

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  
2016 MAY 20 AM 11:27

**REBUTTAL TESTIMONY**  
**OF**  
**DEBORAH KIMBERLY**  
**ON BEHALF OF AUSTIN ENERGY**

**MAY 20, 2016**

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## **EXHIBITS**

DK-1          Resume

1 **I. INTRODUCTION**

2 **Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

3 A. My name is Deborah Kimberly. My business address is Town Lake Center, 721  
4 Barton Springs Road, Austin, Texas 78704.

5 **Q. BY WHOM ARE YOU EMPLOYED AND IN WHAT POSITION?**

6 A. I am employed by the City of Austin as Austin Energy's ("AE") Vice President of  
7 Customer Energy Solutions.

8 **Q. ON WHOSE BEHALF ARE YOU TESTIFYING?**

9 A. I am testifying on behalf of Austin Energy.

10 **Q. DID YOU PREPARE THIS TESTIMONY?**

11 A. Yes. This testimony was prepared by me or under my direct supervision.

12 **Q. PLEASE DISCUSS BRIEFLY YOUR EDUCATIONAL BACKGROUND,**  
13 **PROFESSIONAL EXPERIENCE, AND QUALIFICATIONS.**

14 A. I earned a Bachelor of Science in International Relations from Stanford University  
15 and a Masters in International Management from Thunderbird School of Global  
16 Management.

17 I have 34 years of experience in the electric utility field. I joined Austin  
18 Energy in January 2013 as the Vice President of Distributed Energy Services—now  
19 known as Customer Energy Solutions. Prior to that, I worked for Salt River Project  
20 ("SRP") in Phoenix, Arizona. SRP is the third largest public power utility in the  
21 nation. At SRP I held a variety of management and executive positions in a range of

1 functions, including financial services, sustainability, strategic planning, marketing,  
2 and human resources.

3 I serve on the Electric Power Research Institute's Power Delivery &  
4 Utilization Sector Council and am a Board member and Treasurer of the South  
5 Central Partnership for Energy Efficiency as a Resource ("SPEER"). Additionally, I  
6 am a Board member of the Association of Women in Energy and a member of Solar  
7 Austin. I am also a past member of the Large Public Power Council (past Treasurer  
8 and Chair of the Tax and Finance Task Force) and past member of the Consortium for  
9 Energy Efficiency Program Advisory Council.

10 **Q. WHAT ARE YOUR RESPONSIBILITIES AS VICE PRESIDENT OF**  
11 **CUSTOMER ENERGY SOLUTIONS?**

12 A. I am responsible for directing all operations related to AE's demand-side  
13 management programs (energy efficiency or conservation programs and peak load  
14 management programs). My organization is also responsible for residential and  
15 commercial customer-sited solar programs and the community solar program, which  
16 is under development. Other organizations that report to me are Key Accounts  
17 Management, Product Development and Business Intelligence, and Green Building  
18 and Emerging Technologies, which includes management of AE's Electric Vehicle  
19 program. Austin Energy's demand-side management and solar programs have  
20 achieved national recognition for their success and have won numerous state and  
21 national awards.

22 **Q. HAVE YOU PROVIDED AN ATTACHMENT THAT DETAILS YOUR**  
23 **EDUCATIONAL BACKGROUND AND PROFESSIONAL EXPERIENCE?**

24 A. Yes. I provide this information in Exhibit DK-1 to my testimony.

1                                   **II.        PURPOSE OF REBUTTAL TESTIMONY**

2   **Q.        WHAT IS THE PURPOSE OF YOUR REBUTTAL TESTIMONY?**

3   A.        My rebuttal testimony discusses the following policy issues raised in intervenors’  
4               testimony and presentations:

- 5               1.        The issue of expanding the Value of Solar (“VOS”) tariff to commercial  
6                       customers as raised by Public Citizen and Sierra Club (“PCSC”) in their  
7                       position statement;
- 8               2.        The issue of establishing a Value of Community Solar (“VOCS”) tariff as  
9                       raised by PCSC in their position statement;
- 10              3.        The concerns expressed in Jim Rourke’s initial party presentation related to  
11                       the current Value of Solar rider;
- 12              4.        PCSC’s proposal to increase and expand the energy efficiency services fee;  
13                       and
- 14              5.        Some of the concerns raised by the Independent Consumer Advocate (“ICA”)  
15                       related to below average customer satisfaction. The remainder of the ICA’s  
16                       concerns about customer satisfaction will be addressed in Kerry Overton’s  
17                       testimony.

18                                   **III.        VALUE OF SOLAR ISSUES**

19   **A.        Commercial**

20   **Q.        WHAT DOES PCSC RECOMMEND WITH RESPECT TO A VALUE OF**  
21               **SOLAR TARIFF FOR COMMERCIAL CUSTOMERS?**

22   A.        PCSC recommends that Austin Energy expand the VOS tariff to commercial  
23               customers.

24   **Q.        WHAT IS YOUR RESPONSE TO PCSC’S RECOMMENDATION?**

25   A.        Austin Energy is open to discussing the idea of expanding the VOS concept to  
26               commercial solar projects as a replacement for the currently offered net metering and  
27               Performance Based Incentives (“PBIs”). However, before any such change is made,  
28               there are numerous issues to consider.

1 For example, commercial solar systems can be as much as 500 times the size  
2 of a residential system, and, thus, have very different impacts on the distribution grid.  
3 Therefore, before expanding the VOS option, its transmission and distribution  
4 (“T&D”) component would need to be more closely scrutinized to ensure that both  
5 the costs and benefits of these large solar installations are reflected in the VOS.

6 In addition, the environmental component would need to be revisited in order  
7 to reflect more accurately the avoided cost of environmental compliance, and whether  
8 the customers would like to keep the environmental attributes or assign them to  
9 Austin Energy and receive credits.

10 It is also important to note that some of the conclusions PCSC makes in order  
11 to justify the expansion of the VOS are erroneous. For example, PCSC’s filing  
12 critically notes that “[c]ommercial customers with load profiles that skew toward  
13 nighttime consumption are not able to realize the same compensation for on-site solar  
14 energy production as commercial customers with load profiles that are skewed toward  
15 daytime hours.”<sup>1</sup>

16 In fact, this is appropriate. Customers with higher nighttime loads but  
17 daytime solar production would be creating additional demands on the distribution  
18 grid rather than reducing them through self-production. One potential solution would  
19 be to require commercial customers to size their systems to their daytime load  
20 because doing otherwise could cause adverse effects on the distribution grid,  
21 including from backfeeding across transformers.

22 It is also important to note that the PCSC’s testimony seems to conflate the  
23 program goals of the PBI with those of the VOS. However, the PBI is not intended to

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<sup>1</sup> Public Citizen and Sierra Club’s Position Statement/Presentation on the Issues at 21 (May 3, 2016).

1 provide fair compensation for solar production; it is intended to provide an incentive  
2 to commercial customers to adopt solar technology. In fact, the PBI is more akin to  
3 rebates offered to residential customers to offset some of the costs of installing  
4 rooftop solar installations. Rates and incentives should not be conflated.

5 Ultimately, I agree that Austin Energy should review solar rates, with  
6 stakeholder input, to determine if a commercial VOS tariff would be appropriate. It  
7 will be important though to analyze carefully how the tariff would differ from the  
8 residential VOS tariff and if a different rate structure would be more appropriate.

9 **Q. DO YOU AGREE WITH PCSC'S JUSTIFICATION FOR A COMMERCIAL**  
10 **VOS TARIFF?**

11 A. Not entirely. The residential VOS was also implemented to solve a problem unique  
12 to AE's tiered residential rates, which are almost entirely volumetric (based on kWh  
13 of consumption), and do not transparently reflect fixed costs to serve the customer.  
14 Commercial rates already more accurately reflect the true cost of services, with fixed  
15 and variable costs reflected on their bills through demand charges. Simply applying  
16 the residential VOS to commercial customers would not be appropriate without  
17 further study.

18 All commercial solar customers are currently able to benefit from reduced  
19 demand for electricity from the grid, and a corresponding lower electric bill from  
20 Austin Energy, as a result of their solar generation. In addition, commercial  
21 customers are able to apply for the commercial solar incentive program and receive  
22 PBI credits if they meet program requirements, as PCSC mentions.

23 I disagree with PCSC's assertion that AE's treatment of compensation for  
24 solar production is inequitable. As with all rate setting, AE identifies customer

1 classes with similar characteristics. When it comes to commercial solar customers,  
2 the tariffs reflect two groups—those with small (< 20 kW) solar systems, and those  
3 with larger (> 20 kW) solar systems. While the 20 kW split is an artifact of the solar  
4 incentive program which was previously capped at 20 kW per site, the small  
5 commercial solar group generally aligns with the commercial Secondary Voltage  
6 < 10 kW rate class, a rate class which does not pay a demand charge. The large solar  
7 commercial group generally corresponds with rate classes that are assessed a demand  
8 charge.

9           Small commercial customers with less than 20 kW of solar qualify for net  
10 metering and are compensated for production that exceeds their onsite consumption at  
11 retail rates. In other words, any excess generation the small commercial customers  
12 put back onto the grid is credited against what they consume from the grid at their  
13 retail volumetric rates.

14           Customers with more than 20 kW solar systems do not receive compensation  
15 for their excess generation that is pushed back onto the grid, but are able to offset  
16 their would-be grid purchases with on-site solar generation, reducing their electric  
17 bill.

18           The tariff is designed, in part, to encourage customers to size their PV system  
19 to match their actual daytime energy demand from the grid so they are largely self-  
20 consuming, rather than pushing power back onto the grid. This can create power  
21 quality issues and extra costs on the distribution system. While smaller commercial  
22 systems (< 20 kW) have relatively low impact on the grid, similar in scale as  
23 residential solar customers. Large commercial solar installations, though, can be



1 several hundred times the size of a residential system, and thus, have a significantly  
2 different impact on the distribution grid and power quality.

3 In consideration of these impacts, when the commercial solar incentive  
4 program was expanded from a 20 kW project cap to 200 kW cap, it was determined  
5 that full retail net metering would not be appropriate for these new, larger systems.  
6 Many of the small commercial solar systems that had already been installed, though,  
7 are small businesses that do not have consistent daytime loads. Moving those  
8 customers off of retail net metering at that time could have created a sudden change  
9 to the economics of their installation. Therefore, small commercial solar customers  
10 retained full retail net metering to prevent sudden adverse impacts to those customers.

11 While PCSC rightly notes that the 20 kW cutoff may mean certain customers  
12 will not choose to install large solar systems—particularly those customers who are  
13 closed some days of the week and, therefore, do not have sufficient energy demand to  
14 use the energy on site during those times—I disagree that this is inherently unfair.  
15 The rate is designed to encourage customers to size systems to meet their coincident  
16 onsite load, not to produce as much as they use onsite at any time, as PCSC states  
17 they should.

18 **Q. PLEASE SUMMARIZE YOUR COMMENTS ON THE APPROPRIATENESS**  
19 **OF ESTABLISHING A COMMERCIAL VOS TARIFF.**

20 A. While I disagree with some of PCSC's rationale for seeking a commercial VOS tariff,  
21 I do support the need for a comprehensive review of AE's solar rate structures.  
22 Austin Energy suggests undertaking a holistic review of both residential and  
23 commercial solar rates and supporting technologies such as smart inverters, panel  
24 orientation, storage, and demand response. Analysis is needed to determine what

1 rates and incentives would be appropriate to provide fair compensation to solar  
2 customers, prevent cost-shifting amongst customers, mitigate negative impacts on the  
3 distribution grid, encourage the use of technologies or system design to provide local  
4 grid benefits, reduce costs, etc. This will require time for stakeholder engagement  
5 and analysis, and could result in development of a glide path to implementation of  
6 new rates to prevent sudden changes to customers' bills or utility costs.

7 **B. Community Solar**

8 **Q. WHAT DOES PCSC RECOMMEND WITH RESPECT TO COMMUNITY**  
9 **SOLAR?**

10 A. PCSC recommends establishing a VOCS tariff as part of this rate case, rather than  
11 apart from this base rate review, to ensure transparency and provide opportunities for  
12 meaningful public input. PCSC supports a community solar program that allows  
13 customers to pay upfront or monthly subscription fees for capacity at the community  
14 solar installation and be compensated for production capacity based on a VOCS tariff.

15 **Q. WHAT IS THE CURRENT TIME FRAME OF THE COMMUNITY SOLAR**  
16 **PROJECT?**

17 A. Austin Energy expects construction to be completed on the first community solar  
18 project by December 30, 2016. Austin Energy is currently researching what  
19 community solar subscription model would be most desirable to potential program  
20 participants and compatible with AE's billing system and regulatory requirements.  
21 The model chosen will dictate the tariff needed. Austin Energy is working to  
22 complete the community solar tariff development in time to submit it with the  
23 FY 2017 budget review package, along with the rest of the AE electric tariffs.

1 Q. WILL THE PAYMENT STRUCTURE ULTIMATELY BE APPROVED BY  
2 THE AUSTIN CITY COUNCIL?

3 A. Yes, the payment structure and related tariff will be approved by Austin City Council.

4 Q. DO YOU BELIEVE THAT THE IMPARTIAL HEARING EXAMINER  
5 SHOULD MAKE A RECOMMENDATION ABOUT THE PAYMENT  
6 STRUCTURE FOR THE COMMUNITY SOLAR PROJECT?

7 A. No, for the reasons discussed in my testimony, it is premature to make such a  
8 recommendation.

9 C. Residential

10 Q. HOW DOES MR. ROURKE SUGGEST THAT THE IMPARTIAL HEARING  
11 EXAMINER ADDRESS THE CURRENT VALUE OF SOLAR TARIFF?

12 A. Mr. Rourke suggests that the IHE should recommend that City Council require Austin  
13 Energy to revise the VOS tariff to make it clearer.

14 Q. DO YOU AGREE WITH MR. ROURKE'S ASSERTION THE CURRENT VOS  
15 RIDER "PROVIDES NO USEFUL INFORMATION TO RESIDENTIAL  
16 CUSTOMERS"?

17 A. No. The formula behind the VOS calculation, used in the VOS rider, is publicly  
18 available, and is provided to the Electric Utility Commission ("EUC") each year  
19 along with the newly calculated value, before being approved and integrated into the  
20 tariff package, which is then presented to Council for approval. Customers or other  
21 stakeholders are able to provide feedback on the VOS calculation or methodology  
22 during public hearings at the EUC and Council meetings.

1           The general methodology, calculated VOS, and VOS rate (which is a rolling  
2 average) are provided in the tariff, along with information on how the tariff will be  
3 applied and relevant restrictions. Further detail is also available on the Austin Energy  
4 website for those customers seeking to better understand the tariff.

5           The detailed methodology and calculations are not appropriate tariff language,  
6 and could be confusing to customers.

7   **Q.   IF AUSTIN ENERGY WERE TO PROVIDE A MORE DETAILED TARIFF**  
8   **DESCRIPTION, WHAT WOULD AUSTIN ENERGY RECOMMEND?**

9   A.   If a more detailed description were to be included in the tariff language, AE suggests  
10 more clearly identifying and defining the components of the formula, providing a  
11 table, and setting forth the calculated value for that year. An example is shown  
12 below:

13                                   **VOS Methodology**

14   The Value of Solar is calculated annually based on the following components:

- 15   • Energy Value – an avoided cost of energy to meet electric loads as well as  
16   transmission and distribution losses, based on the solar production profile. This is  
17   inferred from ERCOT wholesale market price data and future natural gas prices.
- 18   • Plant O&M Value – an avoided cost associated with natural gas plant operations  
19   and maintenance by meeting peak load through customer-sited renewable  
20   resources.
- 21   • Generation Capacity Value – an avoided cost of capital by meeting peak load  
22   through customer-sited renewable resources, inferred from ERCOT market price  
23   data.
- 24   • Transmission and Distribution Capacity Value – savings in transmission costs  
25   resulting from the reduction in the peak load by locally-sited renewable resources.
- 26   • Environmental Compliance Value – an avoided cost to comply with  
27   environmental regulations and local policy objectives.

These are calculated as follows:

$$\text{Energy Value} = \frac{\sum (\text{Implied Heat rate} * \text{Gas Price} * \text{PV Production} * \text{Risk Free discount factor})}{\sum (\text{PV Production} * \text{Risk Free discount factor})}$$

$$\text{Guaranteed Fuel Value} = \text{Energy Value} * (1 + \text{Loss factor})$$

$$\text{Plant O \& M value} = \frac{(\sum (\text{O \& M Cost} * (1 + \text{Inflation})^{\text{year}} * \text{PV Capacity} * \text{Risk Free discount factor})) * (1 + \text{Loss factor})}{\sum (\text{PV Production} * \text{Risk Free discount factor})}$$

$$\text{Generation Capacity value} = \frac{(\sum (\text{Annual Capital carrying cost} * \text{PV capacity} * \text{Risk Free discount factor})) * \text{load match} * (1 + \text{Loss factor})}{\sum (\text{PV Production} * \text{Risk Free discount factor})}$$

$$\text{Avoided Transmission cost} = \frac{(\sum (\text{Transmission cost} * \text{PV capacity} * \text{Risk Free discount factor})) * \text{load match} * (1 + \text{Loss factor})}{\sum (\text{PV Production} * \text{Risk Free discount factor})}$$

where **Transmission cost** is Austin Energy contribution to ERCOT TCost

$$\text{Environmental Compliance Value} = \$0.02 / \text{kWh}$$

based on average premium paid in voluntary green power purchasing programs in Texas.

#### IV. ENERGY EFFICIENCY SERVICES CHARGE

**Q. WHAT RECOMMENDATION DOES PCSC OFFER WITH RESPECT TO THE ENERGY EFFICIENCY SERVICES (“EES”) CHARGE?**

A. PCSC recommends a uniform \$0.00280 per kilowatt hour charge for all customer classes, with a slight adjustment for voltage—a 2.5% discount for primary customer classes and a 3.5% discount for transmission level customers. PCSC’s proposal would result in Austin Energy collecting an additional \$9 million through the EES charge.

It should be noted that PCSC’s discussion of AE’s EES fee is outside the scope of this proceeding. AE’s EES Fee is included in its Community Benefit Charge (“CBC”). According to the IHE’s Memorandum No. 11, whether costs included in the CBC should be increased or decreased is *not* included within the scope of this proceeding. Therefore, AE has filed a motion to strike intervenor testimony related to

1 this subject. Because that motion has not been ruled upon, I am responding to  
2 PCSC's arguments in my rebuttal testimony.

3 **Q. HAS PCSC ACCURATELY DESCRIBED THE HISTORY OF CITY**  
4 **COUNCIL ACTION WITH RESPECT TO THE STATED GOALS FOR**  
5 **AUSTIN ENERGY'S PEAK DEMAND REDUCTION?**

6 A. In general, the history is accurately described. However, as to the potential to achieve  
7 1000 MW of energy efficiency and demand response by 2025, the 2014 Generation  
8 Resource Plan states:

9 **If affordable and available**, Austin Energy would attempt to  
10 obtain more energy efficiency and demand reduction, and  
11 obtain at least 800 MW of energy efficiency and 200 MW of  
12 demand response for a total of 1000 MW – by 2025. **Any**  
13 **demand response that is contracted by other parties in**  
14 **Austin Energy's service territory will also count toward the**  
15 **goal established by this plan.** [Emphasis added]

16 **Q. WHAT JUSTIFICATION DOES PCSC PROVIDE FOR PROPOSING A**  
17 **DIFFERENT RATE FOR THE EES CHARGE?**

18 A. PCSC believes that AE is setting the EES too low to reach the solar and energy  
19 efficiency goals set by City Council.

20 **Q. IS IT PCSC'S BELIEF THAT THE EES RATE WILL PREVENT AE FROM**  
21 **REACHING COUNCIL'S GOALS ACCURATELY?**

22 A. No. In fact, AE has made significant progress toward meeting Council's 2014 goals  
23 without the use of additional rebates funded by the EES fee. Of particular note, AE's  
24 Green Building and Energy Code work has resulted in significant savings, especially  
25 given the rapid growth in customers and new construction. These programs do not  
26 rely on rebates, but rather on the technical expertise of AE staff.

1           Additionally, AE recently began offering access to ERCOT's Emergency  
2       Response Service program to large industrial customers. This is a statewide program  
3       which AE acts as a Qualified Scheduling Entity and pays customers to curtail their  
4       loads in the event of energy emergencies. These payments are funded by ERCOT.  
5       AE is also implementing behavioral programs that promote conservation and load  
6       shifting, without providing rebates or incentives. This is a promising and increasingly  
7       utilized approach to achieving demand side management ("DSM") goals while  
8       ensuring prices remain affordable and competitive for all AE customers.

9           Finally, AE has no incentive to recover more monies from its customers than  
10      it can spend. During the FY 2016 budget process, AE reduced the EES tariff because  
11      revenues collected from customers exceeded program incentive and administration  
12      costs, while achieving goals. As such, AE anticipates a three year reduction in the  
13      EES rate to align more closely the program goals and budgets, an effort which will  
14      benefit all customers.

15   **Q.     DID AUSTIN ENERGY INCLUDE ANY PROPOSED MODIFICATIONS TO**  
16   **THE EES CHARGE STRUCTURE IN ITS RATE FILING PACKAGE?**

17   A.     Yes. Austin Energy's proposed structure for the EES tariff is based on consumption.  
18       While Commercial customers account for 66% of kWh consumption, they only  
19       receive 40% of the rebates/incentives. In other words, commercial customers are  
20       funding over half of the residential rebates.<sup>2</sup>

21           Austin Energy is concerned that the rate structure as initially proposed will  
22       exacerbate the cross-subsidization of residential customers by commercial customers.

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<sup>2</sup>       For the purposes of this depiction, multifamily customers and rebate recipients are classified as residential customers.

1 Therefore, AE is proposing to allocate the program costs using a three-year average  
2 of the total EES rebate costs, divided into residential and non-residential. The three-  
3 year averages are 65.79% for residential and 34.21% for non-residential. AE  
4 proposes to continue to adjust the non-residential EES rates for voltage level.

5 **Q. WHAT ARE THE ILLUSTRATIVE RATE IMPACTS FROM THIS NEW**  
6 **PROPOSAL COMPARED TO CURRENT AND INITIALLY PROPOSED EES**  
7 **CHARGES?**

8 A. The illustrative rate impacts based upon AE's corrected proposal are detailed in the  
9 table below:

Class of Customer	Current FY16 EES rate	Initial Proposed FY17 EES	Corrected FY17 EES
Residential	\$0.00289	\$0.00246	\$0.00470
S1	\$0.00337	\$0.00246	\$0.00128
S2	\$0.00378	\$0.00246	\$0.00128
S3	\$0.00198	\$0.00246	\$0.00128
P1	\$0.00252	\$0.00240	\$0.00125
P2	\$0.00049	\$0.00240	\$0.00125
P3	\$0.00114	\$0.00240	\$0.00125
T1	\$0.00146	\$0.00237	\$0.00124

10 **Q. WHAT IMPACT WILL THIS NEW PROPOSAL HAVE ON THE LEVEL OF**  
11 **FUNDING AVAILABLE FOR AUSTIN ENERGY'S DSM PROGRAMS?**

12 A. The new proposal will have no impact on aggregate funding for programs. It will  
13 merely ensure that costs and associated benefits are properly aligned, and promote  
14 equity within and between customer classes.



1   **Q.   DO YOU AGREE WITH PCSC’S ASSERTION THAT CUSTOMERS**  
2       **SERVED UNDER THE HIGH LOAD FACTOR PRIMARY VOLTAGE**  
3       **TARIFF AND THE HIGH LOAD TRANSMISSION TARIFF BENEFIT**  
4       **FROM THE EES PROGRAMS?**

5   A.   No. These customers have limited opportunity, if any, to benefit directly from the  
6       retail offerings provided by the EES tariff. Their facilities and equipment are built to  
7       high levels of efficiency. Given the nature of their operations, these customers  
8       operate at high load factors throughout the entire year, with limited ability to reduce  
9       or shift consumption.

10   **Q.   WHY DID AUSTIN ENERGY ELECT NOT TO CHARGE THE CUSTOMERS**  
11       **RECEIVING SERVICE UNDER THE HIGH LOAD FACTOR PRIMARY**  
12       **VOLTAGE TARIFF AND THE HIGH LOAD TRANSMISSION TARIFF THE**  
13       **EES CHARGE?**

14   A.   This decision was made to ensure that AE’s rates become more competitive when  
15       compared to the deregulated market, where these customers do not pay this charge.

16       Indeed, as currently structured, the EES unfairly allocates EES costs to these  
17       customers, whose high load and energy consumption present limited, if any,  
18       opportunities to reduce consumption. As noted in the proceedings before City  
19       Council, Austin Energy underscored the unique nature of these customers and  
20       specifically structured the tariff with their load characteristics in mind. Importantly,  
21       these customers are no longer eligible to receive incentives under the retail EES  
22       programs, as a condition of not paying the EES tariff.

1   **Q.    DO YOU AGREE WITH PCSC’S ASSERTION THAT “REACHING HIGHER**  
2       **LEVELS OF DEMAND REDUCTION MAY REQUIRE HIGHER REBATE**  
3       **AMOUNTS”?**

4    A.   No.  As discussed above, AE is meeting its goals with existing levels of rebates.  
5       Moreover, in response to stakeholder input, AE has published a solar incentive ramp-  
6       down schedule based on capacity to enhance transparency and predictability.  
7       Increasing rebate amounts, with concurrent increases in the budget, and associated  
8       increases in administrative costs, would create affordability challenges.

9               **V.       BELOW AVERAGE CUSTOMER SATISFACTION**

10   **Q.    WHAT COMMENTS DOES THE ICA MAKE ABOUT AUSTIN ENERGY’S**  
11       **CUSTOMER SATISFACTION LEVELS?**

12   A.   The ICA commented that AE’s customer satisfaction levels in three FY 2015 surveys  
13       are too low.

14   **Q.    WHAT RECOMMENDATION DOES THE ICA MAKE ABOUT AUSTIN**  
15       **ENERGY’S CUSTOMER SATISFACTION LEVELS?**

16   A.   The ICA recommends that Austin Energy strive for significantly improved customer  
17       satisfaction ratings.  Additionally, he recommends that City Council direct Austin  
18       Energy to develop a plan to improve its customer satisfaction ratings.  Finally, he  
19       recommends AE work with the EUC, ratepayer advocates, and the public to develop,  
20       execute, and monitor the plan for improved customer satisfaction.

1    **Q.    DID THE ICA ACCURATELY SUMMARIZE THE CUSTOMER SERVICE**  
2           **INFORMATION THAT AUSTIN ENERGY PROVIDED DURING THE**  
3           **DISCOVERY PROCESS?**

4    A.    No. The customer satisfaction ratings were not accurately summarized. Specifically,  
5           the ICA did not acknowledge the higher satisfaction ratings earned in areas where  
6           customers directly interact with AE. While AE's overall customer satisfaction rating  
7           was 59%, the satisfaction rating for the walk-in service center was 88%, and 80% for  
8           the residential rebate program.

9                 These higher scores indicate a higher satisfaction level comes from direct  
10           interaction with Austin Energy that is not influenced by outside forces such as the  
11           media and opposing stakeholders. Moreover, some of the overall satisfaction survey  
12           respondents' only interaction with Austin Energy is paying their monthly utility bill,  
13           of which electricity is only one part. These respondents have not had a customer  
14           experience on which to base a satisfaction level, other than the monetary costs of their  
15           utility services and, thus, would not provide an accurate customer satisfaction  
16           response for AE.

17   **Q.    WHAT METHODS DOES AUSTIN ENERGY USE TO MEASURE ITS**  
18           **CUSTOMER SERVICE SATISFACTION?**

19   A.    AE uses phone and online surveys, statistically sampled (with a 95% confidence  
20           interval) across the population for whom the survey is designed. For example, for  
21           walk-in service centers, Austin Energy only contacts those customers who have used  
22           the walk-in service centers. For the rebate programs, AE only surveys the rebate  
23           program participants to assess the satisfaction levels with those programs.

1    **Q.    ARE YOU ADDRESSING THE J.D. POWER CUSTOMER SATISFACTION**  
2    **SURVEYS IN YOUR TESTIMONY?**

3    A.    No. Those surveys and their results are addressed in Kerry Overton's Rebuttal  
4    Testimony.

5    **Q.    WHAT STEPS IS AUSTIN ENERGY TAKING TO IMPROVE ITS**  
6    **CUSTOMER SATISFACTION RATINGS?**

7    A.    Austin Energy is continually seeking to improve its customer satisfaction ratings.  
8    Austin Energy takes its survey results seriously; data is analyzed and reported to work  
9    groups who interact directly with the customer groups surveyed and those impacted  
10   by the survey results. The customer feedback received through the survey results in  
11   recommendations for improvements and best practices. Metrics are tracked to assess  
12   quarterly changes in customer assessments. AE staff is trained in new and improved  
13   ways to interact with and educate customers to meet their expectations.

14           For example, AE changed the Interactive Voice Response system to better  
15   accommodate commercial customers who reported that they did not want to be in the  
16   same phone queue as residential customers. This resulted in an increase in overall  
17   customer satisfaction. Communication regarding outages was improved using  
18   feedback provided through paper surveys and an online survey tool. Rebate  
19   contractors are provided additional training on customer interactions when ratings  
20   indicate a need for more professionalism or friendliness. By taking what the  
21   customers have shared via surveys, implementing the change and then reporting back  
22   to the customers of the change made, Austin Energy can positively impact  
23   satisfaction.

1           Other steps to improve customer satisfaction include more education,  
2           outreach, and awareness of what Austin Energy does for its customers and the  
3           community. Also by providing customers more control over their usage with more  
4           information about their energy consumption and information on how to reduce costs,  
5           they can be empowered to make positive changes which directly relates to customer  
6           satisfaction.

7 VI. CONCLUSION

8 Q. DOES THIS COMPLETE YOUR TESTIMONY?

9 A. Yes.

**DEBORAH L. KIMBERLY**

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602-509-2092 (cell)

[debbie.kimberly@att.net](mailto:debbie.kimberly@att.net)**Summary**

Multi-disciplinary, results-driven executive with over 30 years of progressively responsible and diverse experience in utility management, finance, stakeholder and community engagement, strategic planning, sustainability, media relations, communications, marketing, and public policy.

**Experience****2013 – Present****Austin Energy****Austin, TX****Vice President, Customer Energy Solutions**

- Provide executive direction to departments responsible for a portfolio of over 20 energy efficiency and demand response programs, distributed solar and other renewable technologies, green building program, advanced transportation technologies, commercial customer relationships, data analytics and market research.
- Serve as division spokesperson and support General Manager in presentations to Austin City Council and Council Utility Oversight Committee, Electric Utility and Resource Management Commissions, industry associations and other bodies.
- Collaborate with other city departments, in particular Office of Sustainability, Neighborhood Housing and Community Development and Austin Water on joint initiatives.
- Support diverse stakeholder and community engagement groups, including Low Income Consumer Advisory Task Force, commercial and industrial customer outreach, generation resource planning effort, contractors, trade allies and the environmental community.
- Leading development of first residential community solar offering to afford customers the opportunity to participate in solar via a subscription model.
- Implemented capacity-based solar incentive structure to enhance predictability of solar incentives, strengthening partnerships with customers and solar installers.
- Led teams that successfully secured state and federal grants for smart grid demonstration projects and clean transportation initiatives.
- Initiated development and implementation of annual comprehensive marketing and outreach plans for customer programs.
- Enhanced transparency by developing annual Customer Energy Solutions program progress report and expanded scope and reach of monthly reporting.
- Served as Acting Chief Financial Officer.

**2006-2012****Salt River Project****Tempe, AZ****Director, Customer Programs & Marketing (2011-2012)**

- Provided executive direction to departmental managers responsible for administering \$60 million annual portfolio of energy efficiency and demand response programs.
- Developed and launched comprehensive corporate marketing campaigns for all energy efficiency, demand response, renewable and water conservation programs. Managed corporate events and sponsorships.
- Secured \$52 million Department of Energy grant to accelerate advanced meter upgrade.

**Manager, Energy Efficiency & Policy Analysis (2008 - 2011)**

- Developed and staffed corporate demand side management function, introducing 25 new products and services. Functions included product development, market research, marketing and measurement and evaluation.
- Managed public stakeholder process to review and amend Sustainable Portfolio principles and secured SRP Board of Directors approval of such.
- Led formulation of company positions on legislative and regulatory initiatives, with emphasis on finance, climate, renewable/energy efficiency standards, EPA rules and related policy matters.

**Senior Principal Planning Analyst (2006 - 2008)**

- Coordinated analysis of SRP's Sustainable Portfolio; developed inventory of environmental stewardship initiatives and provided policy and planning support to internal organizations.

**1998–2006 Independent Consultant Scottsdale, AZ**

- Consulting and public affairs advisor to SRP and the Large Public Power Council in support of successful legislative and regulatory redress of public power tax and finance restrictions.
- Assisted in leading SRP recapitalization project to address private use constraints.
- Facilitated meetings for local Boards, including the Superstition Vistas Steering Committee and the Greater Phoenix Chamber of Commerce Athena Award Selection Committee.

**1982–1998 Salt River Project Tempe, AZ  
Manager, Financial Services (1994 – 1998)**

- Leadership of senior executives responsible for Pricing, Treasury, Financial Planning, Budget, Accounting and Tax functions.
- Performed corporate leadership responsibilities during two year electricity restructuring process, and positioned company for success in the event of deregulation.
- Managed relationships with financial advisors, bankers, outside counsel, auditors and investors.

**Manager, Special Projects (1991 – 1994)**

- Assisted Chief Financial Executive with supervisory, communications and analytical projects.

**Budget Supervisor (1989 – 1991)**

- Developed corporate capital and O&M budgets and formulated five year financial plans.

**Supervisor, Financial Planning & Funds Administration (1985 - 1989)**

- Invested, monitored and administered employee benefit fund assets.

**Treasury Analyst (1983 - 1985)**

- Invested working funds and administered commercial paper program; amended benefit plans to ensure post-ERISA compliance.

**Benefits Analyst (1982 - 1983)**

- Administered and designed enhancements to executive capital accumulation plans; advised executives on benefits decisions. Assisted in implementation of SRP's first 401(k) savings plan.

**1980 – 1981 London & Manchester Assurance Company  
Pension Administrator Exeter, Devon, England**

**1978 - 1980 Prudential Insurance Company  
Management Trainee, Group Benefits Los Angeles, CA**

**Education 1981 - 1982 Thunderbird School of Global Management Glendale, AZ**

- Masters, International Management

**1974 – 1978 Stanford University Stanford, CA**

- B.A., International Relations

**Interests &  
Community  
Involvement**

Board member: South Central Partnership for Energy Efficiency as a Resource (Treasurer), Association of Women in Energy, Pecan Street Research; Member: EPRI Power Delivery Unit Sector Council. Partner: Social Venture Partners, Austin. Member, Solar Austin. Past Board member: Maricopa Health Foundation; Charter board member, Desert Foothills Habitat for Humanity; Past Large Public Council Treasurer and Chair, Tax and Finance Task Force, various congregational leadership and community volunteer positions.