

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

BEFORE THE CITY OF AUSTIN
IMPARTIAL HEARINGS
EXAMINER

**AE LOW INCOME CUSTOMERS' 9th SET OF REQUESTS FOR INFORMATION TO
AUSTIN ENERGY**

COMES NOW, Texas Legal Services Center ("TLSC") on behalf of AE Low Income Customers, requesting Austin Energy to respond to the following 9th set of Requests for Information set forth below relating to this case. Austin Energy is requested to serve its response to these Requests for Information on the attorney listed below no later than ten days after AE receives this request.

Definitions

As used in this introduction and in these questions,

1. "Communication" means any disclosure, transfer, or exchange of information, whether oral or written, of every kind including but not limited to, telephone calls, conferences, letters and all memoranda or other documents concerning the requested item.
2. "Austin Energy", the "utility," "AE", and "Applicant" refer to Austin Energy.
3. "You," "yours," and "your" refer to Austin Energy (as defined above), including its General Manager, managers, officers, employees, consultants, agents and attorneys.
4. "Document" and "documents" mean any written, recorded, filmed, or graphic matter, whether produced, reproduced, or on paper, cards, tapes, film, electronic facsimile, computer storage device of any other media, including, but not limited to, memoranda, notes, analyses, minutes, records, photographs, correspondence, telegrams, diaries, bookkeeping entries, financial statements, tax returns, checks, check stubs, reports, studies, charts, graphs, statements, notebooks, handwritten notes, applications, contracts, agreements, books, pamphlets, periodicals, appointment calendars, records and recordings of oral conversations, work papers observations, commercial practice manuals, reports and summaries of interviews, reports of consultants, appraisals, forecasts, tape recordings, or any form of recording that is capable of being transcribed into written form. A draft or non-identical copy is a separate document.
5. "Identify" has the following meanings depending on the context:
 - a. "Identify" when used with a natural person means to supply his or her name, last known residential and business addresses, last known residential and business telephone numbers, his or her present position, and his or her prior connection or association with any party to this proceeding. If the above information is unavailable, provide some other means of identifying the person and his or her present location.

- b. "Identify" when used with an entity means to provide its name, manner of organization (e.g., corporation, partnership, joint venture, etc.), address and telephone number.
 - c. "Identify" when used with a documents means to supply (i) the nature of the document (e.g., letter, memorandum, corporate minutes), (ii) the date, if any, appearing on the document, (iii) the date, if known, on which the document was prepared, (iv) the title of the document, including any jurisdictional styles and docketing numbers, if applicable, (v) the general subject matter of the document, (vi) the number of pages comprising the document, (vii) the identity of each person who signed or initialed the document, (viii) the identity of each person to whom the document was addressed, (ix) the identity of each person who received the document or reviewed it, (x) the location of the document and (xi) the identity of each person having custody of, or control over, the document. Identification of a document includes identifying all documents known or believed to exist, whether or not in the custody of CenterPoint or in the custody of its attorneys or other representatives or agents.
 - d. "Identify" when used with any other thing or matter means to provide a description with detail sufficient to allow a party to this action to identify it and determine its present location.
6. "FY" means fiscal year as utilized by AE and the City of Austin for budgeting purposes and for the council setting of AE electric rates that occur annually.
 7. "Council" or "City" means the Austin City Council.
 8. "Person" means any natural person. The term also means, whether formally organized or ad hoc, any business, organization, legal entity, or governmental entity.
 9. "Representative" means a general manager, officer,, employee, agent, spokesperson, or attorney of a person.
 10. The words "and" and "or" are to be construed conjunctively or disjunctively as necessary to give each request its broadest scope.
 11. The singular form of a word also refers to the plural, unless the context requires otherwise.
 12. "COS" means cost of service study AE presented as part of its rate case filing in this case.
 13. "TY" means test year and represents the time period AE relied upon in developing its cost of service study presented in this rate filing.

Instructions

1. Please answer the questions and sub-questions under oath and in the order in which they are listed and in sufficient detail to provide a complete and accurate answer to the question.
2. In answering these questions, furnish all information that is available to you, including information in the possession of your agents, employees, and representatives, all others from whom you may freely obtain it, and your attorneys and their investigators.
3. Please answer each question based upon your knowledge, information, or belief, and any answer that is based upon information or belief should state that it is given on that basis.
4. If you have possession, custody, or control (as defined by Tex. R. Civ. P. 192.7(b)) of the originals of these documents requested, please produce the originals or a complete copy

of the originals and all copies that are different in any way from the original, whether by interlineation, receipt stamp, or notation.

5. If you do not have possession, custody, or control of the originals of the documents requested, please produce copies of the documents, however made, in your possession, custody, or control. If any document requested is not in your possession or subject to your control, please explain why not, and give the present location and custodian of any copy or summary of the document.
6. If any question appears confusing, please request clarification from the undersigned counsel.
7. In providing your responses, please start each response on a separate page and type at the top of the page, the question that is being answered.
8. As part of the response to each question, please state, at the bottom of the answer, the name and job position of each person who participated in any way, other than providing clerical assistance, in the preparing of the answer. If the question has subparts, please identify the person or persons by subpart. Please also state the name of the witness or witnesses in this docket who will sponsor the answer to the question and who can vouch for the truth of the answer. If the question has subparts, please identify the witness or witnesses by subpart.
9. Rather than waiting to provide all of the responses at the same time, please provide individual responses as each becomes available.
10. These questions are continuing in nature. If there is a change in circumstances or facts or if you receive or generate additional information that changes your answer between the time of your original response and the time of the hearings, then you should submit, under oath, a supplemental response to your earlier answer.
11. If you consider any question to be unduly burdensome, or if the response would require the production of a voluminous amount of material, please call the undersigned counsel as soon as possible in order to discuss the situation and to try to resolve the problem. Likewise, if you object to any of the questions on the grounds that the question seeks confidential information, or on any other grounds, please call the undersigned counsel as soon as possible.
12. If the response to any question is voluminous, please provide separately an index to the materials contained in the response.
13. If any document is withheld under any claim of privilege, please furnish a list identifying each document for which a privilege is claimed, together with the following information: date, sender, recipients, recipients of copies, description of document, subject matter of the document, and the basis upon which such privilege is claimed.
14. If the information requested is included in previously furnished exhibits, workpapers, responses to other discovery inquiries or otherwise, in hard copy or electronic format, please furnish specific references thereto, including Bates Stamp page citations and detailed cross-references.
15. If you are asked to identify a document and you do not include a copy of the document with your response, please provide the following information (if applicable) about the document:
 - a. The identity of the person who signed it;
 - b. The identity of the person or persons to whom it was addressed;
 - c. The identity of the persons who prepared it;

- d. The title and substance of the document with enough detail to identify the document;
- e. The date of the document;
- f. The date the document was executed or prepared, if different from the date it bears; and
- g. If the document, or a copy of it, is not in your custody or control, the identity of the person who has control or custody of it or a copy of it.
- h. If the person to be identified is not a natural person (e.g. a corporation) give its name and address and principal business activity.

Request for Information

The definitions and instructions set out in this Request for Information apply to these questions. Unless specified otherwise in the RFI, these RFIs refer to the rate-filing package AE filed on January 25, 2016, including page (both section and Bates Stamp) references. Please include the Bates Stamp page number reference to any references to the rate filing package AE makes in responding to these RFIs.

- 9-1. Has AE pledged its revenues, including its revenues realized from its rate regulated services, for repayment of its bonds issued, in whole or in part, to fund non-utility operations?
- 9-2. Please provide the operational costs AE incurred in implementing its low income residential customer bill discount program for each of the last 10 FYs ending with FY 2015. Please include any costs AE may have incurred in contracting with any governmental entity including any city or county department to provide identification lists that could be matched with AE customer lists for purposes of determining eligibility for the low income residential customer bill discount program.
- 9-3. Please provide the number of AE low income customers AE served in its low income residential bill discount program for each of the last 10 FYs ending with FY 2015.
- 9-4. Please identify the number of AE employees had in the administration of its low income residential bill discount program for each of the last 10 FYs ending with FY 2015. For each employee identified, please include: the salary; the amount of benefits; and supervisory overhead of staff involved in administration of the low income customer discount program.
- 9-5. Volume 1, p. 542 of the City of Austin's approved budget for FY 2016 states that AE's regulatory charge rates were increased in part to recover "under-recoveries" of costs that AE seeks to be recovered by its regulatory charge rates. What was the amount of these "under-recovered" costs AE included in its calculated FY 2016 regulatory charge rates for recovery that were approved by the City of Austin for FY 2016. What is your understanding of the meaning of

“under-recovery” of costs as used in the FY 2016 COA approved budget language at p. 542 in discussion of the increase in regulatory charge rates.

9-6. Over what FY time periods did AE incur the “under-recovered” costs included for recovery in AE’s approved FY 2016 regulatory charge rates?

9-7. Please identify the amount of “under-recovered” costs identified in RFI No.9-6 and 9-5 by each FY AE identified in RFI No. 9-6.

9-8. For each FY identified in RFI No. 9-6, was AE able to cover the “under-recovered” costs, in whole or in part, referenced in RFI No. 9-7 in the FY when the costs were incurred. (In other words, was AE able to pay the “bills” left unpaid from revenues realized from its regulatory charge rates).

9-9. If the answer to RFI 9-8 is yes, please explain how AE was able to cover the costs, in whole or in part, of the “under-recovered” costs referenced above for each FY identified in RFI No. 9-6. In your explanation please address where the funds AE used to cover the costs came from in its business operations (such as account entry, a named reserve(s), operating balance, etc) as well as the amount of the cost “covered” in the FY.

9-10. Has AE guaranteed its revenues, including its revenues realized from its rate regulated services, for repayment of its bonds issued, in whole or in part, to fund non-utility operations? (Reference Bates Stamp p. 086).

9-11. Footnote 1 to Figure 4.5 set out at p. 4-72 of the rate filing package states, “The expectation is that total unrestricted reserves, excluding the Non-Nuclear Decommissioning Reserve and the CIP Fund, would be greater than or equal to 150 Days Cash on Hand, per rating agency measurement.” Please explain your understanding of “rating agency measurement” that is referenced in the footnote.

9-12. Does AE report financial information to rating agencies such as Moody’s Investors Service?

9-13. If the answer to RFI No. 9-12 is yes, do any of the rating agencies such as Moody’s Investors Service provide instructions and/or forms and/or formats on how AE is to report the financial information?

9-14. If the answer to RFI No. 9-13 is yes, please provide a copy of each such set of instructions and/or forms and/or formats that AE relied upon in reporting to any of the rating agencies during FY 2013, FY 2014, FY 2015, and FY 2016.

9-15. Please provide copies of any communication including power point, memoranda, emails and such other written communication as well as city video and/or audio recordings of any council meetings that AE provided information relating to the prepayment electric service pilot project and the prepayment electric service rates to members of the City of Austin Council and/or their aides previous to the Council’s final vote on AE’s proposed FY 2016 prepayment electric service rates.

9-16. In response to NXP/Samsung RFI No. 4-24, AE identified certain “New Service Residential and New Service Commercial” contributions in Aid of Construction (“CIAC”). AE’s answer also referred to a meter fee that was covered by CIAC. During the test year 2014 did AE

incur costs for New Service Residential and New Service Commercial that were not covered by CIAC? If so, please identify the costs AE incurred for New Service Residential and New Service Commercial; and for each type of cost, provide the following:

- a) The FERC number identification of where that cost was reported;
- b) Identify each place where that cost is located in the COS;
- c) Whether that cost, in whole or in part, if incurred in this FY is now covered by CIAC revenues, and if so, what is the amount of the cost included in TY 2014 that would now be covered by CIAC.
- d) If the cost referenced in Paragraph(c) is covered only in part, please explain how the part whose cost is covered with CIAC revenues was determined;

9-17. How many "new service" (as that term is used in AE's response to NXP/Samsung RFI No. 4-24) residential meters were added in the TY 2014?

9-18. Please provide the number of AE residential customers for each of the following FYs: FY 2013, FY 2014, FY 2015, and (budgeted) FY 2016.

9-19. Did AE include the sale of the land where Fayette Power Plant Project is located in its decommissioning cost study(ies) of the Fayette Power Project? If so, please identify in the rate filing package where these items were addressed.

9-20. Did AE include the \$14.5 million it received in connection with the sale of land in relation to the Master Development Agreement between the City of Austin and Constructive Ventures that is discussed in AE Response to Paul Robbin's 1st RFI No. 1-2.4.1 through 1-2.4.7 in this rate filing? If so, please identify the location(s) where the \$14.5 million is discussed and/or identified, in whole or in part. (See AE response to Paul Robbin's RFI No. 1-2.4.6 where AE stated, "Austin Energy received \$14.5 million on November 24, 2015.")

9-21. If the answer to RFI No. 9-20 is no, please explain why this amount was not included in AE's rate filing package. In your answer, please address why this adjustment wasn't made but AE made adjustments in its rate filing package based on FY 2016 and 2017 information?

9-22. Please identify what FERC account AE reported the \$14.5 million in revenues referenced in RFI No. 9-20 above.

9-23. Please identify each residential customer use AE knows for a smart meter capable of interval data recording.

9-24. Please identify each utility use AE knows for a residential smart meter capable of interval data recording.

9-25. In AE's response to ICA 1st RFI No. 1-20, AE states that AE's residential smart meters capable of interval data recovering is expected to grow to 100% within the next five years. Please explain how this will happen. In your explanation please address the estimated additional costs AE will incur in meeting this 100% expectation, including the cost of the components (including software and labor), and the estimated timeline.

9-26. In AE's response to Public Citizen/Sierra Club's 1st RFI No.1.1(B), AE failed to identify the demand and energy savings for the Electric Vehicle rebate program although AE identified this program as a program receiving rebates. Please provide the demand and energy savings for

the Electric Vehicle rebate program in the format provided by AE in reporting its savings by program by year in its response.

9-27. For those energy efficiency-funded programs identified in your response to Public Citizen/Sierra Club's 1st RFI No. 1.1(B), please provide the amount of annual avoided emissions by program for each of the same years relied upon by AE in its response. (Reference: See AE's reported avoided emissions report in its energy efficiency and solar section of its data library posted on its web site).

9-28. How many residential customers did AE include, assume, or rely upon for purposes of cost allocation in its rate filing? Except for separating out the number of residential customers into outside and inside city limits and to the extent AE used more than one numerical amount of residential customers in its rate filing package, please explain why different numerical amounts were used.

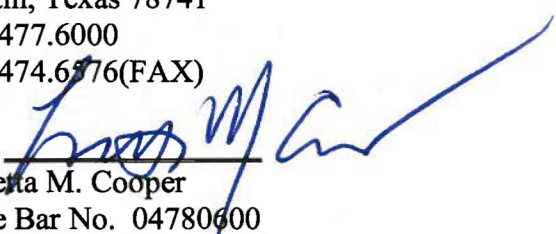
9-29. How many residential customers did AE have at the end of TY 2014?

9-30. How many total residential customers did AE assume for purposes of deriving the amount of revenues AE realized from its residential customer charge? Please identify the location(s) of the rate filing package where these calculations were made.

9-31. To the extent the number of residential customers identified in RFI No. 9-30 is different from the number of residential customers identified in RFI No. 9-29, please explain the discrepancy. In your explanation please address any calculations or adjustments AE made to address this issue in calculating its revenues realized from its residential customer charge.

Respectfully Submitted,

Texas Legal Services Center
2101 Interstate 35 South, Suite 300
Austin, Texas 78741
512.477.6000
512.474.6576(FAX)

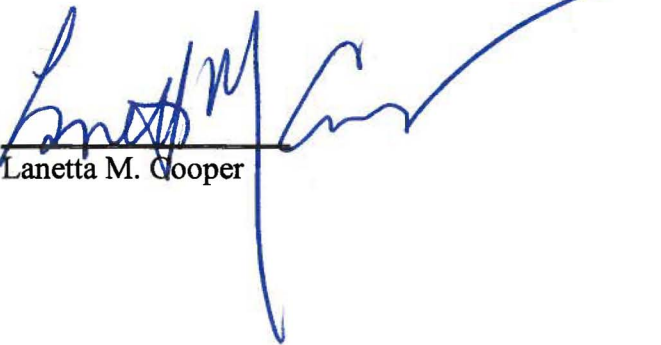
By: 
Laneta M. Cooper
State Bar No. 04780600
lcooper@tlsc.org; oyesapa@yahoo.com

Randall Chapman
State Bar No. 04129800
rchapman@tlsc.org

Attorneys for AE Low Income Consumers

CERTIFICATE OF SERVICE

The undersigned certifies that TLSC has served a copy of the attached document upon all known parties of record by email and to the Impartial Hearing Examiner on the 18th day of April 2016



Lanetta M. Cooper