

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



REBUTTAL TESTIMONY

OF

GREG CANALLY

ON BEHALF OF AUSTIN ENERGY

AUSTIN ENERGY

2016 MAY 20 AM 11:27

MAY 20, 2016

TABLE OF CONTENTS

| | <u>Page</u> |
|--|--------------------|
| I. INTRODUCTION | 3 |
| II. TRANSFERS OF CITY-OWNED PROPERTY | 4 |
| III. GENERAL RESPONSE TO MR. ROBBINS' TESTIMONY RELATED TO ALLEGED MISUSE OF PROPERTY | 5 |
| IV. PROPERTIES APPROPRIATELY BEFORE THE IHE | 7 |
| A. Energy Control Center | 7 |
| B. Seaholm South Substation Land | 9 |
| C. Vacant Lot at 2406 Ventura Drive | 10 |
| D. Vacant Lot at 3400 Burleson Drive | 10 |
| V. PROPERTIES TO BE EXCLUDED FROM THIS PROCEEDING | 11 |
| A. Seaholm Power Plant | 11 |
| B. The Pole Yard | 13 |
| C. Grooms Substation | 14 |
| D. Vacant Lot at 58 Rainey Street | 15 |
| E. Vacant Lot Located at 2221 Haskell Street | 16 |
| F. Vacant Lot Located at 2220 Riverview Street | 17 |
| G. Vacant Lot Located at 3300 Burleson Road | 18 |
| H. Holly Street Power Plant | 18 |
| VI. CONCLUSION | 20 |

EXHIBITS

| | |
|------|--------------------------------------|
| GC-1 | Resume |
| GC-2 | Flow Chart for Sale of City Property |

1 **I. INTRODUCTION**

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

3 A. My name is Greg Canally. My business address is Austin City Hall, 301 W. 2nd
4 Street, Austin, Texas 78701.

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

6 A. I am employed by the City of Austin ("City") as a Deputy Chief Financial Officer.

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

8 A. I am testifying on behalf of Austin Energy ("AE").

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

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

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

13 A. I have been employed by the City for over 17 years. Since 2008, I have served as the
14 Deputy Chief Financial Officer. In this role, I oversee Treasury, Purchasing, and
15 Capital Contracting, and work on various city-wide initiatives, including facility
16 planning and economic development. Prior to this role, I was the City's Budget
17 Officer for four years. I have a Bachelor of Science in Economics from Villanova
18 University and a Master of Science in Economics from the University of Texas at
19 Austin.

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

22 A. Yes. I provide this information in Exhibit GC-1 to my testimony.

1 **Q. PLEASE EXPLAIN THE PURPOSE OF YOUR REBUTTAL TESTIMONY.**

2 A. The purpose of my rebuttal testimony is to respond to Paul Robbins' assertion that the
3 City mismanaged the sale or transfer of property owned by the City and used by AE.
4 Specifically, Mr. Robbins claims that funds should have been re-directed to AE
5 instead of being placed in the City's General Fund for certain sales of property and
6 that AE should have received compensation for certain inter-city transfers from the
7 department receiving the property.

8 **II. TRANSFERS OF CITY-OWNED PROPERTY**

9 **Q. PLEASE EXPLAIN THE PROCESS NORMALLY USED WHEN CITY-**
10 **OWNED PROPERTY IS TRANSFERRED FROM ONE CITY DEPARTMENT**
11 **TO ANOTHER CITY DEPARTMENT.**

12 A. City department directors are authorized to coordinate transfers of real property from
13 one department to another. When making a departmental transfer, the involved
14 departments will make specific decisions regarding the rights being transferred,
15 which department will be responsible for the operation and maintenance of the
16 property, and the public benefit of the transfer.

17 At this time, the City is working on developing a more centralized process for
18 inter-departmental land transfers.

19 **Q. WHEN THE PROPERTY IS TRANSFERRED BETWEEN DEPARTMENTS,**
20 **IS THERE ANY TRANSFER OF FUNDS BETWEEN THE DEPARTMENTS?**

21 A. Occasionally funds are transferred, but because each transfer is unique, this does not
22 always occur.

1 Q. PLEASE EXPLAIN THE PROCESS NORMALLY USED WHEN CITY-
2 OWNED PROPERTY IS SOLD OR TRANSFERRED TO A NON-CITY
3 ENTITY.

4 A. The process is outlined in the flow chart attached hereto as Exhibit GC- 2.

5 Q. WHEN A CITY-OWNED PROPERTY IS SOLD, WHAT IS DONE WITH THE
6 PROCEEDS FROM THE SALE?

7 A. Treatment of the sale proceeds will depend on the original source of funding used to
8 purchase the property or to make improvements to the property. Often the
9 disbursement of the proceeds is impacted by relevant bond language.

10 III. GENERAL RESPONSE TO MR. ROBBINS' TESTIMONY RELATED
11 TO ALLEGED MISUSE OF PROPERTY

12 Q. DO YOU AGREE WITH MR. ROBBINS' CONCLUSION THAT THE CITY
13 HAS MISMANAGED AUSTIN ENERGY PROPERTY?

14 A. No. As described in this rebuttal testimony, the property transfers Mr. Robbins
15 complains about were appropriately undertaken in accordance with City practices and
16 policies.

17 Q. ARE ALL OF THE TRANSACTIONS IDENTIFIED BY MR. ROBBINS
18 APPROPRIATE TOPICS TO BE REVIEWED BY THE IMPARTIAL
19 HEARING EXAMINER ("IHE") IN THIS PROCEEDING?

20 A. No. As Austin Energy noted in both its Objections to Paul Robbins' First Request for
21 Information and its Objection and Motion to Strike Portions of the Direct Testimony
22 of Paul Robbins, many of the transactions identified by Mr. Robbins are irrelevant to
23 this rate review. This includes all of the properties identified as Disputed Properties

1 in Mr. Robbins' testimony, except the Seaholm South Substation Parcel and the Holly
2 Street Power Plant.

3 Specifically, Mr. Robbins' testimony about the Seaholm Power Plant
4 (Disputed Property #1) relates to activity that occurred prior to the end of the test year
5 for the last Austin Energy rate review. This test year ended on September 30, 2009
6 but the Seaholm plant was transferred on March 14, 2007. Accordingly, any attempt
7 to address the prudence of Austin Energy's or the City's actions with respect to
8 Seaholm was required to occur in that review.

9 Similarly, costs related to the value of property and land assets of the Holly
10 Street Power Plant (Undisputed Property #2) are not included in Austin Energy's base
11 electric rates, so the transfer of Holly Street is not an appropriate topic of review for
12 the IHE. Also, because the Holly Street Power Plant ceased operating in September
13 2007, the prior Austin Energy rate review was the appropriate time to consider and
14 investigate all issues related to the costs associated with the plant.

15 Austin Energy also objected to Mr. Robbins' request for information related to
16 3701 Grooms (Disputed Property #3), and generally to Mr. Robbins' request for
17 "information related to other transferred and property assets or intended transferred
18 land and property owned or formerly owned by Austin Energy."¹ As with Seaholm
19 and Holly Street, Austin Energy objected to these requests to the extent that the
20 subject transfers occurred before September 30, 2009. Because of their early transfer
21 dates, these properties should have been addressed in the previous rate case and are
22 not appropriate topics of review here.

¹ AE's Objection to Paul Robbins' RFI No. 1-2.7 (Apr. 4, 2016).

1 Ultimately, the scope of this proceeding is limited to Austin Energy's base
2 rates. Costs related to the value of property and land assets whose transfer of
3 ownership or plant closure occurred before AE's 2012 rate case and its 2009 test year
4 are not included in AE's base electric rates. Therefore, Mr. Robbins' testimony about
5 the Holly Street Power Plant and all of the disputed properties, except the Seaholm
6 South Substation Parcel, should not be considered by the IHE in this proceeding.

7 **IV. PROPERTIES APPROPRIATELY BEFORE THE IHE**

8 **A. Energy Control Center**

9 **Q. PLEASE DESCRIBE THE CIRCUMSTANCES RELATED TO THE**
10 **TRANSFER OF THE FORMER ENERGY CONTROL CENTER.**

11 A. Austin Energy relocated its Energy Control Center ("ECC") from 301 West Avenue
12 to another City-owned location on Riverside Drive. The 301 West Avenue property
13 was then included in a request for proposal ("RFP") for redevelopment of the Green
14 Water Treatment Plant and certain surrounding properties. The executed Master
15 Developer Agreement between the City of Austin and Construction Ventures, Inc.
16 ("CVI") for the disposition of the former ECC property was approved by the City
17 Council and executed on November 4, 2010. The land was transferred on November
18 24, 2015.

19 **Q. IS IT PERMISSIBLE FOR THE CITY TO ALLOW ENTITIES TO**
20 **PURCHASE PROPERTY AND THEN WAIT TO DEVELOP THE**
21 **PROPERTY?**

22 A. Yes. It is permissible and reasonable to allow the purchaser of property to develop
23 the property several years after the sales transaction. Once a property is sold, the City
24 has limited ability to dictate what happens to the property.

1 **Q. HAS THE CITY PREVIOUSLY SOLD PROPERTY THAT WAS**
2 **REAPPRAISED AND THEN SOUGHT TO RECOVER THE DIFFERENCE**
3 **BETWEEN THE SALES PRICE AND THE LATER APPRAISED VALUE?**

4 A. I am not aware of the City doing this. The value the City receives for land sold or
5 leased as part of a redevelopment project is determined by an RFP process and set by
6 the City Council when it approves a Master Development Agreement (“MDA”).

7 **Q. WHAT WAS DONE WITH THE PROCEEDS FROM THE SALE OF THE 301**
8 **WEST AVENUE PROPERTY?**

9 A. Pursuant to the MDA, the City received \$14.5 million for the sale of the 301 West
10 Avenue Property. Of that, \$14.4 million was directed to Austin Energy to help fund
11 the new ECC on Riverside Drive.

12 **Q. WHO MADE THE DECISION ABOUT WHAT TO DO WITH THE**
13 **PROCEEDS?**

14 A. This decision was made by the City Council when it approved the MDA.

15 **Q. WAS THIS ACTION TAKEN IN ACCORDANCE WITH EXISTING CITY**
16 **POLICY?**

17 A. Yes, it was.

1 **B. Seaholm South Substation Land**

2 **Q. ARE YOU ABLE TO IDENTIFY THE PROPERTY THAT MR. ROBBINS IS**
3 **REFERRING TO WHEN HE REFERENCES THE SEAHOLM SOUTH**
4 **SUBSTATION LAND?**

5 A. I believe that Mr. Robbins is referring to the 1.4 acre parcel at the south end of the
6 Seaholm substation that was transferred from Austin Energy to Austin Public
7 Libraries for construction of the new Central Public Library.

8 **Q. WHO MADE THE DECISION TO TRANSFER THIS PROPERTY?**

9 A. On February 14, 2008, City Council approved Resolution No. 20080214-054,
10 designating the parcel as the location for the new stand-alone building to house the
11 new Central Public Library at such time that the South Substation was deemed
12 surplus to the operations of Austin Energy and other certain prerequisites were met.

13 On May 23, 2013, Council approved Resolution No. 20130523-034, which
14 deemed the South Substation surplus and the other prerequisites satisfied and directed
15 the City Manager to redevelop the parcel as the new Central Public Library.

16 **Q. WAS THIS DECISION MADE IN ACCORDANCE WITH EXISTING CITY**
17 **POLICIES AND PROCEDURES?**

18 A. Yes.

19 **Q. WERE ANY FUNDS RECEIVED BY THE CITY AS A RESULT OF THIS**
20 **TRANSFER?**

21 A. No funds were received.

1 **C. Vacant Lot at 2406 Ventura Drive**

2 **Q. TO WHOM DID THE CITY TRANSFER THE VACANT LOT LOCATED AT**
3 **2406 VENTURA DRIVE?**

4 A. Austin Energy transferred the property to the Parks and Recreation Department
5 ("Parks") on June 10, 2010.

6 **Q. WHO MADE THE DECISION TO TRANSFER THE VACANT LOT?**

7 A. The Austin Energy General Manager and the Parks Director made the decision.

8 **Q. WERE ANY FUNDS RECEIVED AS A RESULT OF THIS TRANSFER?**

9 A. No funds were received as a result of this transfer because Austin Energy did not lose
10 any of its rights to use the property for utility-related purposes. Instead, the transfer
11 allowed AE to reduce its property maintenance obligations, while also benefitting the
12 City and the surrounding neighborhood by establishing more open space in the
13 community.

14 **Q. WAS THE DECISION TO TRANSFER THE PROPERTY MADE**
15 **CONSISTENT WITH EXISTING CITY POLICIES AND PRACTICES?**

16 A. Yes. The transfer was made using an appropriate administrative process approved by
17 the departmental directors.

18 **D. Vacant Lot at 3400 Burleson Drive**

19 **Q. TO WHOM DID THE CITY TRANSFER THE VACANT LOT LOCATED AT**
20 **3400 BURLESON DRIVE?**

21 A. Austin Energy transferred the property to Parks on June 10, 2010.

1 **Q. WHO MADE THE DECISION TO TRANSFER THE VACANT LOT?**

2 A. The Austin Energy General Manager and the Parks Director made the decision.

3 **Q. WERE ANY FUNDS RECEIVED AS A RESULT OF THIS TRANSFER? IF**
4 **NOT, WHY NOT?**

5 A. No funds were received as a result of this transfer because Austin Energy did not lose
6 any of its rights to use the property for utility-related purposes. Instead, the transfer
7 allowed AE to reduce its property maintenance obligations, while also benefitting the
8 City and the surrounding neighborhood by establishing more open space in the
9 community.

10 **Q. WAS THIS DECISION MADE CONSISTENT WITH EXISTING CITY**
11 **POLICIES AND PRACTICES?**

12 A. Yes. The transfer was made using an appropriate administrative process approved by
13 the departmental directors.

14 **V. PROPERTIES TO BE EXCLUDED FROM THIS PROCEEDING**

15 **A. Seaholm Power Plant**

16 **Q. WHO MADE THE DECISION TO TRANSFER THE PROPERTY LOCATED**
17 **AT 800 WEST CESAR CHAVEZ, KNOWN AS THE SEAHOLM POWER**
18 **PLANT?**

19 A. City Council made the decision.

20 **Q. PLEASE EXPLAIN THE PROCESS USED TO TRANSFER PORTIONS OF**
21 **THE SEAHOLM POWER PLANT, TO NON-CITY ENTITIES.**

22 A. A Seaholm District Master plan was developed by the City in 2001. A subsequent
23 Request for Qualifications for redevelopment of the decommissioned power plant and

1 surrounding property was issued, resulting in approval of an MDA by City Council in
2 April 2008.

3 **Q. WERE ANY FUNDS RECEIVED BY THE CITY AS A RESULT OF THESE**
4 **TRANSFERS?**

5 A. Yes. The City received approximately \$2.9 million.

6 **Q. WHAT WAS DONE WITH THE PROCEEDS FROM THE SALE OF THIS**
7 **PROPERTY?**

8 A. These proceeds were included in the performance incentives, pursuant to the Council
9 approved MDA.

10 **Q. WHO MADE THE DECISION ABOUT WHAT TO DO WITH THE**
11 **PROCEEDS?**

12 A. City Council made the decision.

13 **Q. WAS THIS ACTION TAKEN IN ACCORDANCE WITH EXISTING CITY**
14 **POLICY?**

15 A. Yes.

16 **Q. WHO MADE THE DECISION TO TRANSFER A PORTION OF THE**
17 **SEAHOLM POWER PLANT PROPERTY TO THE AUSTIN CITY PARKS**
18 **DEPARTMENT?**

19 A. The Seaholm intake structure was transferred to the Parks in accordance with
20 Ordinance 850502-U, adopted by City Council on May 2, 1985.

1 Q. HOW DOES THE PARKS DEPARTMENT INTEND TO USE THE
2 PROPERTY?

3 A. The City has initiated a process to look at an adaptive re-use of the structure.

4 Q. WHO MADE THE DECISION TO ALLOW THIS USE OF THE PROPERTY?

5 A. City Council has approved this process.

6 Q. HOW WILL THE CITY HANDLE THE PROCEEDS RECEIVED AS A
7 RESULT OF THIS USE?

8 A. As the City is currently in the planning stages for the re-use opportunity, no decisions
9 about how to handle the proceeds have been made at this time.

10 Q. WAS THE DECISION ABOUT THE USE OF THE PROPERTY MADE
11 CONSISTENT WITH EXISTING CITY POLICIES AND PRACTICES?

12 A. Yes.

13 B. The Pole Yard

14 Q. WHO MADE THE DECISION TO TRANSFER THE PROPERTY LOCATED
15 AT 300 WEST AVENUE, KNOWN AS THE POLE YARD, FROM AUSTIN
16 ENERGY TO THE PUBLIC WORKS DEPARTMENT?

17 A. City management determined that it would be prudent to exchange the 300 West
18 Avenue property used by Austin Energy with property consisting of 20,835 square
19 feet on Lambie Street used by the Public Works Department.

20 Q. WAS THIS ACTION TAKEN IN ACCORDANCE WITH EXISTING CITY
21 POLICY AND PROCEDURES?

22 A. Yes.

1 **Q. HOW IS THE PUBLIC WORKS DEPARTMENT CURRENTLY UTILIZING**
2 **THE POLE YARD?**

3 A. The property is being leased to West Avenue Lofts.

4 **Q. WHO MADE THE DECISION TO ALLOW THIS USE OF THE PROPERTY?**

5 A. On December 10, 1998, Council passed a resolution authorizing the City Manager or
6 his designee to negotiate and execute a lease for the pole yard property with Post
7 Apartment Homes, L.P.

8 **Q. HOW IS THE CITY USING THE PROCEEDS RECEIVED AS A RESULT OF**
9 **THIS LEASE?**

10 A. In accordance with Council's December 10, 1998 action, the proceeds from the lease
11 are transferred to the City's General Fund.

12 **Q. WAS THIS DECISION ABOUT THE USE OF THE PROCEEDS MADE**
13 **CONSISTENT WITH EXISTING CITY POLICIES AND PRACTICES?**

14 A. Yes.

15 **Q. DOES AUSTIN ENERGY STILL USE THE PROPERTY LOCATED ON**
16 **LAMBIE STREET?**

17 A. Yes, Austin Energy still actively uses this property.

18 **C. Grooms Substation**

19 **Q. TO WHOM WAS THE PROPERTY LOCATED AT 3701 GROOMS STREET**
20 **TRANSFERRED?**

21 A. Austin Energy transferred the property to Parks in 2006. The property is now known
22 as Sparky Park.

1 **Q. WHO MADE THE DECISION TO TRANSFER THIS PROPERTY?**

2 A. The decision was made on August 17, 2006 by Austin Energy's General Manager and
3 the Director of Parks.

4 **Q. WAS THIS DECISION MADE IN ACCORDANCE WITH EXISTING CITY**
5 **POLICIES AND PROCEDURES?**

6 A. Yes, the transfer of the property from Austin Energy to Parks was done using an
7 appropriate administrative process approved by the departmental directors.

8 **Q. WERE ANY FUNDS RECEIVED BY THE CITY AS A RESULT OF THIS**
9 **TRANSFER?**

10 A. No funds were received as a result of this transfer. Austin Energy retained all
11 necessary easements and the public gained additional green space.

12 **D. Vacant Lot at 58 Rainey Street**

13 **Q. TO WHOM WAS THE PROPERTY LOCATED AT 58 RAINEY STREET**
14 **TRANSFERRED?**

15 A. Austin Energy transferred the property to Parks in 2006 for the development of the
16 Mexican American Cultural Center. As a result of this transfer, AE retained the right
17 to use the lot for electric lines and related facilities.

18 **Q. WHO MADE THE DECISION TO TRANSFER THIS PROPERTY?**

19 A. The decision was made by Austin Energy's General Manager and the Parks Director.

1 **Q. WAS THIS DECISION MADE IN ACCORDANCE WITH EXISTING CITY**
2 **POLICIES AND PROCEDURES?**

3 A. Yes, the transfer of property from Austin Energy to Parks was done using an
4 appropriate administrative process approved by the departmental directors.

5 **Q. WERE ANY FUNDS RECEIVED BY THE CITY AS A RESULT OF THIS**
6 **TRANSFER?**

7 A. No funds were received as a result of this transfer because Austin Energy retained all
8 necessary easements. Instead, the transfer simply allowed Parks to use the property to
9 develop a new cultural center, creating additional public benefit to the neighborhood
10 and the City.

11 **E. Vacant Lot Located at 2221 Haskell Street**

12 **Q. TO WHOM WAS THE PROPERTY LOCATED AT 2221 HASKELL STREET**
13 **TRANSFERRED?**

14 A. Austin Energy transferred the property to Parks.

15 **Q. WHO MADE THE DECISION TO TRANSFER THIS PROPERTY?**

16 A. City Council dedicated this property as parkland pursuant to Resolution No.
17 20060525-06, adopted on May 25, 2006.

18 **Q. WAS THIS DECISION MADE IN ACCORDANCE WITH EXISTING CITY**
19 **POLICIES AND PROCEDURES?**

20 A. Yes.

1 **Q. WERE ANY FUNDS RECEIVED BY THE CITY AS A RESULT OF THIS**
2 **TRANSFER?**

3 A. No funds were received as a result of this transfer because Austin Energy did not lose
4 any of its rights to use the property for utility-related purposes. Instead, the transfer
5 allowed AE to reduce its property maintenance obligations, while also benefitting the
6 City and the surrounding neighborhood by establishing more open space in the
7 community.

8 **F. Vacant Lot Located at 2220 Riverview Street**

9 **Q. TO WHOM WAS THE PROPERTY LOCATED AT 2220 RIVERVIEW**
10 **TRANSFERRED?**

11 A. Austin Energy transferred the property to Parks.

12 **Q. WHO MADE THE DECISION TO TRANSFER THIS PROPERTY?**

13 A. City Council dedicated this property as parkland pursuant to Resolution No.
14 20060525-06, adopted on May 25, 2006.

15 **Q. WAS THIS DECISION MADE IN ACCORDANCE WITH EXISTING CITY**
16 **POLICIES AND PROCEDURES?**

17 A. Yes.

18 **Q. WERE ANY FUNDS EXCHANGED AS A RESULT OF THIS TRANSFER?**

19 A. No funds were exchanged as a result of this departmental transfer because Austin
20 Energy did not lose any of its rights to use the property for utility-related purposes.
21 Instead, the transfer allowed AE to reduce its property maintenance obligations, while
22 also benefitting the City and the surrounding neighborhood by establishing more open
23 space in the community.

1 **G. Vacant Lot Located at 3300 Burleson Road**

2 **Q. TO WHOM WAS THE PROPERTY LOCATED AT 3300 BURLESON ROAD**
3 **TRANSFERRED?**

4 A. Austin Energy transferred the property to Parks in 2009.

5 **Q. WHO MADE THE DECISION TO TRANSFER THIS PROPERTY?**

6 A. Austin Energy's General Manager and the Director of Parks made the decision.

7 **Q. WAS THIS DECISION MADE IN ACCORDANCE WITH EXISTING CITY**
8 **POLICIES AND PROCEDURES?**

9 A. Yes. The transfer of the property from Austin Energy to Parks was done using an
10 appropriate administrative process approved by the departmental directors.

11 **Q. WERE ANY FUNDS RECEIVED BY THE CITY AS A RESULT OF THIS**
12 **TRANSFER?**

13 A. No funds were received because Austin Energy did not lose any of its rights to use the
14 property for utility-related purposes. Instead, the transfer allowed AE to reduce its
15 property maintenance obligations, while also benefitting the City and the surrounding
16 neighborhood by establishing more open space in the community.

17 **H. Holly Street Power Plant**

18 **Q. DO YOU AGREE THAT THE HOLLY STREET POWER PLANT**
19 **TRANSFER CAN PROPERLY BE CATEGORIZED AS UNDISPUTED?**

20 A. No. Mr. Robbins' use of the word "undisputed" is inaccurate. While he notes in his
21 testimony that his category of "undisputed property" includes both "property that
22 either AE has acknowledged as relevant to this rate case, or whose transfer is

1 pending,”² by classifying the Holly Street Power Plant as an undisputed property,
2 Mr. Robbins implies that Austin Energy believes the Holly Street Power Plant is an
3 appropriate topic for discussion during this rate review. As discussed above, this is
4 not true. In fact, Austin Energy has specifically objected to Mr. Robbins’ inquiries
5 about the Holly Street Power Plant transfer.

6 **Q. HAS THE CITY DECIDED WHAT TO DO WITH THE HOLLY STREET**
7 **POWER PLANT PROPERTY?**

8 A. Yes. On May 2, 1985, Council adopted Ordinance No. 850502-U, approving the
9 dedication of certain City-owned land along or near Town Lake as parkland.

10 In accordance with this ordinance, Austin Energy and the Parks Department
11 executed an Interdepartmental Memorandum of Understanding, whereby Austin
12 Energy retained certain rights in the property while Parks obtained rights to perform
13 certain functions on the property, including operating a hike and bike trail.

14 **Q. DO YOU BELIEVE THAT IT WOULD BE APPROPRIATE FOR THE**
15 **IMPARTIAL HEARING EXAMINER TO MAKE A RECOMMENDATION**
16 **ABOUT THE HOLLY STREET POWER PLANT AT THIS TIME?**

17 A. No. The property has been earmarked to revert to parkland since 1985.

² Testimony of Paul Robbins in 2016 Austin Energy Rate Case Submitted May 3, 2016 at 2 (May 3, 2016).

1

VI. CONCLUSION

2 **Q. DO YOU HAVE ANY FINAL COMMENTS REGARDING MR. ROBBINS'**
3 **ALLEGATIONS?**

4 A. As discussed above, the property transfers Mr. Robbins complains about were
5 appropriately undertaken in accordance with City practices and policies. Moreover,
6 several of the specific transfers occurred prior to the period that is at issue in this
7 case. As a result, I do not agree with Mr. Robbins' claims and recommend the IHE
8 reject them.

9 **Q. DOES THIS COMPLETE YOUR TESTIMONY?**

10 A. Yes.

GREG CANALLY

PROFESSIONAL EXPERIENCE

City of Austin, Austin, TX

1997-1998, 2000 – Present

Deputy Chief Financial Officer

2008 – Present

Provide supportive leadership for Treasury, Purchasing and Building Services operations as part of the City's Financial Services Department, as well as offer financial leadership in City's economic development efforts

- Oversee Treasury Office, consisting of Treasurer and six employees, with a \$1.7 million budget, providing cash & investment management services for \$1 billion investment pool, and debt management on \$965 million outstanding general obligation debt and \$3.5 billion in outstanding utility debt
- Maintained AAA bond ratings on general obligation debt and stable outlook
- Oversee Purchasing Office, consisting of Purchasing Officer and 73 employees, with a \$4.9 million budget, providing procurement of goods and services for over 30 city departments
- Oversee Capital Contract Office of 45 employees, with a \$3.5 million budget providing construction procurement services for the City's capital improvement program
- Launched on-line "eCatalog" and "eCheckbook" providing transparent reporting on City's contracts and expenses; and "Vendor Connection", an on-line portal for vendors to register, track solicitations and contracts
- Leading effort to create citywide Contract Monitoring tracking system, leveraging our existing custom-built web-based finance systems
- Oversaw Building Services Office (through December 2011), consisting of Building Services Officer and 145 employees, with a \$9.5 million budget, providing custodial, maintenance and property management for city facilities
- Point person for ARRA Federal Stimulus, securing over \$80 million across twenty programs, providing oversight and reporting, and lead the effort to create an Intergovernmental Stimulus Steering Committee consisting of the city, school district, county and other local governmental entities
- Initiated implementation of business intelligence financial reporting system
- Executive lead on city's first-ever Strategic Facility Plan & Roadmap for nearly 250 facilities, and created the Strategic Facility Governance Team to oversee corporate facility and real estate actions
- Provide financial leadership for economic development efforts such as Green Water Treatment Plant, Seaholm District, and Mueller Redevelopment; and all transportation initiatives
- Led and conducted Tax Increment Financing studies for investments in transit
- Developed unique financial plan adopted by City Council for New Central Library
- Produced and presented debt management analysis for City Manager and City Council in advance of successful 2010 off-cycle \$90 million transportation bond election

Budget Officer

2005 – 2008

Lead staff of 20+ in the annual development, delivery, monitoring, and reporting of the city's \$2.8 billion operating budget and \$500 million capital budget

- Annually produced and presented five-year integrated financial forecast to City Council
- Developed annual budget process for City Manager, including processes and evaluation criteria for budget "adds" and budget "cuts"
- Provided structurally balanced proposed budget to City Council four consecutive years, all unanimously approved
- Created strategic process for eliminating \$8 million budget 2008 mid-year budget deficit, \$25 million 2009 budget deficit, and an additional \$20 million 2009 mid-year shortfall

- Coordinated the development, implementation and monitoring of the City's "Managing for Results" performance measurement program
- Conducted first-ever citizen focus group during budget development, to compliment annual citizen survey, and on-line budget exercises
- City Manager's point person on the successful \$567 million 2006 general obligation bond election, including needs assessment, staffing the citizen bond committee, City Council approval, and implementation oversight
- Implemented eCOMBS, a custom built web-based budget development and monitoring system, fully integrated with the financial and payroll systems
- Annual recipient of GFOA's Distinguished Budget Presentation Award

CIP Budget Manager

2000 – 2004

- Responsible for annual development of the city's five-year Capital Improvement Program plan, working with finance and project staff throughout the organization
- Monitored and reported on capital improvement projects; and provided creative financial and operational solutions for projects
- Lead implementation of eCAPRIS, a GFOA award winning custom built web-based integrated capital planning and monitoring system consisting of project related financial data, performance data, solicitations and contracts

Other Employment

- | | |
|--|-------------|
| ▪ HDR Engineering, project manager/economist for water resource planning, Austin, TX | 1998 – 2000 |
| ▪ City of Austin, Budget Analyst, Budget Office, Austin, TX | 1997 – 1998 |
| ▪ ABN-AMRO, Equity Research Analyst, New York, NY | 1993 – 1995 |

EDUCATION

- | | |
|--|------|
| ▪ MS, Economics, The University of Texas at Austin | 1997 |
| ▪ BS, Economics, Villanova University | 1993 |

AFFILIATIONS

- | | |
|---|----------------|
| ▪ Austin Convention Enterprises, Board Member | 2012 - Present |
| ▪ Elected member of City of Austin Deferred Compensation Committee | 2002 – 2015 |
| ▪ Member, GFOA Committee on Economic Development & Capital Planning | 2005 - 2011 |

Real Estate Asset Reutilization Process

