

AUSTIN ENERGY
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AUSTIN ENERGY'S TARIFF PACKAGE: §
2015 COST OF SERVICE STUDY § BEFORE THE CITY OF AUSTIN
AND PROPOSAL TO CHANGE BASE § IMPARTIAL HEARING EXAMINER
ELECTRIC RATES §

ARMA'S RESPONSE TO AE'S RFI #1

AE 1-1 Please provide all supporting documents and calculations for the statement, "manufacturer operating a company within Austin Energy service area pays 40% more for energy than in the deregulated market, such as Dallas or Houston."

ARMA: See attached documents for rate comparison analysis of two (2) Austin Energy customers.

AE 1-2 For each witness you sponsor, please provide in native format all calculations, exhibits, models, studies, and work papers supporting the testimony and positions taken herein.

ARMA: The following analysis and methodology was used to support our statement:

1. 12-months of actual invoice statements from Austin Energy (AE) for two (2) different manufacturers were analyzed.
2. All line items of the AE invoice were captured in a spreadsheet to determine the total average cost per kWh for each customer.
3. The same historical demand (kW) and energy (kWh) consumption was then used to calculate an estimated delivery ("wires only") cost under four (4) different Transmission Distribution Service Providers ("TDSP's"), in four different ERCOT Load Zones as listed below:
 - a. ONCOR, Dallas Area (North LZ)
 - b. AEP Central, McAllen (South LZ)
 - c. Texas-New Mexico Power, Pecos (West LZ)
 - d. CenterPoint, Houston (Houston LZ)
4. The calculation of the delivery costs were derived from the then currently published tariffs as of 12/21/2015.
5. From the same demand and usage history, an average annual load factor was calculated to determine if the customer's energy rate would be based on a high, medium or low ERCOT profile.
6. The prices for the competitive retail electricity supply component were then determined based on daily matrix pricing as available in the market on 12/21/2015 from multiple retail electricity providers ("REP's").

7. The sum total of the TDSP delivery cost, plus the REP's retail electricity supply costs, applicable PUCA and GRT taxes, equated to an estimated total electricity invoice for each customer profile in a deregulated area of Texas.
8. Item #2 above was then compared to Item #7 above to determine the difference in cost between the costs under AE's tariffs versus competitive areas.

Electricity Rate Comparison

Austin Energy vs. Deregulated Markets

Customer Name	Build A Sign LLC
AE Rate Class/Code	COA - Electric Commercial Secondary Voltage >50kW

		DEREGULATED MARKETS			
City	Austin	Dallas	McAllen	Pecos	Houston
Utility	Austin Energy	Oncor	AEP Central	TNMP	CenterPoint

Annual Energy	Demand (kW)	781	781	781	781	781
	Energy (kWh)	3,811,500	3,811,500	3,811,500	3,811,500	3,811,500

Rate (\$/kWh)	Supply		\$0.0339	\$0.0350	\$0.0339	\$0.0347
	Delivery		\$0.0183	\$0.0227	\$0.0216	\$0.0191
	Subtotal		\$0.0522	\$0.0577	\$0.0555	\$0.0538
	GRT/PUCA		\$0.0011	\$0.0013	\$0.0012	\$0.0012
	Total	\$0.1020	\$0.0533	\$0.0590	\$0.0567	\$0.0549

Cost (\$/Year)	Supply		\$129,210	\$133,403	\$129,210	\$132,259
	Delivery		\$69,564	\$86,595	\$82,241	\$72,632
	Subtotal		\$198,774	\$219,998	\$211,450	\$204,891
	GRT/PUCA		\$4,307	\$4,767	\$4,582	\$4,440
	Total	\$388,953	\$203,081	\$224,765	\$216,033	\$209,331

Annual Variance	(\$/Year) (%)	Base	(\$185,872) -47.8%	(\$164,188) -42.2%	(\$172,921) -44.5%	(\$179,622) -46.2%
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Notes:

Deregulated Supply rates are based on market conditions as of 12/21/2015 for 1-yr fixed priced products.

Delivery rates are averages based on current published tariffs for transmission distribution service providers.

GRT/PUCA stands for State Gross Receipts Tax and Public Utility Commission Assessment Tax.

Electricity Rate Comparison

Austin Energy vs. Deregulated Markets

Customer Name	Luminex Corp
AE Rate Class/Code	COA - Electric Commercial Secondary Voltage >50kW

		DEREGULATED MARKETS			
City	Austin	Dallas	McAllen	Pecos	Houston
Utility	Austin Energy	Oncor	AEP Central	TNMP	CenterPoint

Annual Energy	Demand (kW)	1,147	1,147	1,147	1,147	1,147
	Energy (kWh)	4,867,190	4,867,190	4,867,190	4,867,190	4,867,190

Rate (\$/kWh)	Supply		\$0.0339	\$0.0350	\$0.0339	\$0.0347
	Delivery		\$0.0205	\$0.0238	\$0.0230	\$0.0212
	Subtotal		\$0.0544	\$0.0588	\$0.0569	\$0.0559
	GRT/PUCA		\$0.0012	\$0.0013	\$0.0012	\$0.0012
	Total	\$0.1032	\$0.0555	\$0.0601	\$0.0582	\$0.0571

Cost (\$/Year)	Supply		\$164,998	\$170,352	\$164,998	\$168,891
	Delivery		\$99,637	\$115,838	\$112,087	\$103,348
	Subtotal		\$264,635	\$286,190	\$277,084	\$272,239
	GRT/PUCA		\$5,735	\$6,202	\$6,004	\$5,899
	Total	\$502,516	\$270,370	\$292,392	\$283,089	\$278,139

Annual Variance	(\$/Year) (%)	Base	(\$232,146) -46.2%	(\$210,124) -41.8%	(\$219,427) -43.7%	(\$224,377) -44.7%
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