

Late Backup



Texas Ratepayers' Organization to Save Energy

Testimony on Austin Energy Rate Increase Proposal

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Residential Fixed Charges

Monthly Charge	Current	Proposed	Difference
Customer	\$6	\$12	+6
Electric Delivery	\$0	\$10	+10
Total	\$6	\$22	+\$16 or 266%



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Analysis of Fixed Charge

Monthly kWh Usage	Percent of Bills	Estimated Monthly kW Demand	Monthly Cost at \$1.50 per kW	Proposed Fixed Monthly Charge	Fixed Charge Minus Monthly Cost
1-125	11.5	0.6	\$0.90	\$10.00	+\$9.10
251-500	19.6	1.7	\$2.55	\$10.00	+\$7.45
501-750	18.9	2.9	\$4.35	\$10.00	+\$5.65
751-1000	14.3	4.0	\$6.00	\$10.00	+\$4.00
1001-1250	10.3	5.1	\$7.65	\$10.00	+\$2.35
1251-1500	7.3	6.3	\$9.45	\$10.00	+\$0.55



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Sales per Residential Customer

Year	kWh	Dollar Revenue
FY06	12,064	\$1,145.94
FY10	11,496	\$1,104.08
Five Year	-568	-\$41.86
Percent Change	-4.7%	-3.6%



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Residential Customer Growth

Year	No. of Customers	MWH Sales	Dollar Revenue
FY06	338,184	4,079,909	\$387,540,000
FY10	368,700	4,238,690	\$407,074,000
Change	30,516	158,781	\$19,534,000
Percent	+9%	+3.9%	+5%



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Conclusions

- There is no evidence that energy efficiency programs are causing Austin energy to lose sales from residential customers.



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Conclusions

- The \$10 electric delivery charge exceeds the cost of serving the customer on 82 % of all residential bills.
- Residential customers should be charged based on usage like all other customer classes.



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Conclusions

- Decoupling is being used by investor-owned utilities to maintain revenue streams to sustain profits.
- A public power utility may not need decoupling mechanisms.



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Conclusions

- City council needs to decide if residential rates should be structured for profit or to lower customer's bills and Austin Energy's capital and operating costs.



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