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

AUSTIN ENERGY'S RESPONSE TO THE INDEPENDENT CONSUMER ADVOCATE'S SIXTH REQUEST FOR INFORMATION

Austin Energy ("AE") files this Response to The Independent Consumer Advocate's ("ICA") Sixth Request for Information submitted on April 11, 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 21st day of April, 2016, in accordance with the City of Austin Procedural Rules for the Initial Review of Austin Energy's Rates.

HANNAH M. WILCHAR

ICA 6-1 Please identify any electric utilities in Texas which divide the >10 kW secondary commercial class into separate 10 kW – 50 kW and 50 kW – 500 kW classes.

ANSWER:

Austin Energy is not aware of any electric utilities in Texas with the requested characteristics. However, AE has not researched this subject.

Prepared by: GR
Sponsored by: Mark Dombroski

ICA 6-2 Did Austin Energy consider the Texas PUC's generic customer classification for transmission-distribution utilities in determining appropriate rate classes? Please explain why the PUC's generic customer classes were not used as a template for the >10 kW secondary class.

ANSWER:

As noted in the Small Commercial Customer Demand Charge Study report (Appendix C at Bates Stamp 216), the PUCT's precedent on regulation of Transmission and Distribution Utilities and the rate design distinction made at 10 kW was considered in the development of the small commercial rate classes for AE. The development of AE's customer rate design was based on the unique characteristics of AE's customers and system. The Secondary Voltage Customer Classes report (Appendix L starting at Bates Stamp 680) provides the analysis and rationale used to evaluate possible breakpoints and supports the proposed secondary voltage customer classes.

Prepared by: GR
Sponsored by: Mark Dombroski

ICA 6-3 Please provide all assessments of customer impact produced by Austin Energy of the rate class decision set out in '6-1.'

ANSWER:

The impact assessments are detailed in the Secondary Voltage Customer Classes report found at Appendix L, Bates No. 680 of the RFP.

Prepared by: GR
Sponsored by: Mark Dombroski

ICA 6-4 For purposes of class cost of service, are all class revenues adjusted to reflect end of period number of customers? If yes, please provide workpapers for the adjustments. If no, for each class please provide customers by month and demand and energy base revenues by month (in excel spreadsheet format).

ANSWER:

Yes, all class revenues were adjusted to reflect end of period number of customers. Please see Attachments 1 and 2.

Attachment 1 summarizes the forecast model with respect to energy sales at the meter, as well as, total Net Energy for Load ("NEFL"). The forecast model was described in AE's Response to NXP/Samsung RFI No. 1-29 and ICA RFI No. 1-28. The attachment illustrates how energy sales are first adjusted for weather and subsequently adjusted for year-end customer counts. The total energy sales at the meter (page 1, column E, row 14) can be found on Attachment 2. Additionally, the attachment includes the NEFL adjusted for weather and year-end customer counts. The total NEFL (page 2, column M, row 14) can be found on Attachment 2.

Attachment 2 illustrates the calibration of customer class billing determinates to the aforementioned forecast model.

Attachment 3 includes Attachments 1 and 2 in Excel spreadsheet format.

Prepared by: JL/ZD
Sponsored by: Mark Dombroski

Sales_NDFormat
Bill Cycle Sales

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q
1	Year	Month	SalesGWH	SalesGWH_WA	SalesGWH_CCA	ResGWH_WA	ResGWH_CCA	ResBills	KWhPerResBill_WA	ComGWH_WA	ComGWH_CCA	ComBills	KWhPerComBill_WA	IndusGWH	IndGWH_CCA	IndBills	KWhPerIndBill
2	2013	10	1,084.5	***1,058.5***	1,058.8	346.38	352.74	378,561	915	522.60	524.44	46,850	11,155	189.48	181.58	24	7,894,917
3	2013	11	891.6	***936.1***	926.7	285.61	290.16	379,473	753	449.91	451.95	46,802	9,613	200.63	184.58	25	8,025,280
4	2013	12	964.4	***884.9***	883.5	257.51	261.00	380,352	677	443.21	445.92	46,730	9,485	184.21	176.53	24	7,675,250
5	2014	1	1,066.7	***1,024.9***	1,025.5	336.91	341.46	380,385	886	512.53	515.93	46,705	10,974	175.42	168.11	24	7,309,042
6	2014	2	946.9	***905.7***	903.8	293.02	296.18	381,405	768	465.67	466.74	46,907	9,927	146.97	140.84	24	6,123,625
7	2014	3	849.5	***836.9***	839.6	259.98	262.04	382,490	680	436.72	437.38	46,944	9,303	140.19	140.19	23	6,095,391
8	2014	4	876.6	***890.8***	885.3	253.64	255.74	382,352	663	460.29	460.05	47,039	9,785	176.89	169.52	24	7,370,417
9	2014	5	927.0	***950.7***	943.7	300.25	301.32	384,145	782	484.73	483.56	47,129	10,285	165.74	158.83	24	6,905,792
10	2014	6	1,104.0	***1,146.3***	1,153.9	411.01	411.29	385,252	1,067	549.16	548.02	47,113	11,656	186.15	194.61	22	8,461,182
11	2014	7	1,230.0	***1,266.8***	1,265.2	493.44	493.27	385,650	1,279	553.90	552.49	47,135	11,751	219.49	219.49	23	9,543,043
12	2014	8	1,306.7	***1,331.3***	1,329.1	521.45	520.46	386,246	1,350	619.61	618.35	47,111	13,152	190.29	190.29	23	8,273,348
13	2014	9	1,351.7	***1,343.0***	1,343.0	517.77	517.77	385,518	1,343	612.52	612.52	47,015	13,028	212.70	212.70	23	9,247,913
14	FY2014		12,599.7	12,575.9	***12,558.1***	4,276.9	***4,303.4***		11,162.7	6,110.8	***6,117.3***			2,188.1	***2,137.3***		
15																	
16	Notes:																
17	A.	SalesGWH_WA = ResGWH_WA + ComGWH_WA + IndusGWH															
18	B.	SalesGHW_CCA = ResGWH_CCA + ComGWH_CCA + IndGWH_CCA															
19	C.	ResGWH_CCA = ResBills (Year 2014, Month 9) * kWhPerResBill_WA															
20	D.	kWhPerResBill_SA = ResGWH_WA / ResBills															
21	E.	ComGWH_WA = ComBills (Year 2014, Month 9) * kWhPerComBill_WA															
22	F.	kwhPerComBill_WA = ComGWH_WA / ComBills															
23	G.	IndGWH_CCA = IndBills (Year 2014, Month 9) * kWhPerIndBill															
24	H.	kWhPerIndBill = IndGWH / IndBills															

Net to System Includes Line Loss

	A	B	C	D	E	F	G	H	I	J	K	L	M
1	Year	Month	NTSGWH	NTSGWH_Pred	NTSGWH_COS_Pred	NTSGWH_Diff	NTSGWH_COS	PeakMW	PeakMW_Pred	PeakMW_COS_Pred	PeakMW_COS_Diff	PeakMW_COS	NTSMWH_COS
2	2013	10	*1,039.0*	1,018.2	1,051.7	-33.5	1,072.5	*2,200*	2,130	2,196	-65.57	2,266	1,072,537
3	2013	11	*943.6*	930.0	888.4	41.6	902.0	*1,814*	1,817	1,786	30.71	1,783	902,042
4	2013	12	*1,056.8*	1,041.7	978.5	63.2	993.6	*2,003*	1,951	1,828	123.14	1,880	993,630
5	2014	1	*1,047.4*	1,059.6	1,015.5	44.1	1,003.3	*2,105*	2,053	1,831	222.68	1,882	1,003,319
6	2014	2	*933.7*	910.4	882.2	28.2	905.6	*2,098*	1,972	1,773	198.46	1,900	905,555
7	2014	3	*941.7*	913.1	917.9	-4.8	946.6	*2,066*	1,907	1,768	138.46	1,928	946,559
8	2014	4	*940.4*	940.1	957.0	-16.9	957.2	*1,946*	2,005	2,007	-2.70	1,949	957,235
9	2014	5	*1,060.1*	1,088.6	1,135.1	-46.5	1,106.6	*2,049*	2,120	2,257	-137.09	2,186	1,106,604
10	2014	6	*1,233.1*	1,233.5	1,281.5	-48.0	1,281.1	*2,282*	2,357	2,525	-168.08	2,450	1,281,098
11	2014	7	*1,333.9*	1,340.6	1,374.3	-33.8	1,367.6	*2,465*	2,426	2,544	-118.68	2,584	1,367,637
12	2014	8	*1,409.2*	1,456.2	1,464.1	-7.9	1,417.1	*2,578*	2,594	2,633	-38.95	2,617	1,417,058
13	2014	9	*1,206.7*	1,209.4	1,205.8	3.6	1,203.1	*2,475*	2,462	2,497	-34.92	2,510	1,203,101
14			13,145.7	13,141.32	1,055.27		13,156.4	2,578				2,617	13,156,375

Class	Sales kWh Adjusted for Weather and Year End Customers		Adjust Bill Cycle Data with UPLAN Production Plan		Normalized for Weather and Year End Customers	Reference
Residential	4,303,429,561	+	-98,147,197	=	4,205,282,364	WP H-5.1
Secondary Voltage < 10 kW	257,536,142	+	-3,838,238	=	253,697,904	WP H-5.2
Secondary Voltage ≥ 10 < 300 kW	2,577,969,820	+	97,686,352	=	2,675,656,172	WP H-5.3
Secondary Voltage ≥ 300 kW	2,589,495,496	+	13,016,737	=	2,602,512,233	WP H-5.4
Primary Voltage < 3 MW	549,227,627	+	-7,252,043	=	541,975,584	WP H-5.5
Primary Voltage ≥ 3 < 20 MW	681,943,155	+	-8,965,184	=	672,977,971	WP H-5.6
Primary Voltage ≥ 20 MW	1,291,850,979	+	13,569,252	=	1,305,420,231	WP H-5.7
Primary Voltage ≥ 20 MW @ 85% aLF		+	0	=		WP H-5.8
Transmission Voltage	26,223,785	+	-3,240,885	=	22,982,900	WP H-5.9
Transmission Voltage ≥ 20 MW @ 85% aLF	228,411,714	+	-284,341	=	228,127,372	WP H-5.10
Service Area Street Lighting	34,641,791	+	372,012	=	35,013,803	WP H-5.11
City-Owned Private Outdoor Lighting	12,810,212	+	-432,433	=	12,377,779	WP H-5.12
Customer-Owned Non-Metered Lighting	1,698,913	+	22,520	=	1,721,433	WP H-5.13
Customer-Owned Metered Lighting	2,817,264	+	-14,083	=	2,803,181	WP H-5.14
Total Energy @ Meter	12,558,056,459				12,560,548,927	
GWh Sales	12,558.1				12,560.6	
Forecast Model	12,558.1					
Variance	0					
Add Line Loss (GWh)					595.8	WP F-6.1.2
Energy @ Generator					13,156.4	WP F-6.1
Forecast Model					13,156.4	
Variance					0	

ICA 6-5 With respect to economic development programs, please provide:

A. total expenditures for incentives, grants, discounts, or construction aid to attract new electric customers or assist in the expansion of customers' existing load;
B. please provide a breakdown of 'A' by type of expenditure.
C. please provide a breakdown of 'A' by customer class (i.e., number of customers assisted by class and kWh of customers assisted by class).

ANSWER:

By agreement of the parties, Austin Energy will respond to ICA RFI No. 6-5 on April 22, 2016.

Prepared by: -
Sponsored by: -

ICA 6-6 Please provide a thorough explanation of how CAP customer revenues and revenues to pay for CAP discounts are accounted for in the existing and proposed base revenues.

ANSWER:

The existing and proposed base revenues shown on WP G-10.2 reflect the application of the CAP discount for certain residential customers in column B (i.e., reduced revenues from these customers). This is shown in detail on WP H-5.1.

WP G-10.2 does not show the use of CAP fee revenues to pay for the base revenue portion of this discount.

Prepared by: GR
Sponsored by: Mark Dombroski

ICA 6-7

A. With respect to the answer to ICA 4-10, is the infrastructure cost for the disaster recovery center part of the 311 program?
B. Do the departmental payments for 311 directly pay for the infrastructure costs of the disaster recovery center?
C. Is the disaster recovery center used by departments other than the electric utility (such police, fire, water and wastewater, etc.) Please explain.

ANSWER:

A. Yes, the infrastructure cost for the disaster recovery center is part of the 311 program.
B. Yes, the infrastructure costs are part of the overall 311 budget that is allocated to the participating departments based on the allocation methodology explained in AE's Response to NXP/Samsung RFI No. 3-6.
C. The disaster recovery center is only utilized by Austin Energy.

Prepared by: IB
Sponsored by: Kerry Overton