

## **ORDINANCE NO.**

### **AN ORDINANCE PRESCRIBING AND LEVYING RATES AND CHARGES FOR SALES MADE AND SERVICES RENDERED IN CONNECTION WITH THE ELECTRIC LIGHT AND POWER SYSTEM OF THE CITY OF AUSTIN.**

**BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF AUSTIN:**

#### **PART 1. FINDINGS.**

The Council finds:

- (A) On January 25, 2016, the electric utility published a tariff package based on a 2014 fiscal test year and initiated a hearings process where interested customers and stakeholders could participate before a hearings examiner. Twenty-five persons, organizations, and customer groups intervened to participate. Discovery was conducted, and testimony and reports were filed. A multiday hearing was conducted from May 31 to June 2, 2016. On June 15, 2016, the hearings examiner issued a 299-page report summarizing the evidence presented and making recommendations to the Council. A supplemental report was issued on August 5, 2016.
- (B) Of the 25 stakeholder participants in the hearings process, 18, including the independent consumer advocate, initially signed a negotiated joint recommendation to the Council regarding retail electric base rates and charges, and related financial and budget policies. On August 15, 2016, the general terms of the joint recommendation were approved by the Electric Utility Commission by a vote of 9-1-1.
- (C) Subsequent to the Electric Utility Commission's approval, additional provisions were added to the joint recommendation concerning the Fayette Power Project and commercial value-of-solar programs, bringing the number of signatories to the joint recommendation to 20. A copy of the final joint recommendation is attached as Exhibit "A."
- (D) The joint recommendation is in the best interest of the city, the electric utility, and ratepayers. It is the intent of the Council to implement the terms of the joint recommendation, save for those that require action as part of the electric utility's fiscal year 2017 budget, through adoption of this ordinance and the attached rate schedules.
- (E) The rates and charges adopted are fair, just, reasonable, and nondiscriminatory.

(F) The rates and charges adopted are necessary and sufficient to meet the operating and maintenance expenses and provide for depreciation and replacement of system assets; to provide for reasonable extensions and additions in order to render efficient service; to pay principal and interest on revenue bonds; and to provide a reasonable and proper return on the fair value of the electric system's properties dedicated to the furnishing of electric service.

**PART 2.** Council approves the terms of the joint recommendation.

**PART 3.** Consistent with the joint recommendation, the Council establishes monthly rates and charges for retail electric service pursuant to the rate schedules set forth in Exhibit "B." Until the effective date of each rate schedule, the predecessor schedule adopted by Ordinance 20150908-003 shall remain in effect.

**PART 4.** City Code Section 15-9-137 ("Payment Requirements and Late Payment Penalty") is amended to add a new subsection (E) as follows:

"(E) Customers receiving a rate discount under the customer assistance program shall be entitled, upon request, to a waiver of a monthly late payment penalty once per year."

**PART 5.** The City Manager is authorized and directed to take actions reasonably necessary to implement or comply with the terms of the joint recommendation.

**PASSED AND APPROVED**

\_\_\_\_\_, 2016      §  
   §  
   § \_\_\_\_\_  
   Steve Adler  
   Mayor

**APPROVED:** \_\_\_\_\_  
                         Anne L. Morgan  
                         City Attorney

**ATTEST:** \_\_\_\_\_  
                         Jannette Goodall  
                         City Clerk