

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

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BEFORE THE CITY OF AUSTIN
IMPARTIAL HEARINGS
EXAMINER

AELIC'S RESPONSE TO AUSTIN ENERGY'S THIRD REQUEST FOR INFORMATION

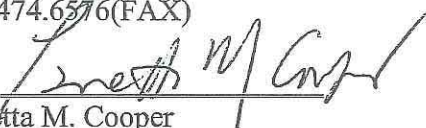
To Austin Energy:

Attached are AELIC's responses to Austin Energy's Third Request for Information filed on May 9, 2016.

Respectfully Submitted,

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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 15th day of May 2016


Lanetta M. Cooper

AUSTIN ENERGY

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AELIC Response to AE RFI No. 3-1

AE 3-1 On page 6 of its Statement of Position, AE Low Income Customers determined that “[First tier] [r]ates should be significantly below cost.” Please define what rate would be considered significantly below cost. Please provide detailed calculations that demonstrate the appropriate “below cost” rate and provide any research or other evidence that supports this rate.

Answer: A rate considered significantly below cost would be a first tier rate in a multiple inverted block rate structure used to allocate costs within the customer class whose class costs were determined by relying upon an imbedded cost of service analysis to allocate costs to the customer classes. The size of any fixed charges in a rate design would also be a consideration in determining the rate to be set in the first tier to ensure the first tier rate is below the average per kWh base rate classified costs to serve that class and is below the average per kWh base rate for the 2nd tier in the multiple inverted block rate structure. See also AELIC’s response to AE RFI No.1-2.

AE is requesting AELIC prepare documents that contain calculations that AELIC would make to demonstrate the appropriate “below cost” rate as well as provide any research or other evidence that supports this calculated rate. 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. AELC does not possess a document where it has calculated a demonstrated “below cost” rate except AELIC does point out that AE has calculated a “below cost” rate as reflected in its current standard residential non-summer rate tariff for the 1st tier inside city residential rate payers that is posted on AE’s website and is set out in its rate filing package. Since AE has not calculated a below cost rate, it has no supporting research or other evidence in relation to an AELIC-calculated below cost rate. Further, AE is in possession of the research needed to calculate a below cost rate.

Prepared by: LMC

Sponsored by: Lanetta Cooper

AELIC Response to AE RFI No. 3-2

AE 3-2 Please define “OPC” as used on page 6 of AE Low Income Customers’ Statement of Position. If the definition is the Texas Office of Public Counsel (“Office”), please describe in detail how the Office assisted AE Low Income Customers in the preparation of AELIC’s Statement of Position and any other analysis, testimony, request for information, or other filing or pleading that has already been filed or is in development to be filed.

Answer: The acronym “OPC” set out at p. 6 is an inadvertent error. The acronym should be “AELIC”. The definition as used in the Statement is not the Texas Office of Public Utility Counsel, but is AELIC.

AE 3-3 Please quantify the impact Austin Energy's proposed Street Area Lighting charge will have on Secondary Voltage customers and provide a detailed explanation of how the bill impact of the SAL charge exacerbates "affordability concerns." See page 6 of AE Low Income Customers' Statement of Position.

Answer: This RFI is asking AELIC to prepare documents that quantify the impact AE's proposed Street Area Lighting charge will have on Secondary Voltage customers. 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. AELIC does not possess a document where it has quantified the impact that AE's proposed Street Area Lighting charge will have on Secondary Voltage customers. However, AE has already included in its rate filing package a quantification of the impact to the secondary voltage customers caused by the proposed Street Area Lighting charge. See Schedule G-9; WP H-5.2; Schedule G-10; Schedule G-7; Schedule G-6; Schedule H-5.1. Schedule H-5.1 shows that residential customers paid \$3,013,019 under current SAL rates and AE proposes to increase the amount by \$1,670,220 to almost \$5 million. Part of the increase involves inside city rate payers subsidizing outside city ratepayers who are not charged the SAL rates. The \$1.67 million increase represents about 3.15% of the \$53 million AE alleges it will under recover from the residential class under its adjusted TY 2014 COS rates.