

AUSTIN ENERGY CUSTOMER ASSISTANCE PROGRAMS AUDIT

Background

AE provided \$2.6 million in assistance to customers through the AE Discount and Plus 1 programs in FY 2011

Objective

Evaluate AE customer assistance programs in light of potential rate changes

Compare AE's Discount and Plus 1 programs to selected utilities

Scope

Fiscal Year 2011

Relevant portions of AE's pending rate proposal



Office of the City Auditor
Kenneth J. Mory, City Auditor

Presented by Walton Persons
January 25, 2012

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Finding 1:

The structure of the Discount Program does not allow AE to fulfill its intended objective.

- Due to cap, participation cannot grow > 38%
- Some high need groups are not eligible

Finding 2:

AE Discount Program no longer has an established funding source

- Original funding expired in March 2011
- Council mandated continuation of Discount Program



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Finding 3:

Limited Plus 1 eligibility criteria, which could result in subsidizing customers who are not having difficulty paying their bills

Finding 4 :

Community Benefit Charge fund use not determined

- AE estimates \$7 million from the new charge
- Formal plans not developed for new funds



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Finding 5 :

AE's discount and Plus 1 programs are comparable to customer assistance programs offered by other utilities.

Utilities	Voluntary Contributions	Utility Contributions	Customer Late Fee Collections	Federal/State Funding	Community Organizations
Austin	X	X			
Denton	X		X		
Garland	X	X			
San Antonio	X	X			X
El Paso	X			X	X
Sacramento	X			X	X
Memphis	X				
Seattle	X			X	

SOURCE: OCA surveyed utilities



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Recommendations

- Identify a funding source to support the Discount Program
- Establish consistent minimum criteria for participation in the Plus 1 Program



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