

Late Backup
#61

**AUSTIN ENERGY RATE INCREASE PROPOSAL
LOW-INCOME CONSUMER ISSUES
TEXAS LEGAL SERVICES CENTER
TEXAS (ROSE) RATEPAYERS' ORGANIZATION TO SAVE ENERGY
GRAY PANTHERS OF TEXAS**

Austin Energy's proposal to raise its rates begins with a 266% increase in fixed monthly charges for residences from \$6 to \$22 including a \$12 monthly charge that includes 200kWh and a new \$10.00 electric "delivery" charge.

Austin Energy's own study shows that 12 percent or 46,000 households have income at or below the federal poverty guideline. Households with income below 50% of the federal poverty guideline pay almost 40% of their total household income on electricity compared to 2.72 % for all residential consumers.

The proposed rate design with surcharges and cost pass-throughs imposes the biggest financial burden on those who can least afford it and discourages energy conservation.

Residential consumers are being overcharged to the benefit of large commercial and industrial customers. Austin Energy claims it needs an increase of \$111 to \$131 million per year. Austin Energy can reduce its costs by eliminating economic development expenditures, high debt service allowances, overlapping reserve fund contributions, and under reporting of off-system sales receipts

Our proposals for achieving affordable electricity bills for residential consumers are:

Income Based Programs

- Expand eligibility of the customer assistance program to all customers who receive food stamps¹ and telephone lifeline benefits. This will make the eligibility standards equivalent to those in place for statewide programs required for privately owned utilities.
- Increase the average dollar amount of monthly benefit for the Customer Assistance Program by a percentage that is no less than the percentage amount of the rate increase.

Energy Efficiency

- Dedicate \$2.9 million or 20 percent of the energy efficiency budget (whichever is the greater of the two amounts) to low-income weatherization.
- Develop energy efficiency programs for renters and for families with income at 200% of the federal poverty guideline.

Rate Design and Cost of Service

- Maintain the current rate design with a \$6.00 monthly charge.
- Allocate costs similar to today by applying the BIP (Baseline, Intermediate, Peak) cost allocation methodology.
- Reduce the total annual revenue requirement by at least 50%.

Revenue Requirement and Fees

- Align fees charged for initiation and re-initiation of service with the actual cost of providing that service with advanced meters.
- Charge developers of new housing and commercial properties for the full cost of adding new lines to the system.

02/08/11

¹ Now called SNAP (Supplemental Nutritional Assistance Program)

Aur Energy
2011 Electric System Rate Study

Rate Adjustment Impact Assessment

Estimated Monthly Bills

(A) (B) (C) (D) (E) (F) (G) (H) (I) (J) (K) (L) (M) (N) (O)

Residential

Unbundled 5-Tier Inclining Block Energy Rate

Line No.	kWh per month	No. of Bills	% of Total	Cum. % of Total	Est. kW per Month	Bill at Current Rates	Cents per kWh	Bill at Cost of Service	Percent Change	Cents per kWh	Bill at Proposed Rates	Dollar Change	Percent Change	Cents per kWh
<i>Annual</i>														
1	0 & below	24,832	0.6%	0.6%	-	\$6.00		\$35.13	485.5%		\$23.00	\$17.00	283.3%	
2	1-250 kWh	494,482	11.5%	12.1%	0.6	14.83	0.11867	45.52	206.9%	0.36417	31.22	16.39	110.5%	0.24979
3	251-500 kWh	839,585	19.6%	31.7%	1.7	32.50	0.08667	66.31	104.0%	0.17682	47.67	15.17	46.7%	0.12712
4	501-750 kWh	810,857	18.9%	50.6%	2.9	54.38	0.08701	87.09	60.2%	0.13935	67.70	13.32	24.5%	0.10832
5	751-1000 kWh	614,888	14.3%	64.9%	4.0	80.47	0.09197	107.88	34.1%	0.12329	91.31	10.84	13.5%	0.10436
6	1001-1250 kWh	441,298	10.3%	75.2%	5.1	106.56	0.09472	128.67	20.7%	0.11437	117.30	10.74	10.1%	0.10427
7	1251-1500 kWh	312,053	7.3%	82.5%	6.3	132.65	0.09648	149.46	12.7%	0.10869	145.67	13.01	9.8%	0.10594
8	1501-1750 kWh	220,364	5.1%	87.6%	7.4	158.75	0.09769	170.24	7.2%	0.10476	175.32	16.57	10.4%	0.10789
9	1751-2000 kWh	152,513	3.6%	91.2%	8.6	184.84	0.09858	191.03	3.3%	0.10188	206.27	21.43	11.6%	0.11001
10	2001-2500 kWh	179,112	4.2%	95.4%	10.3	223.97	0.09954	222.21	-0.8%	0.09876	252.69	28.71	12.8%	0.11231
11	2501-3000 kWh	86,261	2.0%	97.4%	12.6	276.16	0.10042	263.78	-4.5%	0.09592	317.41	41.26	14.9%	0.11542
12	3001-3500 kWh	44,346	1.0%	98.4%	14.8	328.34	0.10103	305.36	-7.0%	0.09396	384.97	56.63	17.2%	0.11845
13	3501-4000 kWh	24,588	0.6%	99.0%	17.1	380.52	0.10147	346.93	-8.8%	0.09251	452.53	72.01	18.9%	0.12068
14	4001 & higher	44,178	1.0%	100.0%	18.3	406.62	0.10165	367.72	-9.6%	0.09193	486.31	79.70	19.6%	0.12158
		<u>4,289,357</u>												

CITY OF AUSTIN ELECTRIC RATE SCHEDULE

SECONDARY VOLTAGE LESS THAN 10 kW (A)

Application

This rate will cease to be in effect [at date determined by the Austin City Council] and at that time shall be superseded by the *SECONDARY VOLTAGE LESS THAN 10 kW (B) tariff*. This rate applies to electric service at a secondary voltage (less than 12,500 volts - nominal), for which no other specific rate is provided, to a customer whose demand for power did not meet or exceed 10 kW during the most recent June through September billing months, or as determined by Austin Energy if no usage history is available, and who on the day prior to the effective date of this tariff was an Austin Energy customer served under a rate that did not assess any charges based on billing demand (kW).

Character of Service

The character of service provided under this rate shall be alternating current, 60 hertz, single-phase or three-phase, in accordance with the Utilities Criteria Manual prescribed by Austin Energy which may be amended from time to time. Electric service of one standard character will be delivered to one point of service on the customer's premise and measured through one meter unless at Austin Energy's sole discretion additional metering is required.

Charges

	Billing Months October Through May	Billing Months June Through September
Customer Charge	\$18.00 Per Month	\$18.00 Per Month
Electric Delivery	\$1.50 Per Billed kW	\$1.50 Per Billed kW
Demand Charge	\$1.00 Per Billed kW	\$1.00 Per Billed kW
Energy Charge	4.065 ¢ Per kWh	5.915 ¢ Per kWh
Fuel Adjustment	3.373 ¢ Per kWh	3.373 ¢ Per kWh
Community Benefit Charges		
Customer Assistance Program	0.065 ¢ Per kWh	0.065 ¢ Per kWh
Service Area Street Lighting	0.115 ¢ Per kWh	0.115 ¢ Per kWh
Energy Efficiency Programs	0.298 ¢ Per kWh	0.298 ¢ Per kWh
Regulatory Charge	0.713 ¢ Per kWh	0.713 ¢ Per kWh

Time-Of-Use Option

In lieu of the charges above, customers may choose the following time-of-use charges to be applied for a term of not less than 12 consecutive billing months. Customers selecting this time-of-use option shall permit Austin Energy to install all equipment necessary for time-of-use metering and permit reasonable access to all electric service facilities installed by Austin Energy for inspection, maintenance, repair,

Industrial Retail kWh Sales - % Change Year over Year

