

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 HOMEOWNERS UNITED FOR RATE
FAIRNESS'S FIRST REQUEST FOR INFORMATION**

Austin Energy ("AE") files this Response to Homeowners United for Rate Fairness's ("HURF") First Request for Information submitted on April 19, 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.**

816 Congress Avenue, Suite 1900

Austin, Texas 78701

(512) 322-5800

(512) 472-0532 (Fax)

tbrocato@lglawfirm.com

hwilchar@lglawfirm.com



THOMAS L. BROCATO

State Bar No. 03039030

HANNAH M. WILCHAR

State Bar No. 24088631

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 29th 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
2016 APR 32 AM 7:47

HURF 1-1 Please describe the reason for the difference between the settlement amount in PUC docket 406727 of \$5,751,893 in rate reductions and the proposed suburban customer discount totaling \$5,816,209 in this proceeding.

ANSWER:

Austin Energy used the current rate differential between inside and outside customers and applied it to the proposed rate to develop the proposed outside rate. This produced a discount that was not materially different from the settlement amounts agreed to in PUC Docket No. 40627. Please refer to Austin Energy's Report to Council section 6.3 beginning on bates stamp 135 and section 6.5.2 beginning on bates stamp 144.

Prepared by: MM
Sponsored by: Mark Dombroski

HURF 1-2 How is this difference allocated among customer classes?

ANSWER:

Please see AE's response to AELIC 8-1.

Prepared by: MM
Sponsored by: Mark Dombroski

HURF 1-3 In the statement, on page 6-17 of the Tariff package, “[f]urther, Austin Energy designed the proposed rates for customers outside the City limits to approximate the current differentials between inside and outside City limits rates as well as the overall revenue generation differential implied in the settlement in PUCT Docket No. 40627”, what is meant by the phrases, “current differentials” and overall revenue generation differential implied”?

ANSWER:

The Austin Energy rate design for the rate proposal maintains the total revenue differentials agreed to in PUCT Docket 40627. The allocation of the savings between CBC and base revenues were adjusted due to changes in the CBC rate calculation, the proposed flattening of the residential tiers in the base rate component, and the redefinition of the Secondary Voltage -2 & - 3 classes.

Prepared by: JHO
Sponsored by: Mark Dombroski

HURF 1-4 In 1-3 above, how were these differentials approximated?

ANSWER:

The rate differentials are based on the difference between the inside city versus outside city rates, multiplied by the outside city billing determinants (kWh). In the AE rate proposal, the rate differentials were maintained solely within the energy charges. For the residential class, the base rate savings total \$3,682,646 and the CBC savings totaled \$1,810,226. Therefore, the outside city residential rate savings totaled \$5,492,871, compared to \$5,500,000 in the settlement.

Please see AE's response to AELIC 8-1.

Prepared by: JHO
Sponsored by: Mark Dombroski