



YOUR ELECTRIC RATES

Austin has changed in the 17 years
since our last rate review.

Our commitment to our customers remains unchanged.

Mission: *Deliver clean, affordable, reliable energy and excellent customer service.*

***Electric Utility Commission – Rate Design Update
December 19, 2011***



Agenda

- City Council Presentation Overview
 - Residential Rates
 - Commercial and Industrial Rates
 - RFI Process
- EUC Scenarios



Austin Energy's Proposed Revenue Requirement Changes Due to Public Input and Data Updates

Description of Change	Decrease to Revenue Deficiency	Increase to Revenue Deficiency
Include Transmission Service Adjustment Rider (TSAR) revenue	\$ 12,602,167	
Remove Sand Hill Energy Center decommissioning costs	1,171,783	
Update to residential solar rate proposal	622,117	
Adjusted other revenue items to reflect customer growth	185,449	
Corrections to lighting revenue	101,827	
Allocate Economic Growth & Redevelopment Services to commercial & industrial	92,078	
Corrections to fuel costs		\$ 4,594
Correction to GreenChoice® revenue		40,296
Revised FPP and STP operation and maintenance costs to current amount		80,262
Revised General Fund Transfer (GFT) to reflect FY 2012 budget update		1,905,442
Revised Reserve Fund Balances to reflect FY 2011 year-end		7,683,595

Overall Decrease to Revenue Deficiency \$5 million



Rate Design Changes to Austin Energy's Proposal

Description of Change

Decrease Residential Customer Charge to \$12/month rather than \$15/month

Move fuel cost out of base rates and rename to "fuel adjustment"

Provide 10 percent public schools (Independent School Districts) discount

Charge residential customers \$1/month for Customer Assistance Program

Use a portion of community benefit charge funds for low-income weatherization



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EUC Rate Proposal





EUC Proposal: Changes Impacting Revenue Requirements

Description of Adjustment	Impact to Revenue Requirements
Remove EGRSO cost	Decrease by \$ 10,868,445
Climate Protection Plan	Decrease by \$ 953,263
Reduce Rate Stabilization Reserve	Decrease by \$ 10,074,972
Recalculate GFT excluding fuel	No change - GFT amount remains the same

- Total Revenue Requirement \$1,123,385,287
- Revenue Increase \$ 105,143,797
- Increase Needed 10.3%



EUC Proposal: Changes to Rate Design

Description of Adjustment	Impact to Revenue Requirements
\$3/month Residential Customer Assistance Program Charge for bills in Tier 5	No change – subsidized within the class
10 % School Discount	No change – subsidized by other classes
Develop Non-Demand Rate for Secondary Voltage <10 kW Class	Revenue neutral – class level
100% Lighting	No change – subsidized by other classes



Residential Recommendations – AE and EUC

Residential Bill Components	Existing Rate	Cost of Service	Austin Energy Proposed	Electric Utility Commission Rate Design	
				Design I	Design II
Customer Charge (\$/month)	\$6.00	\$19.70	\$12.00	\$12.00	\$12.00
Electric Delivery (\$/month)	Inc. Below	\$14.42	\$10.00	\$10.00	\$10.00
Energy Charge (¢/kWh) – Summer Period (June-Sept)					
< 500 kWh (15% of bills)	3.55 ¢	4.172 ¢	2.8 ¢	2.7 ¢	2.2 ¢
501 – 1000 kWh (26% of bills)	7.82 ¢		6.0 ¢	5.8 ¢	4.4 ¢
1001 - 1500 kWh (25% of bills)	7.82 ¢		8.3 ¢	8.0 ¢	9.3 ¢
1501 – 2500 kWh (25% of bills)	7.82 ¢		9.4 ¢	9.1 ¢	10.8 ¢
> 2500 kWh (9% of bills)	7.82 ¢		10.6 ¢	10.3 ¢	12.5 ¢
Energy Charge (¢/kWh) – Non-Summer Period (Oct-May)					
< 500 kWh (40% of bills)	3.55 ¢	3.618 ¢	1.7 ¢	1.6 ¢	1.3 ¢
501 – 1000 kWh (37% of bills)	6.02 ¢		4.4 ¢	4.3 ¢	3.4 ¢
1001 - 1500 kWh (14% of bills)	6.02 ¢		6.1 ¢	5.9 ¢	7.3 ¢
1501 – 2500 kWh (7% of bills)	6.02 ¢		7.1 ¢	7.0 ¢	8.8 ¢
> 2500 kWh (2% of bills)	6.02 ¢		8.2 ¢	8.1 ¢	10.2 ¢
Fuel Adjustment (¢/kWh)	3.373 ¢	3.373 ¢	3.373 ¢	3.373 ¢	3.373 ¢
Community Benefit Charges (¢/kWh)					
Customer Assistance Program (\$/mo)	Inc. Above	\$1.00	\$1.00	(Tier 1-4) \$1.00	(Tier 1-4) \$1.00
				(Tier 5) \$3.00	(Tier 5) \$3.00
Service Area Street Lighting (¢/kWh)	Inc. Above	0.113 ¢	0.113 ¢	0.112 ¢	0.112 ¢
Energy Efficiency Programs (¢/kWh)	Inc. Above	0.294 ¢	0.294 ¢	0.296 ¢	0.296 ¢
Regulatory Charge (¢/kWh)	TSAR 0.144 ¢	0.732 ¢	0.732 ¢	0.732 ¢	0.732 ¢
Percent Class Rate Change	25%		20%	19%	19%



EUC Secondary Voltage <10 kW Recommendation

Bill Components	EUC Recommendation	AE Recommendation	
	Secondary Voltage <10 kW	Secondary Voltage <10 kW Phase I	Secondary Voltage <10 kW Phase ii
Customer Charge (\$/month)	18.00	18.00	18.00
Electric Delivery (\$/month)	10.00		
Electric Delivery (\$/kW billed)		1.50	2.50
Demand (\$/kW billed)-Summer	0.00	1.00	3.00
Demand (\$/kW billed)-Non Summer	0.00	1.00	3.00
Energy (¢/kWh)-Summer	5.183 ¢	5.915¢	4.870¢
Energy (¢/kWh)-Non Summer	3.479 ¢	4.065¢	3.229¢
Fuel Adjustment (¢/kWh)	3.373 ¢	3.373¢	3.373¢
Community Benefit Charges (¢/kWh)-Customer Assistance Program	0.065¢	0.065¢	0.065¢
Community Benefit Charges (¢/kWh)-Service Area Street Lighting	0.111¢	0.115¢	0.115¢
Community Benefit Charges (¢/kWh)-Energy Savings Charge	0.293¢	0.298¢	0.298¢
Regulatory Charge-(¢/kWh)	0.713¢	0.713¢	-
Regulatory Charge-(\$/kW billed)			2.34
Percent Class Rate Change	18%	22%	22%



EUC Lighting Scenario -100% of Cost of Service

Bill Components	Service Area Street Lighting	Metered Lighting Customer- Owned Sports Lighting	Customer Owned Non- Metered Lighting	Austin Energy Owned Outdoor Lighting			
				100 Watt High Pressure Sodium	175 Watt Mercury Vapor	250 Watt High Pressure Sodium	400 Watt Mercury Vapor
Customer Charge (\$/month)		\$ 15.00					
Energy Charge							
Summer (¢/kWh)	32¢	15.747¢	6.508¢				
Non-Summer (¢/kWh)	32¢	14.247¢	6.508¢				
Energy (\$/fixture/month)				\$ 9.78	\$ 16.77	\$ 25.16	\$ 39.13
Fuel Adjustment (¢/kWh)		3.373¢	3.373¢	3.373¢	3.373¢	3.373¢	3.373¢
Community Benefit Charges (¢/kWh)							
Customer Assistance Program		0.065¢	0.065¢				
Service Area Street Lighting		0.179¢	0.095¢				
Energy Savings Charge	0.812¢	0.475¢	0.252¢				
Regulatory Charge							
(¢/kWh)	0.096¢	0.321¢	0.098¢				
Percent Class Rate Change	80%	126%	36%	88%	88%	88%	88%



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Mission

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