



ELECTRIC UTILITY COMMISSION
MINUTES OF THE SPECIAL-CALLED MEETING – Approved 10/17/2011
ON OCTOBER 3, 2011

The Electric Utility Commission (EUC) convened in a special-called meeting to review and discuss Austin Energy’s Recommendation for Commercial and Industrial Electric Rates in the Shudde Fath Conference Room at 721 Barton Springs Road in Austin, Texas.

1. **Call to Order** – Phillip Schmandt, Chair, called the meeting to order at 6:00 p.m.
Commissioners in attendance: Phillip Schmandt, Chair; Linda Shaw, Vice Chair; Gary ‘Bernie’ Bernfeld, Barbara Day, Shudde Fath, Stephen Smaha, and Dr. Michael E. Webber.

Staff in attendance: Larry Weis, Elaine Hart, Ann Little, Mark Dreyfus, Rusty Maenius, Kerry Overton, Jamie Mitchell, Kerri Davis, Beverly Bonevac, Don Judd, Jeff Vice, Alicia Loving, Chris Smith, Luis Rivas, and Toye Goodson of Austin Energy.

2. **Approval of Minutes – Motion to approve minutes of the September 19, 2011 meeting by Commissioner Fath, seconded by Vice Chair Shaw, passed on a vote of 7-0.**
3. **Citizen Communications** – There were no requests to speak.
4. **Presentation of Commercial and Industrial Rate Recommendations** by Austin Energy staff: Larry Weis, General Manager; Mark Dreyfus, Director, Regulatory & Government Affairs; Ann Little, Vice President, Finance & Corporate Services; and Joe Mancinelli of SAIC.
5. **Presentations on Commercial and Industrial Rates by Citizen Panels, including Q&A with Commissioners** – Each panel listed below made a 15-minute presentation followed by a five-minute Q&A with Commissioners.

Panel 1: Effect of proposed rate structure on deployment of distributed and utility scale solar and commercial and industrial customers and alignment of incentives to achieve city and utility goals and distribution of costs across customer classes – Trevor Lovell (Solar Austin) and Tom “Smitty” Smith (Public Citizen).

Panel 2: Effect of the rate design on churches and houses of worship – Stephen Reeves (Texas Baptist Christian Life Commission), Joshua Houston (Texas Impact), and Jeff Patterson (Texas Catholic Conference).

Panel 3: Environmental issues and energy efficiency as it relates to schools, commercial and industrial customers – Ward Tisdale (AMD), Michael Cation (SmarteBuilding), and David Downing (AISD).

Panel 4: Cost of service as it relates to schools, commercial and industrial customers – John Sutton (BOMA), Wesley Perkins (RRISD), and Barry Dreyling (Spancion).

Panel 5: Rate design as it relates to schools, commercial and industrial customers – Roger Wood (Freescale), Peter Rieck (Seton Hospital) and Bill Clayton (PISD).

Panel 6: Revenue requirements as it relates to schools, commercial and industrial customers – Andy McFarlane (Data Foundry), Marilyn Fox (Fox, Smolen & Associates), and Steve Bartley.

At 8:05 p.m., Chair Schmandt called a 10-minute break. The meeting reconvened at 8:15 p.m.

6. **Presentations by Independent Residential Rate Advisors Gary Goble on revenue requirement and Bob Wittmeyer on time-of-use rates and net metering alternative (solar rate)** – Commissioner Smaha requested that Mr. Goble report back with additional information regarding the revenue requirement. Chair Schmandt clarified three areas of disagreement between Austin Energy and Mr. Goble: revenue requirement, non-nuclear decommissioning, and fund levels.
7. **Discussion and Q&A regarding Commercial and Industrial Rate Redesign** – Commissioners discussed and asked questions focusing on the revenue requirement.
8. **Discussion and Possible Action regarding the Decision Point List (DPL)** – Chair Schmandt suggested the following revisions to the draft EUC comments included on the DPL. For Issue 1. Achieve Revenue Requirement – “Concur, subject to removing the following from revenue requirement: 1. Economic Growth & Redevelopment Services Office (EGRSO) and Austin Climate Protection Program (ACPP) funding; 3. Adjust for non-nuclear decommissioning as recommended by the Residential Rate Advisor.” **Motion by Chair Schmandt to approve this revision, seconded by Commissioner Webber. Commissioner Day suggested additional revisions. Due to the limited time remaining, the motion was tabled for further discussion at the next meeting.**
9. **Discussion of upcoming meetings, including processes, formal Citizen participation, and information requests from Commissioners** – Commissioners discussed the need for an additional meeting to discuss the rate redesign and their recommendations. **Motion to hold a special-called meeting at 1:00 p.m. on Saturday, October 15 at Town Lake Center by Commissioner Webber, seconded by Commissioner Bernfeld, passed on a vote of 7-0.*** Chair Schmandt requested that Austin Energy staff invite panelists and other interested parties to submit comments and positions for the Decision Point List, and suggested a deadline of noon on Monday, October 10.
10. **Adjourn** – Chair Schmandt adjourned the meeting at 9:56 p.m. without objection.

* After the meeting, Commissioners changed the time and date of the special-called meeting to 5:00 p.m. on Thursday, October 20, 2011. The meeting will be held at Town Lake Center.