

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

**AUSTIN ENERGY'S RESPONSE TO NXP SEMICONDUCTORS' AND
SAMSUNG AUSTIN SEMICONDUCTOR, LLC'S
FIFTH REQUEST FOR INFORMATION**

Austin Energy ("AE") files this Response to NXP Semiconductors' and Samsung Austin Semiconductor, LLC's (collectively, "NXP/Samsung") Fifth Request for Information submitted on March 23, 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,

**LLOYD GOSSELINK ROCHELLE &
TOWNSEND, P.C.**

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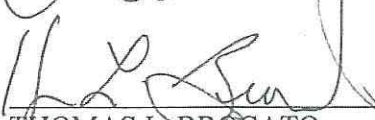
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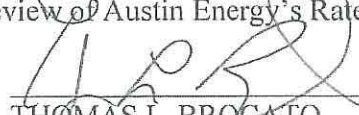
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ATTORNEYS FOR AUSTIN ENERGY

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 4th day of April, 2016, in accordance with the City of Austin Procedural Rules for the Initial Review of Austin Energy's Rates.



THOMAS L. BROCATO

Austin Energy's Response to NXP/Samsung's 5th RFI

NXP/Samsung 5-1 Please reconcile the cash contribution to Construction shown on Workpaper C-3.4.1 to the amount shown in the Austin Energy Fund Summary, Approved Budget 2015-2016, page 680, for the years 2012-13, 2013-14, and estimated 2016-2015.

ANSWER:

NXP/SAMSUNG 5.1 Reconciliation of Capital Improvement Program Cash Contribution Budget to Actual									
Fund	Approved Budget FY 2013	Actual FY 2013	Difference	Approved Budget FY 2014	Actual FY 2014	Difference	Estimated FY 2015	Actual FY 2015	Difference
Non Electric Plant Assets (NEPA) Fund 3060	101,000	5,062,736	(4,961,736)	146,000	2,763,667	(2,617,667)	139,000	5,088,634	(4,949,634)
Power Production Fund 3220	15,470,000	17,933,873	(2,463,873)	19,596,791	20,210,047	(613,256)	14,869,220	12,644,785	2,224,435
Transmission Fund 3220	11,290,500	8,236,167	3,054,333	5,268,578	8,929,689	(3,661,111)	6,773,900	13,428,290	(6,654,390)
Distribution Substation Fund 3240	3,497,000	4,890,878	(1,393,878)	2,919,364	3,916,560	(997,196)	2,635,250	5,634,617	(2,999,367)
Distribution Fund 3250	14,738,000	28,715,551	(13,977,551)	19,115,729	38,953,628	(19,837,899)	27,538,820	47,767,523	(20,228,703)
Customer Svcs Billing & Metering Fund 3260	4,351,500	2,338,111	2,013,389	5,735,000	128,870	5,606,130	6,713,000	123,489	6,589,511
Support Services Fund 3290	17,630,500	3,216,251	14,414,249	26,252,718	12,324,830	13,927,888	7,888,875	8,307,895	(419,020)
Capital Outlay Vehicles Fund 3300	1,756,500	985,022	771,478	812,400	1,341,925	(529,525)	1,229,500	433,367	796,133
Support Services Fund 3310	-	(4,514,029)	4,514,029	-	297,423	(297,423)	-	1,489	(1,489)
Totals	\$ 68,835,000	\$ 66,864,560	\$ 1,970,440	\$ 79,846,580	\$88,866,639	\$(9,020,059)	\$67,787,565	\$93,430,089	\$(25,642,524)

The yearly differences are attributable to timing differences between the budget amount and the actual time at which the expenditure occurs.

Prepared by: DK
Sponsored by: Mark Dombroski

NXP/Samsung 5-2 Please restate debt service amounts shown on C-3.1.1 (Accrual Basis) to the budget basis for the years 2012-13, 2013-14, and estimated 2016-2015.

ANSWER:

This request is subject to a pending objection.

Prepared by: -
Sponsored by: -

Austin Energy's Response to NXP/Samsung's 5th RFI

NXP/Samsung 5-3 Please provide the calculation of Debt Service Coverage that is used in Bond Official Statements using the data from the test year.

ANSWER:

This request is subject to a pending objection.

Prepared by: -
Sponsored by: -

Austin Energy's Response to NXP/Samsung's 5th RFI

NXP/Samsung 5-4 Please provide the calculations used to arrive at coverage shown in Figure 4.1, Bates number 087 of AE's filing.

ANSWER:

Please see Austin Energy's Response to AELIC RFI No. 5-2.

Prepared by: CG
Sponsored by: Mark Dombroski

NXP/Samsung 5-5 Please provide Council's specific authorization to begin work on the additional 500 megawatt combined cycle gas turbine at Decker Power Plant that is referenced in the FY 2015-16 CIP Work Plan. (page 53)

ANSWER:

Austin Energy included the 500 megawatt combined cycle gas turbine at Decker Power Plant in the FY 2016 Budget spending plan for planning purposes. \$3.8 million is included in the FY2016 spending plan for this project according to the schedule at that time. Austin Energy has not brought a Request for Council Action (RCA) forward to council to begin any work on this project and Council has not authorized work to begin on this project. There have been no expenses to date on this project. There had been \$20 Million approved in the FY2015 Spending Plan, of which \$200,000 in appropriations was approved by council during the FY 2015 budget readings loaded into project. The \$200,000 in loaded appropriations cannot be spent without further council approval through the RCA process. Austin Energy publicly stated during the budget work sessions for FY 2016 that no items would be brought forward to Council for the 500 megawatt plant until a public discussion with Council and the Electric Utility Commission was held.

Prepared by: DK
Sponsored by: Mark Dombroski

NXP/Samsung 5-6 Please provide the amount included in the spending plan for the new Decker turbine.

ANSWER:

Approved FY 2016 Spending Plan.

	FY2016	FY2017	FY2018	FY2019	FY2020
Approved Spending Plan 500 MW Combined Cycle Gas Turbine at Decker	\$3,800,000	\$6,000,000	\$100,000,000	\$200,000,000	\$190,000,000

Prepared by: DK
Sponsored by: Mark Dombroski

NXP/Samsung 5-7 Please explain why \$60,516,761 of Fuel recorded in FERC Account 501 was reclassified to FERC Account 547.

ANSWER:

See Austin Energy's Response to ICA RFI No. 3-21.

Prepared by: RM
Sponsored by: Mark Dombroski

NXP/Samsung 5-8 Is Account 547 included in the PSA calculation?

ANSWER:

Yes.

Prepared by: RM
Sponsored by: Mark Dombroski

NXP/Samsung 5-9 Refer to Schedule G-6. Of the 37 costs items allocated on this schedule, Austin Energy's cost of service model only allows Austin Energy's pre-selected allocation factor alternatives for the seven Production Demand Related costs of service. Please provide a working version of the model in which all allocation factors available in Exhibit G-6, lines 3-9 (Excel rows 9-15) are available for each and every cost on Schedule G-6 (that is, for all other costs allocated on this schedule).

ANSWER:

See the updated RFP.

Prepared by: MM
Sponsored by: Mark Dombroski

NXP/Samsung 5-10 Refer to Schedule F-6. Please "unhide" the amounts set forth in Excel cells T7:AF58. These amounts and the calculation of allocation factors cannot be verified with the amounts in these cells hidden.

ANSWER:

See the updated RFP.

Prepared by: MM
Sponsored by: Mark Dombroski

NXP/Samsung 5-11 Refer to Schedule F-6. Please provide additional allocation factors for Primary and Secondary service customer classes calculated using Summer NCP demands (i.e., the sum of NCP demands in the months of June through September.)

ANSWER:

This request is subject to a pending objection. Notwithstanding this objection, see the updated RFP. Functionality has been added for intervenors to add allocation factors of their own design.

Prepared by: MM
Sponsored by: Mark Dombroski

NXP/Samsung 5-12 Refer to WP F-6.2. Please expand this workpaper to provide the development of the Summer NCP demand allocation factors for Primary and Secondary voltages referred to in the above question.

ANSWER:

This request is subject to a pending objection. Notwithstanding this objection, see the updated RFP. Functionality has been added for intervenors to add allocation factors of their own design.

Prepared by: MM
Sponsored by: Mark Dombroski

NXP/Samsung 5-13 Refer to WP F-6.1., cell D8. The cell reference provided for the allocation of Green Choice on this workpaper is to WP H-5.xx. Please provide the correct cell reference.

ANSWER:

The values on WP F-6.1.1 come from multiple workpapers (i.e. H-5.1 through H-5.14). It is the sum of rate year Green Choice kWh in the power supply and Green Choice section of the rate design analysis.

Prepared by: MM
Sponsored by: Mark Dombroski

NXP/Samsung 5-14 Refer to WP F-6.1.2.1, footnote 4, which reads "GSU's results are categorized by the high side voltage, all other transformer results are categorized by low side voltage."

- A. What specific cells is this footnote referencing?
- B. Please fully explain the reference to "GSU".
- C. If GSU refers to another electric utility (for example, Gulf States Utility), does the categorization of results for the high and low side voltages apply to Austin Energy?

ANSWER:

- A. The footnote is specifically indicating any generation step-up losses that are included in the calculation of core losses and winding losses at 138 kV and 69 kV are categorized as 138 kV or 69 kV based on the associated high side transformer voltage (i.e., the step-up voltage).
- B. "GSU" is an acronym for generator step-up transformers.
- C. Not applicable.

Prepared by: JL
Sponsored by: Mark Dombroski

NXP/Samsung 5-15 Refer to WP F-6.3. Please provide the supporting documentation for the Average Meter Cost set forth on line 6 (Excel row 11) of this workpaper.

ANSWER:

See Attachment 1.

Prepared by: JL
Sponsored by: Mark Dombroski

	Meter Cost	Meter(s) Ret Fees	MIU	IDR	TOU	Instrument Transformers	Installation Labor, etc	Sub Total	Socket	Total	Current Monthly Read Cost	Notes
Residential	\$165	\$35.05	\$0	\$0	\$0	\$0	\$82	\$117	\$0	\$117	\$1.01	
Low Income	\$165	\$35.05	\$0	\$0	\$0	\$0	\$82	\$117	\$0	\$117	\$1.01	
Solar Net Metering	\$165	\$175.57	\$0	\$0	\$0	\$0	\$85	\$261	\$0	\$261	\$1.01	
Commercial LT 10 KW	\$317	\$175.57	\$0	\$0	\$0	\$0	\$90	\$286	\$0	\$286	\$1.01	
Commercial 10-50 KW	\$317	\$175.57	\$0	\$0	\$0	\$0	\$90	\$286	\$0	\$286	\$1.01	
Commercial GT 50 KW	\$317	\$175.57	\$0	\$0	\$0	\$0	\$135	\$311	\$0	\$311	\$1.01	
Primary LT 3 KW	\$317	\$175.57	\$0	\$0	\$0	\$0	\$1,000	\$1,176	\$0	\$1,176	\$1.01	
Primary 3-20 KW	\$317	\$175.57	\$0	\$0	\$0	\$0	\$1,000	\$1,176	\$0	\$1,176	\$1.01	
Primary GT 20 KW	\$317	\$175.57	\$0	\$0	\$0	\$0	\$1,000	\$1,176	\$0	\$1,176	\$1.01	
Transmission	\$5,000		\$0	\$0	\$0	\$58,500	\$14,540	\$73,040	\$0	\$73,040	\$1.01	
Standby - Primary	\$317	\$175.57	\$0	\$0	\$0	\$0	\$1,000	\$1,176	\$0	\$1,176	\$1.01	
Standby - Transmission	\$5,000		\$0	\$0	\$0	\$58,500	\$14,540	\$73,040	\$0	\$73,040	\$1.01	

NXP/Samsung 5-16 Refer to Schedule G-1, line 112 (Excel row 119). Please explain why Meter Expenses in account 586 were functionalized as Distribution related costs rather than as Customer related costs.

ANSWER:

Per FERC accounting rules, and industry standards, meters and customer installations are considered a portion of the distribution system and, thus, are functionalized to the distribution function. These items are directly associated with the function of distributing energy to customers and it is, therefore, appropriate to functionalize these costs to the distribution function. Per the NARUC Electric Cost Allocation Manual (emphasis added):

The distribution facilities connect the customer with the transmission grid to provide the customer with access to the electrical power that has been generated and transmitted. The distribution plant includes substations, primary and secondary conductors, poles and line transformers that are jointly used and in the public right of way, as well as the services meters and installations that are on the customer's own premises.

Recognizing that meter expenses in FERC 586 are customer-related, these costs were classified as such on Schedule G-4, line 112. These costs were then allocated to customer classes on Schedule G-6, line 48 based on a weighted customer meter allocation.

Prepared by: GR
Sponsored by: Mark Dombroski

NXP/Samsung 5-17 Refer to Schedule G-1, line 113 (Excel row 120). Please explain why Customer Installation Expenses in account 587 were functionalized as Distribution related costs rather than as Customer related costs.

ANSWER:

Per FERC accounting rules, and industry standards, meters and customer installations are considered a portion of the distribution system and, thus, are functionalized to the distribution function. These items are directly associated with the function of distributing energy to customers and it is, therefore, appropriate to functionalize these costs to the distribution function. Per the NARUC Electric Cost Allocation Manual (emphasis added):

The distribution facilities connect the customer with the transmission grid to provide the customer with access to the electrical power that has been generated and transmitted. The distribution plant includes substations, primary and secondary conductors, poles and line transformers that are jointly used and in the public right of way, as well as the services meters and installations that are on the customer's own premises.

Recognizing that customer installation expenses in FERC 587 are associated with services to customers, these costs were classified as such on Schedule G-4, line 113. These costs were offset by service revenues and then allocated to customer classes on Schedule G-6, line 43 based on a Sum of Maximum Demands allocation.

Prepared by: GR
Sponsored by: Mark Dombroski

NXP/Samsung 5-18 Refer to Schedule G-1, line 126 (Excel row 133). Please explain why Maintenance of Meters in account 597 were functionalized as Distribution related costs rather than as Customer related costs.

ANSWER:

Per FERC accounting rules, and industry standards, meters and customer installations are considered a portion of the distribution system and, thus, are functionalized to the distribution function. These items are directly associated with the function of distributing energy to customers and it is, therefore, appropriate to functionalize these costs to the distribution function. Per the NARUC Electric Cost Allocation Manual (emphasis added):

The distribution facilities connect the customer with the transmission grid to provide the customer with access to the electrical power that has been generated and transmitted. The distribution plant includes substations, primary and secondary conductors, poles and line transformers that are jointly used and in the public right of way, as well as the services meters and installations that are on the customer's own premises.

Recognizing that maintenance of meter expenses in FERC 597 are customer-related, these costs were classified as such on Schedule G-4, line 126. These costs were then allocated to customer classes on Schedule G-6, line 48 based on a weighted customer meter allocation.

Prepared by: GR
Sponsored by: Mark Dombroski

NXP/Samsung 5-19 Please reclassify Meter Expenses in account 586, Customer Installation Expenses in account 587, and Maintenance of Meters in account 597 as customer related costs and provide the resulting G and H schedules showing the impact of this classification.

ANSWER:

This request is subject to a pending objection. Notwithstanding this objection, see the updated RFP. Functionality has been added for intervenors to adjust this classification.

Prepared by: MM
Sponsored by: Mark Dombroski

NXP/Samsung 5-20 Refer to Schedule G-6. Provide an unlocked version of Austin Energy's cost of service spreadsheet that allows any allocation factor set for on Schedule F-6 to be used to allocate costs.

ANSWER:

See the updated RFP. Functionality has been added for intervenors to add allocation factors of their own design.

Prepared by: MM
Sponsored by: Mark Dombroski

- NXP/Samsung 5-21 Refer to Schedule G-7, line 8 (Excel row 14), Service Area Street Lighting.
- A. Please explain the reference to "Col. (L)" in cell C14.
 - B. Please explain why Service Area Street Lighting has negative recoverable fuel and purchased power costs.

ANSWER:

- A. The reference 'Col. (L)' is referring to the inverse of cell 'L5' (Excel cell O11).
- B. This request is subject to a pending objection. Notwithstanding this objection, the negative amount in Excel cell O14 reduces recoverable fuel and purchase power costs attributable to SAL and collected through the CBC.

Prepared by: CM
Sponsored by: Mark Dombroski

NXP/Samsung 5-22 Refer to Schedule G-7, line 24 (Excel row 30). Please provide a full and complete explanation of the use of the allocation factor "NEFL" to allocate ERCOT Administration Fees. Include in the explanation a discussion as to why the 4CP-ERCOT Peak is not the appropriate allocation factor for this cost.

ANSWER:

Austin Energy's regulatory transmission costs, which are set by ERCOT, use ERCOT's 4CP while the ERCOT administrative fees are charged year round based on actual load; therefore, it was appropriate to use the NEFL to allocate these costs.

'NEFL' stands for annual Net Energy for Load by customer class, as shown on Schedule F-6.

Prepared by: CM
Sponsored by: Mark Dombroski

NXP/Samsung 5-23 Refer to Schedule G-7, lines 40 and 41 (Excel rows 46 and 47). Please provide each and every reason why it is fair and reasonable and cost based to allocate the costs of Service Area Street Lighting and Energy Efficiency Programs on the basis of "Rev Req x COA Lights".

ANSWER:

Service Area Street Lighting (SAL) and Energy Efficiency Service (EES) programs are components of the Community Benefit Charge (CBC).

These programs benefit the whole Austin area community, thus it is reasonable for Austin Energy to use 'Rev Req x COA Lights'. Plus it maintains a consistent application and interpretation of costs from the last general rate case.

Prepared by: CM
Sponsored by: Mark Dombroski

NXP/Samsung 5-24 Refer to Schedule G-10. All data sources for the amounts set forth on this schedule are hidden from view. Please provide a version of AE's model with the underlying formulas, links to other cells, and values set forth on Schedule G-10 are not hidden.

ANSWER:

See the updated RFP.

Prepared by: MM
Sponsored by: Mark Dombroski

NXP/Samsung 5-25 Refer to WP G-10.1. All data sources for the amounts set forth on this workpaper are hidden from view. Please provide a version of Austin Energy's model with the underlying formulas, links to other cells, and values set forth on WP G-10.1 are not hidden.

ANSWER:

See the updated RFP.

Prepared by: MM
Sponsored by: Mark Dombroski

NXP/Samsung 5-26 Refer to WP G-10.1.1. All data sources for the amounts set forth on this workpaper are hidden from view. Please provide a version of Austin Energy's model with the underlying formulas, links to other cells, and values set forth on WP G-10.1.1 are not hidden.

ANSWER:

See the updated RFP.

Prepared by: MM
Sponsored by: Mark Dombroski

NXP/Samsung 5-27 Refer to WP G-10.2. All data sources for the amounts set forth on this workpaper are hidden from view. Please provide a version of Austin Energy's model with the underlying formulas, links to other cells, and values set forth on WP G-10.2 are not hidden.

ANSWER:

See the updated RFP.

Prepared by: MM
Sponsored by: Mark Dombroski

NXP/Samsung 5-28 Refer to WP G-10.1 and WP G-10.1.1. Please provide a complete explanation and a full and complete reconciliation of "Base Rate Revenue" set forth in WP G-10.1 with "FY14 Actual Base Revenue" set forth on WP G-10.1.1.

ANSWER:

WP G-10.1.1 does reconcile 'Base Rate Revenue' set forth in WP G-10.1 with 'FY14 Actual Base Revenue' set forth on WP G-10.1.1. The Base Rate Revenue on WP G-10.1 is derived from WP G-10.1.1 in column (F) labeled 'Test Year Base Revenue with Billing Adjustment'. The FY 14 Actual Base Revenue is the starting point (column A) for the calculation beginning with what was actually collected. Austin Energy then normalized the revenue (column C). SAL revenue was then removed (column D) resulting in an unadjusted test year revenue amount (column E). Finally, column (F) is the product of column (E) and the billing adjustment factor contained on line 17.

Prepared by: CM
Sponsored by: Mark Dombroski

NXP/Samsung 5-29 Please provide a listing of all distribution substations and provide the date and time of the maximum peak demand of each substation during the test year.

ANSWER:

For a list of distribution voltage substations, please see the table below.

DISTRIBUTION SUBSTATIONS					
Name	Voltage		Name	Voltage	
Angus Valley	138	--	Kingsbery	138	69
Austin Dam	138	--	Koenig Lane	69	--
Balcones	138	--	Lakeshore	138	--
Barton	138	--	Lakeway	138	--
Bee Creek	138	--	Magnesium Plant	138	--
Bergstrom	138	--	McNeil	138	69
Brackenridge	69	--	Met Center	138	--
Brodie Lane	138	--	Mueller	138	--
Bullick Hollow	138	--	Northland	138	69
Burleson	138	--	Northwest	138	--
Cameron	138	--	Oak Hill	138	--
Cardinal Lane	138	--	Onion Creek	138	--
Carson Creek	138	--	Patton Lane	138	--
Central Austin	69	--	Pedernales	138	69
Commons Ford	138	--	Riverplace	138	--
Daffin Gin	138	--	Salem Walk	138	--
Dessau	138	--	Seaholm Plant	138	--
Ed Bluestein	138	--	Slaughter Lane	138	--
Elroy	138	--	Sprinkle	138	--
Fiesta	69	--	Steck	138	--
Fiskville	138	--	Stoney Ridge	138	--
Grove	138	--	Summit	138	--
Hamilton	138	--	Techridge	138	--
Harris	69	--	Trading Post	138	--
Hi-Cross	138	--	Vega	138	--
Hidden Valley	138	--	Walnut Creek	138	--
Howard Lane	138	--	Warren	138	--
Jett	138	--	Wells Branch	138	--
Jollyville	138	--	Wheless Lane	138	--
Justin Lane	69	--	Williamson	138	--

Austin Energy does not report individual substation peak loads because temporary switching often renders a false annual peak for the given substation. Each substation has a typical set of loads that it serves. Exactly when those loads reach their maximum peak for the year is often unknown because it is masked by Control Center operators switching load in from adjacent substations during emergency conditions.

Prepared by: JA
Sponsored by: Elaina Ball

NXP/Samsung 5-30 Please clarify Austin Energy's response to NXP/Samsungs' RFI 1-31. RFI 1-32 requested AE to identify the timing of all alerts or rotating blackouts affecting ERCOT in the test year and the five previous years. Austin Energy responded that "the requested information is publicly available at http://www.ercotcom/services/comet/mkt_notices/notices/2014/01," however, the requested information is not provided at the referenced website. Please provide the precise location where the data may be found, including the specific URL which links to the necessary documents.

ANSWER:

Austin Energy's Response to NXP/Samsung's RFI No. 1-31 provides the appropriate website for locating the requested information of the timing of all alerts or rotating blackouts affecting ERCOT in the test year and the five previous years. No further clarification regarding this Response is necessary. To the extent this Response does not provide NXP/Samsung the information they are seeking, NXP/Samsung may request such specific information.

Prepared by: HW
Sponsored by: Mark Dombroski