

Seton's Responses to AE's First Request for Information

AE 1-1 On page 2, under "3th [sic] Issue: Reduction in Transfer to Capital Improvement Plan (CIP) Recommendation, "please provide all supporting documentation and calculations used to develop the reduction of "approximately \$23 million in Revenue Requirement."

Response: Please see below:

\$	64,624,113	Approved Budget 2015-2016			
\$	88,341,455	Requested by AE Rate Filing Package. WP C-3.4.1			
\$	(23,717,342)	Adjustment to Revenue Requirement			

The amount in the presentation should have been \$23.7 million.

Both the Budget and the Rate Filing Package are available to the public.

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AUSTIN ENERGY
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AE 1-2 For each witness you sponsor, please provide in native format all calculations, exhibits, models, studies, and workpapers supporting the testimony and positions taken therein.

Response: If AE provided the documents referred to, a copy was not provided.

Issue 1- Reduction of Operating Reserves

Please see the calculation of the AE's requested reserves on Work Paper C-3.2.1 of the AE's Rate Filing Package which uses AE's requested operations and maintenance.

Issue 2 – Decrease in the Decommissioning Costs

Please see AE's Rate Filing Package Work Paper D-1.2.5 and the NewGen Report on Bates numbers 488, 525-527.

Issue 3- Reduction in Transfer to CIP.

See response to the AE-1.

Issue 4-Adjustment to Transmission Costs and Revenue

Memo from NXP/Samsung distributed to all parties in AE's rate review on April 6, 2016.

Issue 5- Street Lighting Costs

Source of the \$11.5 reduction to the Community Benefit Charge is AE's Rate Filing Package, Work Paper G-9 that shows \$11,203,154. This does not include the amount of the under recovery of \$4,187,437 from prior years.

The Street Lighting charge is not included in most comparable utilities.

Several of the Council Members have asked how to significantly reduce the transfer to the General Fund. The City has few alternatives to raise additional revenue because of the tax laws relating to roll back rates. With the added requirements identified in the initial Budget Work Session, it is unlikely that a significant amount of dollars could be directed to reducing the transfer.

It might be a better option to take what small amount of funds that could be identified and apply it to the Street Lighting Fee over the next few years. This would have the same effect of reducing the revenue requirements for Austin Energy and the revenue for the General fund; however, it would make Austin Energy structurally more like their peers who charge their local governments a street lighting tariff rather than having the Utility bear the cost.