

## Proposed City Council Work Plan

The schedule below represents a logical progression through the major decision points underlying the rate proposal. The schedule divides the policy decisions into three broad categories: the revenue requirement, cost of service, and rate design. Each category has been further divided into the key topics that should be evaluated when arriving at policy decisions.

Council would take preliminary action throughout the decision-making process, with final policy direction scheduled for September. As soon after as feasible, staff would return to Council with a rate proposal that reflects those directives and uses 2011 financial data for its test year.

### Revenue Requirement Issues

**March 2012**

**Session 1**

Debt Service Coverage

CIP Debt-Equity Ratio

Reserve Funds (number/scope of funds, funding levels, replenishment rates)

**Session 2**

General Fund Transfer (amounts, options for calculating)

Additional Transfers (EGRSO, Corporate Services, other)

**April 2012**

**Session 3**

Distributed Solar Goals

Energy Efficiency Goals

Customer Assistance Program Goals (depth and breadth of program)

**Session 4**

***Preliminary Council Action on Issues from Sessions 1 - 3***

AE Budget Reduction Recommendations

Line Extension/New Service Cost Study

(Dis)connection Fees and Charges

**May 2012**

**Session 5**

Other Related Issues

Review Austin Energy 2011 Audited Finances

Off-system Sales in a Nodal Market

### Cost of Service

**Session 6**

Cost of Service Methodologies (AED, BIP, 4CP, other alternatives)

## **Rate Design**

**June 2012**

### **Session 7**

#### ***Preliminary Council Action Issues from Sessions 4-6***

Fixed Charges and Alternatives  
Inverted Block Structure  
Bundled Plan for Low-use Customers  
Fuel Charge (components and calculations)

**August 2012**

### **Session 8**

Consideration of Rates for Specific Types of Customers  
(Faith community/nonprofit organizations, school districts, out-of-city ratepayers, industrial users)

### **Session 9**

#### ***Preliminary Council Action from Sessions 7-8***

Review of Rate Case Elements  
Phasing Options for Rate Increases

## **Final Policy Direction**

**September 2012**

### **Session 10**

Potential Rate Impacts from the Generation Plan Update  
Council Action on Policies Related to Revenue Requirement, Cost of Service Methodologies, and Rate Design