

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

**AUSTIN ENERGY'S RESPONSE TO PUBLIC CITIZEN AND  
SIERRA CLUB'S THIRD REQUEST FOR INFORMATION**

Austin Energy ("AE") files this Response to Public Citizen and Sierra Club's ("Public Citizen/Sierra Club") Third Request for Information submitted on May 25, 2016. Pursuant to the City of Austin Procedural Rules for the Initial Review of Austin Energy's Rates § 7.3 (c)(1), this Response is timely filed.

Respectfully submitted,

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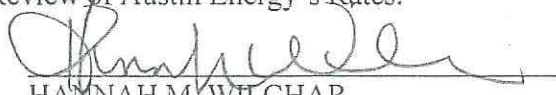
HANNAH M. WILCHAR

State Bar No. 24088631

**ATTORNEYS FOR AUSTIN ENERGY**

**CERTIFICATE OF SERVICE**

I hereby certify that a true and correct copy of this pleading has been served on all parties and the Impartial Hearing Examiner on this 31st day of May, 2016, in accordance with the City of Austin Procedural Rules for the Initial Review of Austin Energy's Rates.



HANNAH M. WILCHAR

AUSTIN ENERGY  
2016 MAY 31 PM 1:34

Public Citizen/Sierra Club 3-1 When Austin Energy calculates the local solar production profile for the Value of Solar formula, which types of solar installations are included? Specifically, does production from both residential and commercial installations get factored into the production profile? Are other local solar installations, such as Webberville or City of Austin owned installations, included?

ANSWER:

The local solar production profile used in the Value of Solar analysis is based on the simulation of all the systems installed in Austin Energy's territory as of 2013, including residential, commercial and municipal installations, but not the Webberville solar project. This results in a representative fleet shape for economic modeling purposes. Individual system production is modeled hourly, and AC power is summed to give hourly fleet production. This fleet production profile stills holds true for the systems installed in the last 3 years.

Prepared by: BC, DM  
Sponsored by: Debbie Kimberly

Public Citizen/Sierra Club 3-2 Under current policy, does Austin Energy pay for any local infrastructure upgrades (such as transformers) that are needed to accommodate commercial solar installations? If the answer is yes, please identify all such upgrades, the amounts spent on them and which commercial customers they benefitted.

ANSWER:

No.

Prepared by: DS  
Sponsored by: Mark Dombroski

Austin Energy's Response to Public Citizen/Sierra Club's 3rd RFI

Public Citizen/Sierra Club 3-3 According to the current projected debt payment schedule, how much Austin Energy debt associated with the Fayette Power Project is expected to remain by October 2016?

ANSWER:

At October 2016, Austin Energy anticipates the outstanding principal for FPP debt to be \$166,735,699.

Prepared by: SK  
Sponsored by: Mark Dombroski

Public Citizen/Sierra Club 3-4 According to the current projected debt payment schedule, how much Austin Energy debt associated with the Fayette Power Project is expected to remain by October 2022?

ANSWER:

At October 2022, Austin Energy anticipates the outstanding principal for FPP to be \$143,293,491.

Prepared by: SK  
Sponsored by: Mark Dombroski

Public Citizen/Sierra Club 3-5 Please provide an estimate of how much money would be collected, by customer class, from Austin Energy's original and revised Energy Efficiency Service fee proposed rates in FY 2017.

ANSWER:

Austin Energy has not updated its class cost of service study to reflect the change in EES cost assignments by customer class.

Prepared by: CTM  
Sponsored by: Mark Dombroski

Public Citizen/Sierra Club 3-6 Please identify all persons you communicated or consulted with, or who were involved in developing Austin Energy's revised Energy Efficiency Services fee proposal included in Deborah Kimberly's rebuttal testimony. Anyone with whom Austin Energy staff communicated regarding the EES fee since the initial rate package was filed should be included in the list of persons identified.

ANSWER:

Christopher Mickelson  
Elizabeth Jambor  
Denise Kuehn  
Mark Mirick  
John Oberwortmann  
Russell Maenius  
Deborah Kimberly  
Mark Dombroski  
Mark Dreyfus  
Kerri Davis  
Joe Lara  
Colleen Gardner  
Barksdale English  
Grant Rabon  
Debbie Swank  
David Hood  
Scott Jarman  
Terry Moore

Prepared by: CTM  
Sponsored by: Mark Dombroski

Austin Energy's Response to Public Citizen/Sierra Club's 3rd RFI

Public Citizen/Sierra Club 3-7 Please provide the timeframe for and state the substance of the communications identified in your response to No. 3-6.

ANSWER:

Austin Energy staff reviewed cost causation and cost of service for residential and commercial customers in greater detail in the period between February 1, 2016 and May 20, 2016.

Prepared by: DK  
Sponsored by: Debbie Kimberly

Public Citizen/Sierra Club 3-8 Please describe the circumstances that prompted you to reevaluate your original proposal, and what you relied on to make the proposed changes.

ANSWER:

Since the implementation of the Energy Efficiency Services (EES) component of Community Benefits Charge, Austin Energy staff has observed that for individual rate classes, the EES component of the CBC can be subject to significant changes from year to year. The potential for such annual changes renders the charge somewhat unpredictable and may introduce inter-class cost shifting from year-to-year. Austin Energy has also pointed out a similar concern in relation to the Regulatory Charge for certain customer classes. In developing Austin Energy's Tariff Package, Austin Energy proposed a modified calculation designed to assure greater stability and predictability to the charge for each customer class. In response to the testimony of parties, particularly parties' discussions related to maintaining close alignment with cost of service and Sierra Club and Public Citizen's joint testimony on the proposed redesign of the tariff, the Austin Energy staff determined that a closer alignment of the charge with Cost of Service is possible, while at the same time achieving the objectives of greater stability and predictability. Thus, in response to that testimony, Austin Energy proposed in its rebuttal that the charge be allocated tying more closely program expenditures with class revenues. As noted in the rebuttal testimony of Debbie Kimberly at page 15, beginning at line 17, Austin Energy relied on a three-year average of program expenditures for rebates and incentives for residential and commercial customers, as well as the voltage levels at which customer classes receive service.

Prepared by: DK, MKD  
Sponsored by: Debbie Kimberly, Mark Dreyfus, Mark Dombroski

Public Citizen/Sierra Club 3-9 Please provide all documents, including communications, worksheets and spreadsheets, that are related to the decision to modify the EES fee and to determine the specific rates proposed.

ANSWER:

There are no documents responsive to this request.

Prepared by: CTM  
Sponsored by: Mark Dombroski