1656
December 2008	1877
January 2009	1750
February 2009	1688
March 2009	1538
April 2009	1870

May 2009	2189
June 2009	2602
July 2009	2566
August 2009	2548
September 2009	2377
October 2009	2100
November 2009	1447
December 2009	1696
January 2010	1948
February 2010	1798
March 2010	1553
April 2010	1778
May 2010	2124
June 2010	2365
July 2010	2336
August 2010	2628
September 2010	2445
October 2010	1867
November 2010	1701
December 2010	1628
January 2011	1852
February 2011	2195
March 2011	1779
April 2011	2150
May 2011	2429
June 2011	2517
July 2011	2594
August 2011	2714
September 2011	2547
October 2011	2119
November 2011	1674
December 2011	1899
January 2012	1711
February 2012	1634
March 2012	1771
April 2012	2025
May 2012	2346
June 2012	2702
July 2012	2531
August 2012	2600
September 2012	2533
October 2012	2018
November 2012	1714
December 2012	1702

January 2013	1885
February 2013	1485
March 2013	1714
April 2013	1847
May 2013	2204
June 2013	2573
July 2013	2475
August 2013	2592
September 2013	2540
October 2013	2200
November 2013	1814
December 2013	2003
January 2014	2105
February 2014	2098
March 2014	2066
April 2014	1946
May 2014	2049
June 2014	2282
July 2014	2465
August 2014	2578
September 2014	2475
October 2014	2246
November 2014	1852
December 2014	1764
January 2015	2064
February 2015	2052
March 2015	1959
April 2015	1959
May 2015	2110
June 2015	2336
July 2015	2593
August 2015	2735
September 2015	2499
October 2015	2385
November 2015	1842
December 2015	1686

Austin Energy System Demand,
Coincident with ERCOT System Peak

Month	MW
January 2006	1370
February 2006	1553
March 2006	1338
April 2006	2054
May 2006	2048
June 2006	2297
July 2006	2372
August 2006	2416
September 2006	2266
October 2006	2009
November 2006	1607
December 2006	1585
January 2007	1793
February 2007	1794
March 2007	1429
April 2007	1659
May 2007	1869
June 2007	2256
July 2007	2210
August 2007	2389
September 2007	2201
October 2007	2078
November 2007	1504
December 2007	1648
January 2008	1647
February 2008	1653
March 2008	1547
April 2008	1964
May 2008	2342
June 2008	2412
July 2008	2486
August 2008	2514
September 2008	2441
October 2008	2034
November 2008	1648
December 2008	1873
January 2009	1721
February 2009	1558
March 2009	1447
April 2009	1870

May 2009	2189
June 2009	2538
July 2009	2527
August 2009	2451
September 2009	2359
October 2009	2100
November 2009	1447
December 2009	1696
January 2010	1948
February 2010	1734
March 2010	1553
April 2010	1680
May 2010	2102
June 2010	2267
July 2010	2302
August 2010	2628
September 2010	2275
October 2010	1867
November 2010	1701
December 2010	1628
January 2011	1834
February 2011	2119
March 2011	1720
April 2011	1981
May 2011	2377
June 2011	2495
July 2011	2583
August 2011	2670
September 2011	2547
October 2011	2119
November 2011	1550
December 2011	1899
January 2012	1711
February 2012	1634
March 2012	1771
April 2012	2025
May 2012	2346
June 2012	2702
July 2012	2526
August 2012	2530
September 2012	2515
October 2012	2018
November 2012	1671
December 2012	1650

January 2013	1885
February 2013	1459
March 2013	1520
April 2013	1813
May 2013	2124
June 2013	2459
July 2013	2445
August 2013	2588
September 2013	2540
October 2013	2200
November 2013	1814
December 2013	2003
January 2014	2105
February 2014	2033
March 2014	2066
April 2014	1946
May 2014	2042
June 2014	2272
July 2014	2420
August 2014	2567
September 2014	2462
October 2014	2207
November 2014	1852
December 2014	1764
January 2015	2064
February 2015	2052
March 2015	1913
April 2015	1804
May 2015	2047
June 2015	2301
July 2015	2555
August 2015	2638
September 2015	2499
October 2015	2385
November 2015	1842
December 2015	1686

Monthly Energy Output of Quick Response Energy
January 2011 - September 2014

Year/Month	MWh
Jan-11	15,078.92
Feb-11	36,795.42
Mar-11	8,772.17
Apr-11	19,416.55
May-11	26,207.52
Jun-11	46,223.97
Jul-11	80,963.14
Aug-11	97,656.71
Sep-11	40,354.09
Oct-11	20,801.18
Nov-11	10,987.43
Dec-11	5,743.36
Jan-12	3,900.94
Feb-12	2,070.27
Mar-12	29,099.53
Apr-12	42,466.60
May-12	34,575.02
Jun-12	32,856.00
Jul-12	45,488.29
Aug-12	59,585.95
Sep-12	35,920.26
Oct-12	12,470.08
Nov-12	9,972.25
Dec-12	7,697.78
Jan-13	2,293.43
Feb-13	7,124.40
Mar-13	7,629.82
Apr-13	15,296.98
May-13	19,901.37
Jun-13	52,954.73
Jul-13	52,433.35
Aug-13	70,800.44
Sep-13	52,189.47
Oct-13	16,373.60
Nov-13	19,977.69
Dec-13	27,261.40
Jan-14	18,807.99
Feb-14	26,006.25
Mar-14	19,340.03
Apr-14	12,667.49
May-14	21,489.14
Jun-14	23,914.21
Jul-14	37,401.02

Aug-14	56,644.83
Sep-14	32,477.26

ICA 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.

ANSWER:

As stated in AE's Response NXP/Samsung RFI No. 3-6, the funding model for the 311 call center was revised so that net costs are allocated on the number of service requests processed through the 311 Call Center. Given the magnitude of the costs involved, a 4-year implementation plan was developed. Because Austin Energy's allocation in the future will be determined based upon its relative share of the number of overall service requests, the impact of the four-year plan on Austin Energy is unknown at this time.

Prepared by: DS
Sponsored by: Mark Dombroski

ICA 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.

ANSWER:

Yes, the transfer of costs for economic development provides an electric utility function. As noted by the Public Utility Commission of Texas, economic development programs benefit all customers either directly or indirectly because economic development spreads system costs over an increased number of customers (i.e. billing units).

Prepared by: MC
Sponsored by: Mark Dombroski

ICA 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.

ANSWER:

See Austin Energy's Response to Public Citizen/Sierra Club RFI No. 1-11(I).

Prepared by: CM
Sponsored by: Mark Dombroski

ICA 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.

ANSWER:

A. The adjustment of $4.8 million shown on WP D-1.2.9 reflects accounts which were closed prior to the start of Fiscal Year 2014. The adjustment is based on an analysis of actual customer accounts.
B. See Attachment 1.
C. Fiscal Year ending 09/30/14.
D. See Attachment 2.
E. Fiscal Year ending 09/30/14.
F. See Attachment 3.

Attachment 1: Bad Debt Adjustment
Attachment 2: Supporting documents for FY 2014 Actual Uncollectible Accounts
Attachment 3: Bad Debt Expense by Rate Class

Prepared by: JL/SK
Sponsored by: Mark Dombroski

Line	FY 2014 Bad Debt Expense		Amount	Notes
1	1173 - Allowance as of 9/30/13		$67,559,369	Summary Ln 68
2	1173 - Allowance as of 9/30/14		$87,317,779	Summary Ln 68
3	Change		$19,758,410	
4	Add:			
5	Legally Extinguished		$1,414,206	Summary Ln 68
6	FY 2014 Bad Debt Expense CC&B		$21,172,615	
7	Adjusted for			
8	Change in Uncollected CIS	-$146,897		
9	Change in Misc AR	-$157,346		
10			-$304,242	
11	**Total Bad Debt Expense FY14**		$20,868,373	Lines 6 + 10
12				
13	**Alternative Bad Debt Expense Calc.**			
14	1 / 2 of Active SA 181-365 days		$417,232	Summary Ln 117
15	Closed SAs during FY 2014	$16,423,498		Summary Ln 117
16	Less: 1-30 days	-$785,979		Summary Ln 117
17			$15,637,519	Lines 15 + 16
18	**Bad Debt Expense - FY 2014**		$16,054,751	Lines 14 + 17
19				
20	**Adjustment to Bad Debt Expense**		$4,813,622	Line 11 - 18

Summary

LN	RS_CD	Active SA 181 - 365	Active SA 366 - 730	Active SA 731 - 999	Active SA over 999	Closed SA AR	Closed SA Allow Contra	Closed SA 1 - 30 d	9/30/2014 1173 - Allowance	9/30/2013 1173 - Allowance	Reclass	Fiscal Year Bad Debt Exp.
1		$25,683	$78,280	$150,483	$761	$482,413	$5,237,709	-$69,049	$6,031,536		$1,414,206	
2	DUF-RES	$0	$0	$0	$0	$0	$0	$0	$0			
3	E-BBGF	$0	$0	$0	$0	$0	$0	$0	$0			
4	E-BC-C	$0	$0	$0	$0	$5,446	$0	$3,070	$2,376			
5	E-BC-R	$0	$0	$0	$0	$132,000	$0	$7,259	$124,741			
6	E-CHLWTR	$0	$0	$0	$0	$18,692	$0	-$2,870	$21,563			
7	E-CMPAIR	$0	$0	$0	$0	$1,597	$0	$0	$1,597			
8	E-COA	$0	$0	$0	$0	-$5,331	$0	-$5,331	$0			
9	E-COM1	$84	$602	$1,571	$709	$205,023	$1,119,181	-$84,585	$1,411,713			
10	E-COM2	$4,987	$1,201	$6,457	$7,995	$640,855	$1,968,674	-$29,406	$2,657,081			
11	E-COM3	$0	$0	$0	$0	$0	$0	$0	$0			
12	E-COM4	$0	$0	$0	$0	$1,247	$0	$0	$1,247			
13	E-COM6	$0	$0	$0	$0	$0	$0	$0	$0			
14	E-EVCOAD	$0	$0	$0	$0	$0	$0	$0	$0			
15	E-EVLTC9	$0	$0	$0	$0	$0	$0	$0	$0			
16	E-EVPRI1	$0	$0	$0	$0	$0	$0	$0	$0			
17	E-EVSEC1	$0	$0	$0	$0	$0	$0	$0	$0			
18	E-EVSEC2	$0	$0	$0	$0	$0	$0	$0	$0			
19	E-EVSEC3	$0	$0	$0	$0	$0	$0	$0	$0			
20	E-GCONLY	$0	$0	$0	$0	$0	$0	$0	$0			
21	E-GOV1	$0	$0	$0	$0	$681	$9	-$50	$740			
22	E-GOV2	$0	$0	$0	$0	$5,045	$0	$0	$5,045			
23	E-GOV3	$0	$0	$0	$0	$0	$0	$0	$0			
24	E-GOV4	$0	$0	$0	$0	$0	$0	$0	$0			
25	E-GOV5	$0	$0	$0	$0	$0	$0	$0	$0			
26	E-GOV6	$0	$0	$0	$0	$0	$0	$0	$0			
27	E-LTC85	$0	$0	$0	$0	$0	$0	$0	$0			
28	E-LTC90	$0	$0	$0	$0	$0	$0	$0	$0			
29	E-LTCT85	$0	$0	$0	$0	$0	$0	$0	$0			
30	E-LTCT90	$0	$0	$0	$0	$591,659	$0	$0	$591,659			
31	E-NW-COA	$434	$759	$0	$0	-$169	$0	-$169	$976			
32	E-NWTCHC	$2,229	$205	$0	$0	$36,990	$313,212	$1,789	$349,733			
33	E-NWTCHR	$298	$60	$0	$0	$20,543	$115,111	$4,638	$131,225			
34	E-PFLUG	$0	$0	$0	$0	$0	$0	$0	$0			
35	E-PRI1	$2,744	$0	$0	$0	$0	$0	-$14,683	$16,055			
36	E-PRI1 T	$0	$0	$0	$0	$0	$0	$0	$0			
37	E-PRI2	$0	$0	$0	$0	$0	$0	$0	$0			
38	E-PUMP	$0	$0	$0	$0	$0	$0	$0	$0			
39	E-RES	$687,763	$347,989	$64,570	$78,949	$36,556,694	$36,369,487	$958,179	$72,803,391			
40	E-RES T	$0	$0	$0	$0	$99	$0	-$36	$136			
41	E-SANC	$0	$0	$0	$0	$7,878	$7,894	$0	$15,772			
42	E-SANC1	$0	$41	$0	$0	$2,676	$0	$0	$2,717			
43	E-SANC2	$0	$0	$0	$0	$11,690	$0	$0	$11,690			
44	E-SANC3	$0	$0	$0	$0	$0	$0	$0	$0			
45	E-SEC1	$36,942	$6,335	$267	$587	$557,699	$0	$27,177	$556,182			
46	E-SEC1 T	$0	$0	$0	$0	$69	$0	$0	$69			

Basis: Summary of Customer Account Details

LN	RS_CD	Active SA 181 - 365	Active SA 366 - 730	Active SA 731 - 999	Active SA over 999	Closed SA AR	Closed SA Allow Contra	Closed SA 1 - 30 d	9/30/2014 1173 - Allowance	9/30/2013 1173 - Allowance	Reclass	Fiscal Year Bad Debt Exp.
47	E-SEC2	$38,582	$7,204	$0	$0	$1,620,017	$0	$92,810	$1,553,703			
48	E-SEC2 T	$0	$0	$0	$0	$2,006	$0	$0	$2,006			
49	E-SEC3	$32,536	$11,888	$0	$0	$887,103	$0	-$126	$915,385			
50	E-SEC3 T	$0	$0	$0	$0	$0	$0	$0	$0			
51	E-SNG	$0	$0	$0	$0	$0	$0	$0	$0			
52	E-SPORT	$1,770	$3,568	$902	$0	$0	$0	$0	$5,355			
53	E-STEAM	$0	$0	$0	$0	$0	$0	$0	$0			
54	E-STREET	$0	$0	$0	$0	$0	$0	$0	$0			
55	E-TESPRI	$0	$0	$0	$0	$0	$0	$0	$0			
56	E-TESSEC	$0	$0	$0	$0	-$17,547	$0	-$17,547	$0			
57	E-TRAFIC	$0	$0	$0	$0	$18,389	$0	-$85,080	$103,469			
58	E-TRAN	$0	$0	$0	$0	$0	$0	$0	$0			
59	EVCARD	$412	$275	$0	$0	$125	$0	$0	$606			
60	EV-COADR	$0	$0	$0	$0	$0	$0	$0	$0			
61	EV-COM1	$0	$0	$0	$0	$0	$0	-$9	$9			
62	TUF-RES	$0	$0	$0	$0	$0	$0	$0	$0			
63												
64	Totals	$834,464	$458,407	$224,250	$89,001	$41,783,591	$45,131,276	$785,979	$87,317,779	-$67,559,369	$1,414,206	$21,172,615
65												
66	check	$834,464	$458,407	$224,250	$89,001	$41,783,591	$45,131,276	$785,979	$87,317,779	-$67,559,369	$1,414,206	$21,172,615
67	var to chk	$0	$0	$0	$0	$0	$0	$0	$0		$0	
68												
69												
70	E-RES	$687,763	$347,989	$64,570	$78,949	$36,556,694	$36,369,487	$958,179	$72,803,391			
71	E-RES T	$0	$0	$0	$0	$99	$0	-$36	$136			
72	E-SEC1	$36,942	$6,335	$267	$587	$557,699	$0	$27,177	$556,182			
73	E-SEC1 T	$0	$0	$0	$0	$69	$0	$0	$69			
74	E-SANC1	$0	$41	$0	$0	$2,676	$0	$0	$2,717			
75	E-SEC2	$38,582	$7,204	$0	$0	$1,620,017	$0	$92,810	$1,553,703			
76	E-SEC2 T	$0	$0	$0	$0	$2,006	$0	$0	$2,006			
77	E-SANC2	$0	$0	$0	$0	$11,690	$0	$0	$11,690			
78	E-SEC3	$32,536	$11,888	$0	$0	$887,103	$0	-$126	$915,385			
79	E-SEC3 T	$0	$0	$0	$0	$0	$0	$0	$0			
80	E-TESSEC	$0	$0	$0	$0	-$17,547	$0	-$17,547	$0			
81	E-SANC3	$0	$0	$0	$0	$0	$0	$0	$0			
82	E-PRI1	$2,744	$0	$0	$0	$0	$0	-$14,683	$16,055			
83	E-PRI1 T	$0	$0	$0	$0	$0	$0	$0	$0			
84	E-TESPRI	$0	$0	$0	$0	$0	$0	$0	$0			
85	E-TRAN	$0	$0	$0	$0	$0	$0	$0	$0			
86	E-LTCT90	$0	$0	$0	$0	$591,659	$0	$0	$591,659			
87	E-NW-COA	$434	$759	$0	$0	-$169	$0	-$169	$976			
88	E-NWTCHC	$2,229	$205	$0	$0	$36,990	$313,212	$1,789	$349,733			
89	E-NWTCHR	$298	$60	$0	$0	$20,543	$115,111	$4,638	$131,225			
90	E-SPORT	$1,770	$3,568	$902	$0	$0	$0	$0	$5,355			
91	E-TRAFIC	$0	$0	$0	$0	$18,389	$0	-$85,080	$103,469			
92	EVCARD	$412	$275	$0	$0	$125	$0	$0	$606			
93												
94	Subtotal	$803,710	$378,325	$65,738	$79,536	$40,288,045	$36,797,810	$966,951	$77,044,358			

Basis: Summary of Customer Account Details

Summary

LN	RS_CD	Active SA 181 - 365	Active SA 366 - 730	Active SA 731 - 999	Active SA over 999	Closed SA AR	Closed SA Allow Contra	Closed SA 1 - 30 d	9/30/2014 1173 - Allowance	9/30/2013 1173 - Allowance	Reclass	Fiscal Year Bad Debt Exp.
95												
96	E-BC-C	$0	$0	$0	$0	$5,446	$0	$3,070	$2,376			
97	E-BC-R	$0	$0	$0	$0	$132,000	$0	$7,259	$124,741			
98	E-CHLWTR	$0	$0	$0	$0	$18,692	$0	-$2,870	$21,563			
99	E-CMPAIR	$0	$0	$0	$0	$1,597	$0	$0	$1,597			
100	E-COA	$0	$0	$0	$0	-$5,331	$0	-$5,331	$0			
101	E-COM1	$84	$602	$1,571	$709	$205,023	$1,119,181	-$84,585	$1,411,713			
102	E-COM2	$4,987	$1,201	$6,457	$7,995	$640,855	$1,968,674	-$29,406	$2,657,081			
103	E-COM4	$0	$0	$0	$0	$1,247	$0	$0	$1,247			
104	E-SANC	$0	$0	$0	$0	$7,878	$7,894	$0	$15,772			
105	E-GOV1	$0	$0	$0	$0	$681	$9	-$50	$740			
106	E-GOV2	$0	$0	$0	$0	$5,045	$0	$0	$5,045			
107	EV-COM1	$0	$0	$0	$0	$0	$0	-$9	$9			
108	EV-COADR	$0	$0	$0	$0	$0	$0	$0	$0			
109												
110	Unclass	$25,683	$78,280	$150,483	$761	$482,413	$5,237,709	-$69,049	$6,031,536			
111												
112	Total	$834,464	$458,407	$224,250	$89,001	$41,783,591	$45,131,276	$785,979	$87,317,779			
113		$0	$0	$0	$0	$0	$0	$0	$0			
114												
115	Pre FY 14		$458,407	$224,250	$89,001	$25,360,093	$45,131,276		$71,263,028		$694,833	$71,957,860
116												
117	FY 14 bad	$834,464				$16,423,498		$785,979	$16,054,751			
118												
119												
120	EOY	$834,464	$458,407	$224,250	$89,001	$41,783,591	$45,131,276	$785,979	$87,317,779			
121		$0	$0	$0	$0	$0	$0	$0	$0			

Basis: Summary of Customer Account Details

Aging History
FY14 Oct - Sept

	1-30 Days Old	31-60 Days Old	61-90 Days Old	91-120 Days Old	121-180 Days Old	181-365 Days Old	366-730 Days Old	731 - 999 Days Old	Over 999 Days Old	Payoff Amount	1170 Write-Offs & Bankruptcy (Payoff Amt)	AR, >365 Days Old
Electric												
AR & AR Allow Contra, Active SA's - 9/30/2014	86,020,271.06	6,977,651.40	2,715,517.73	1,423,415.03	956,594.83	834,464.10	458,406.68	224,250.16	89,001.31	105,989,269.79		
AR, Closed SA's - 9/30/2014	785,979.35	941,562.60	979,130.76	987,583.89	1,398,704.23	5,316,168.89	14,932,510.11	10,480,487.78	4,731,816.46	41,783,591.43		
AR Allow Contra, Closed SA's - 9/30/2014	(605,186.19)	1,888.43	988.45	1,842.47	3,702.09	48,779.29	146,396.27	13,092.53	40,693,768.92	45,131,276.44		
PA's - 9/30/2014	(3,959,901.94)	6,703.61	1,038.61	587.33	615.95	665.24	144.35	-	-	21,377,492.03		
Total (AR, AR Allow Contra, PA's) - 9/30/2014	82,241,162.28	7,927,806.04	3,696,675.55	2,413,428.72	2,359,617.10	6,200,077.52	15,537,457.41	10,717,830.47	45,514,586.69	214,281,629.69	46,116,129.22	30,636,288.22
Total (AR, AR Allow Contra, PA's) - 9/30/2013	83,466,571.89	12,234,532.90	6,498,281.11	4,483,142.96	4,820,187.84	11,980,183.44	16,230,245.46	3,755,606.17	40,888,085.94			

	9/30/2013	9/30/2014
1170 - Contra Allow.	61,569,277.25	76,752,417.44
1173 - Allowance	(67,559,368.97)	(87,317,778.72)
Net Allowance	(5,990,091.72)	(10,565,361.28)
Legally extinguished		1,414,205.53
FY14 CCB Bad Debt Expense		21,172,615.28
Change in Uncollected CIS		(146,896.85)
Change in Misc AR		(157,345.53)
Total Bad Debt Expense FY14		20,868,372.90

Bad Debt by Rate Class

LN	RS_CD	Active SA 181 - 365	Active SA 366 - 730	Active SA 731 - 999	Active SA over 999	Closed SA AR	Closed SA Allow Contra	9/30/2014 1 - 30 d	9/30/2014 1173 - Allowance	Reclass	Subtotal
1											
2	E-RES	$687,763	$347,989	$64,570	$78,949	$36,556,694	$36,369,487	$958,179	$72,803,391	$23,159	$72,826,550
3	E-RES T	$0	$0	$0	$0	$99	$0	-$36	$136	$0	$136
4	E-SEC1	$36,942	$6,335	$267	$587	$557,699	$0	$27,177	$556,182	$1,539,579	$2,095,761
5	E-SEC1 T	$0	$0	$0	$0	$69	$0	$0	$69	$0	$69
6	E-SANC1	$0	$41	$0	$0	$2,676	$0	$0	$2,717	$15,772	$18,489
7	E-SEC2	$38,582	$7,204	$0	$0	$1,620,017	$0	$92,810	$1,553,703	$2,663,374	$4,217,077
8	E-SEC2 T	$0	$0	$0	$0	$2,006	$0	$0	$2,006	$0	$2,006
9	E-SANC2	$0	$0	$0	$0	$11,690	$0	$0	$11,690	$0	$11,690
10	E-SEC3	$32,536	$11,888	$0	$0	$887,103	$0	-$126	$915,385	$0	$915,385
11	E-SEC3 T	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
12	E-TESSEC	$0	$0	$0	$0	-$17,547	$0	-$17,547	$0	$0	$0
13	E-SANC3	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
14	E-PRI1	$2,744	$0	$0	$0	$0	$0	-$14,683	$16,055	$0	$16,055
15	E-PRI1 T	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
16	E-TESPRI	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
17	E-TRAN	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
18	E-LTCT90	$0	$0	$0	$0	$591,659	$0	$0	$591,659	$0	$591,659
19	E-NW-COA	$434	$759	$0	$0	-$169	$0	-$169	$976	$0	$976
20	E-NWTCHC	$2,229	$205	$0	$0	$36,990	$313,212	$1,789	$349,733	$0	$349,733
21	E-NWTCHR	$298	$60	$0	$0	$20,543	$115,111	$4,638	$131,225	$0	$131,225
22	E-SPORT	$1,770	$3,568	$902	$0	$0	$0	$0	$5,355	$0	$5,355
23	E-TRAFIC	$0	$0	$0	$0	$18,389	$0	-$85,080	$103,469	$0	$103,469
24	EVCARD	$412	$275	$0	$0	$125	$0	$0	$606	$0	$606
25											
26	Subtotal	$803,710	$378,325	$65,738	$79,536	$40,288,045	$36,797,810	$966,951	$77,044,358	$4,241,884	$81,286,243
27											

Basis: Summary of Customer Account Details

Bad Debt by Rate Class

LN	RS_CD	Percent of Subtotal	Allocate Unclassified	9/30/2014 1173 - Allowance	Percent of Total
1					
2	E-RES	89.59%	$5,403,817	$78,230,367	89.59%
3	E-RES T	0.00%	$10	$146	0.00%
4	E-SEC1	2.58%	$155,508	$2,251,269	2.58%
5	E-SEC1 T	0.00%	$5	$74	0.00%
6	E-SANC1	0.02%	$1,372	$19,861	0.02%
7	E-SEC2	5.19%	$312,912	$4,529,989	5.19%
8	E-SEC2 T	0.00%	$149	$2,155	0.00%
9	E-SANC2	0.01%	$867	$12,557	0.01%
10	E-SEC3	1.13%	$67,923	$983,308	1.13%
11	E-SEC3 T	0.00%	$0	$0	0.00%
12	E-TESSEC	0.00%	$0	$0	0.00%
13	E-SANC3	0.00%	$0	$0	0.00%
14	E-PRI1	0.02%	$1,191	$17,246	0.02%
15	E-PRI1 T	0.00%	$0	$0	0.00%
16	E-TESPRI	0.00%	$0	$0	0.00%
17	E-TRAN	0.00%	$0	$0	0.00%
18	E-LTCT90	0.73%	$43,902	$635,561	0.73%
19	E-NW-COA	0.00%	$72	$1,049	0.00%
20	E-NWTCHC	0.43%	$25,951	$375,684	0.43%
21	E-NWTCHR	0.16%	$9,737	$140,962	0.16%
22	E-SPORT	0.01%	$397	$5,752	0.01%
23	E-TRAFIC	0.13%	$7,678	$111,147	0.13%
24	EVCARD	0.00%	$45	$651	0.00%
25					
26	Subtotal	100.00%	$6,031,536	$87,317,779	100.00%
27					

Basis: Summary of Customer Account Details

Bad Debt by Rate Class

		Active SA				Closed SA		9/30/2014			
LN	RS_CD	181 - 365	366 - 730	731 - 999	over 999	AR	Allow Contra	1 - 30 d	1173 - Allowance	Reclass	Subtotal
28	E-BC-C	$0	$0	$0	$0	$5,446	$0	$3,070	$2,376	E-SEC1	
29	E-BC-R	$0	$0	$0	$0	$132,000	$0	$7,259	$124,741	E-SEC1	
30	E-CHLWTR	$0	$0	$0	$0	$18,692	$0	-$2,870	$21,563	E-RES	
31	E-CMPAIR	$0	$0	$0	$0	$1,597	$0	$0	$1,597	E-RES	
32	E-COA	$0	$0	$0	$0	-$5,331	$0	-$5,331	$0	E-SEC1	
33	E-COM1	$84	$602	$1,571	$709	$205,023	$1,119,181	-$84,585	$1,411,713	E-SEC1	
34	E-COM2	$4,987	$1,201	$6,457	$7,995	$640,855	$1,968,674	-$29,406	$2,657,081	E-SEC2	
35	E-COM4	$0	$0	$0	$0	$1,247	$0	$0	$1,247	E-SEC2	
36	E-SANC	$0	$0	$0	$0	$7,878	$7,894	$0	$15,772	E-SANC1	
37	E-GOV1	$0	$0	$0	$0	$681	$9	-$50	$740	E-SEC1	
38	E-GOV2	$0	$0	$0	$0	$5,045	$0	$0	$5,045	E-SEC2	
39	EV-COM1	$0	$0	$0	$0	$0	$0	-$9	$9	E-SEC1	
40	EV-COADR	$0	$0	$0	$0	$0	$0	$0	$0	E-SEC1	
41											
42	Unclass	$25,683	$78,280	$150,483	$761	$482,413	$5,237,709	-$69,049	$6,031,536		
43											
44	Total	$834,464	$458,407	$224,250	$89,001	$41,783,591	$45,131,276	$785,979	$87,317,779		
45		$0	$0	$0	$0	$0	$0	$0	$0		
46											

Notes:

A. Lines 28 - 40: Rate Schedules in effect prior to FY 2012. Reclassed to current rate schedules. See column 'Reclass'.
B. Lines 28 -40. Summarized to 'Reclass' column in lines 2 - 24. Added to '1173 Allowance'
C. Line 42. Rate schedule unclassified.
D. Line 42. Unclassified allocated to current rate schedule based on 'Percent of Subtotal'.
E. Percent of Total' is basis for allocating bad debt to rate classes.

Basis: Summary of Customer Account Details

Bad Debt by Rate Class

LN	RS_CD	Percent of Subtotal	Allocate Unclassified	9/30/2014 1173 - Allowance	Percent of Total
28	E-BC-C				
29	E-BC-R				
30	E-CHLWTR				
31	E-CMPAIR				
32	E-COA				
33	E-COM1				
34	E-COM2			[Blank]	
35	E-COM4				
36	E-SANC				
37	E-GOV1				
38	E-GOV2				
39	EV-COM1				
40	EV-COADR				
41					
42	Unclass				
43					
44	Total				
45					
46					

Notes:

A. Lines 28 - 40
B. Lines 28 -40.
C. Line 42. Rate
D. Line 42. Unc
E. Percent of T

Basis: Summary of Customer Account Details

ICA 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.

ANSWER:

A. See list below.

House of Worship (less than 10 kw)
House of Worship (10 – 49 kw)
Primary Voltage (less than 3 MW)
Long Term Contracts
Customer Owned Non-Metered Lighting
Customer Owned Metered Lighting
Traffic Lighting

B. The "Other" class is allocated to Residential and Secondary Commercial classes based on the proportionate basis. See table below.

Class	Percent of Bad Debt by Class	% of Total		% of Bad for Other Class		Allocate to Class	Class Allocation
Residential	89.6%	90.97%	x	1.5%	=	1.38%	91.0%
Secondary Voltage < 10 kW	2.6%	2.62%	x	1.5%	=	0.04%	2.6%
Secondary Voltage 10 - 49.9 kW	5.2%	5.27%	x	1.5%	=	0.08%	5.3%
Secondary Voltage ≥ 50 kW	1.1%	1.14%	x	1.5%	=	0.02%	1.1%
Total	98.5%	100.0%					100.0%

C. Bad debt from accounts on Secondary Service (50 KW & greater) was assigned to the proposed Secondary Service (50 – 299 kW) class based on its larger customer count. From account records, it could not be ascertained how many Secondary Service (300 kw & greater) accounts had bad debt.

Prepared by: JL/SK
Sponsored by: Mark Dombroski

ICA 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.

ANSWER:

Austin Energy does not formally track or monitor bankruptcy proceedings or instances in which customers have "gone out of business." However, Austin Energy does informally observe bankruptcies in its service territory. Since 2012, Austin Energy is aware of one transmission customer and no primary voltage customers with active utility service which have declared bankruptcy. Austin Energy does not have an indicator by which to segment secondary voltage customers with demand greater than 300kW; however, for secondary voltage customers with demand greater than 50kW, Austin Energy is aware of 21 bankruptcies since 2012:

Year	**Number Bankruptcies**
2012	3
2013	2
2014	9
2015	5
2016	2
Total	***21***

Prepared by: EKD
Sponsored by: Kerry Overton

ICA 2-30 Provide the actual uncollectible expense amounts for each of the last 10 years.

ANSWER:

FY 2015 unaudited: 8,462,937.91
FY 2014: 20,868,372.90
FY 2013: 17,256,806.47
FY 2012: 3,482,839.51
FY 2011: 3,546,362.78
FY 2010: 4,166,029.29
FY 2009: 3,649,194.76
FY 2008: 2,092,953.75
FY 2007: 3,537,823.95
FY 2006: 5,324,380.93

Prepared by: SK
Sponsored by: Mark Dombroski

ICA 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.

ANSWER:

A. All discounts are collected within their prospective customer class unless having a separate recovery mechanism.
B. These calculations are within the 'AE RFP' model under WP H-5.1 through WP H-5.14.
C. Military accounts are required by State law.
D. Outlined in the Public Utility Regulatory Act § 36.354.

Prepared by: CM
Sponsored by: Mark Dombroski

ICA 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.

ANSWER:

See Attachment 1.

Prepared by: MM
Sponsored by: Mark Dombroski

Schedule A

Line	Description	WP Ref	WP Location- Line < L > / Column < C >	WP Amt	Non-Electric Adjustment/Transfer
3	Non-Fuel O&M				(592,816)
	Key Accounts - Demonstrating & Selling Expense	WP D-1.2.7.1	L-15 C-B	(60,099)	
	Outside Services - Legislative Advocacy	WP D-5.1	L-15 C-B	(210,000)	
	Prepayments - Ins All Risk	WP B-9.2.1	L-19 C-A	(260,862)	
	Outside Services - Legislative Advocacy	WP D-5.2	L-5 C-C	(61,856)	
				(592,816)	
6	Depreciation & Amortization				(6,798,240)
	FERC 121 - Non Utility Plant	WP B-1.1	L-1 C-D	(6,823,832)	
	FERC 390 Structures & Improvements	WP B-2.1	L-50 C-D	9,240	
	FERC 391 Office Furniture & Equipment	WP B-2.1	L-51 C-D	13,014	
	FERC 394 Tools, Shop & Garage Equip	WP B-2.1	L-54 C-D	883	
	FERC 395 Laboratory Equip	WP B-2.1	L-55 C-D	1,622	
	FERC 398 Mis Equip	WP B-2.1	L-58 C-D	831	
				(6,798,242)	
10	Other Expenses				(13,835,205)
	Non-Electric Expenses - Facility Management	WP E-4.2	L-2 C-A	(88,068)	
	Non-Electric Expenses - Energy Products	WP E-4.2	L-3 C-A	(127,090)	
	Non-Electric Expenses - Law Section	WP E-4.2	L-4 C-A	(33,353)	
	Non-Electric Expenses - General Operations	WP E-4.2	L-5 C-A	7,272	
	Non-Electric Expenses - Reliability Compliance Program	WP E-4.2	L-6 C-A	(18)	
	Non-Electric Expenses - Corporate Priorities	WP E-4.2	L-7 C-A	(17,650)	
	Non-Electric Expenses - Environmental Management	WP E-4.2	L-8 C-A	(452)	
	Non-Electric Expenses - Ae Laboratory Services	WP E-4.2	L-9 C-A	(1,184)	
	Non-Electric Expenses - Downtown Plant-Chilled Water	WP E-4.2	L-10 C-A	(3,775,885)	
	Non-Electric Expenses - Admin For District Energy	WP E-4.2	L-11 C-A	(1,014,625)	
	Non-Electric Expenses - Lamar And 6Th Chilled Water	WP E-4.2	L-12 C-A	(36,095)	
	Non-Electric Expenses - N. Burnet Dist Energy (Domain)	WP E-4.2	L-13 C-A	(3,819,818)	
	Non-Electric Expenses - 911 Call Center-Chilled Water	WP E-4.2	L-14 C-A	(1,136,599)	
	Non-Electric Expenses - 911 Back-Up Center	WP E-4.2	L-15 C-A	(6,628)	
	Non-Electric Expenses - Rmec - District Energy	WP E-4.2	L-16 C-A	(1,405,197)	
	Non-Electric Expenses - Rmec- Generation	WP E-4.2	L-17 C-A	(408,815)	

Line	Description	WP Ref	WP Location-Line < L > / Column < C >	WP Amt	Non-Electric Adjustment/Transfer
	Non-Electric Expenses - Substation And Relay Eng.	WP E-4.2	L-18 C-A	(16,179)	
	Non-Electric Expenses - New Energy Control Center	WP E-4.2	L-19 C-A	(2,117)	
	Non-Electric Expenses - Pricing & Rate Analysis	WP E-4.2	L-20 C-A	(16,654)	
	Non-Electric Expenses - Credit Management	WP E-4.2	L-21 C-A	129	
	Non-Electric Expenses - Call Cntr City Wide Info Cntr	WP E-4.2	L-22 C-A	(1,548)	
	Misc Nonoperating Inc - CTECC Transfer	WP E-4.3	L-2 C-B	8,825	
	Misc Nonoperating Inc - Loss on Disposal of Assets	WP E-4.3	L-6 C-B	(1,943,458)	
				(13,835,205)	
16	Debt Service				(3,842,913)
	Separate Lien	WP C-3.1.1	L-22 C-D	(3,696,667)	
	Capital Lease	WP C-3.1.1	L-27 C-D	(124,218)	
	Commercial Paper	WP C-3.1.2	L-6 C-F	(22,028)	
				(3,842,913)	
19	Internally Generated Funds for Construction				(2,763,667)
	Cash Funding of Capital Spending - NEPA	WP C-3.4.1	L-46 C-C	(2,763,667)	
23	Depreciation & Amortization	See Above			6,798,240
25	Contribution in Aid of Construction				217,405
	Cash Contribution in Aid of Construction - NEPA	WP C-3.6.1	L-2 C-A	217,405	
33	Other Revenue				18,471,610
	Operating Revenue - Chilled Water Ecwdt	WP E-5.1	L-13 C-B	9,988,884	
	Operating Revenue - Chilled Water Domain	WP E-5.1	L-14 C-B	4,460,158	
	Operating Revenue - Chilled Water Seton-Dellchp	WP E-5.1	L-15 C-B	2,364,719	
	Operating Revenue - Steam Svc Dell Children Hosp	WP E-5.1	L-16 C-B	507,091	
	Operating Revenue - Compressed Air Domain Plt	WP E-5.1	L-17 C-B	7,379	
	Non-Operating - Facility Maintenance	WP E-5.1	L-28 C-B	1,143,379	
				18,471,610	

Schedule B

Line	Description	WP Ref	WP Location- Line < L > / Column < C >	WP Amt	Non-Electric Adjustment/Transfer
1	Net Plant in Service				(131,954,082)
	FERC 121 Non-Utility Plant	WP B-1.1	L-1 C-A	(174,634,405)	
	Communications Equipment - Structures & Improvements	WP B-2.1	L-50 C-A	(297,112)	
	Communications Equipment - Office Furniture & Equipment	WP B-2.1	L-51 C-A	(179,718)	
	Communications Equipment - Tools, Shop & Garage Equipment	WP B-2.1	L-54 C-A	(10,622)	
	Communications Equipment - Laboratory Equipment	WP B-2.1	L-55 C-A	(21,250)	
	Communications Equipment - Miscellaneous Equipment	WP B-2.1	L-58 C-A	(6,186)	
	FERC 121 - Accumulated Depreciation	WP B-5	L-5 C-B	42,991,272	
	Accumulated Depreciation - Structures & Improvements	WP B-5	L-71 C-B	53,187	
	Accumulated Depreciation - Office Furniture & Equipment	WP B-5	L-72 C-B	128,382	
	Accumulated Depreciation - Tools, Shop & Garage Equipment	WP B-5	L-75 C-B	3,931	
	Accumulated Depreciation - Laboratory Equipment	WP B-5	L-76 C-B	13,742	
	Accumulated Depreciation - Miscellaneous Equipment	WP B-5	L-79 C-B	4,697	
				(131,954,082)	
3	Construction Work in Progress				(15,578,069)
	CWIP - Non-Utility Plant	WP B-4.1	L-2 C-A	(15,578,069)	
5	Materials and Supplies				(210)
	Non-Electric	WP B-8.1	L-7 C-A	(210)	
6	Cash Working Capital				(41,494)
	Operations and Maintenance	See Schedule A Detail		(592,816)	
	Prepayments - Ins All Risk	See Schedule A Detail		260,862	
	Net O&M			(331,954)	
	1/8 Net O&M			(41,494)	
7	Prepayments				(10,566)
	Prepayment Ins - All Risk	WP B-10	L-14 C-A	(174,611)	
	Non-Electric 6.05% Allocation	WP B-10	L-16 C-A	(10,564)	
21	Other Revenue	See Schedule A Detail			(18,471,610)
24	Total Operating Costs				21,226,261
	Non-Fuel O&M	See Schedule A Detail		592,816	
	Depreciation & Amortization	See Schedule A Detail		6,798,240	
	Other Expenses	See Schedule A Detail		13,835,205	
				21,226,261	