



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.*

***City Council Work Session # 12
May 29, 2012***



Decision Points

- ✓ Capital projects debt-to-equity ratio
- ✓ Worship Rate
- ✓ School (ISD) Rate
- ✓ General Fund Transfer levels and calculation methodology
- ✓ Economic Growth and Redevelopment Services Funding
- ✓ Production Demand Allocation Methods
- ✓ Fixed Charges
- ✓ Customer Assistance Program Charge
- ✓ Energy Efficiency Services Charge
- ✓ Revenue Requirements

Pending

- ☐ Five-Tier Residential Rate
- ☐ Outside City Customer GFT



Comparison of Proposals

(Dollars in Millions)

Revenue Requirement and Proposed Customers' Rate Increase				
Customer Class	December 2011 Proposal		May 2012 Ph 1 Proposal	
	Revenue by Class	Percent Increase by Class	Revenue by Class	Percent Increase by Class
Residential	\$ 450	20%	\$ 426	14%
Secondary Voltage (< 10 kW)	45	22%	43	18%
Secondary Voltage (10 < 50 kW)	101	10%	99	8%
Secondary Voltage (≥ 50 kW)	375	6%	366	3%
Primary Voltage (< 3 MW)	32	3%	31	1%
Primary Voltage (≥ 3 < 20 MW)	56	20%	48	1%
Primary Voltage (≥ 20 MW)	66	17%	57	15%
Transmission Voltage	15	-4%	15	-3%
Lighting	5	89%	3	35%
Total Revenue Requirements	\$ 1,145		\$ 1,090	
Total System Increase	126	12.5%	\$ 71	7.0%



Residential Bill Format

Residential Bill Components	Existing Rate	---Phase I--- 2012
Customer Charge (\$/month)	\$6.00	\$10.00
Energy Charge (¢/kWh)		
< 500 kWh	3.55 ¢	
501 – 1000 kWh	7.82 ¢	
1001 - 1500 kWh	7.82 ¢	
1501 – 2500 kWh	7.82 ¢	
> 2500 kWh	7.82 ¢	
Fuel Adjustment (¢/kWh)	TBD	TBD
Community Benefit Charges (¢/kWh)		
Customer Assistance Program (\$/mo)	Inc. Above	\$1.50
Service Area Street Lighting (¢/kWh)	Inc. Above	0.093 ¢
Energy Efficiency Programs (¢/kWh)	Inc. Above	0.289 ¢
Regulatory Charge (¢/kWh)	TSAR 0.144 ¢	0.728 ¢



Residential Rates Tier Options Phase I: AE Recommends Moderate Tiers

Flat Tiers			Moderate Tiers	Steep Tiers
Residential Bill Components	Existing Rate	---Phase I--- 2012	---Phase I--- 2012	---Phase I--- 2012
Energy Charge (¢/kWh) – Summer Period (June-Sept)				
< 500 kWh (15% of bills)	3.55 ¢	5.3 ¢	3.5 ¢	3.3 ¢
501 – 1000 kWh (26% of bills)	7.82 ¢	6.6 ¢	7.7 ¢	6.5 ¢
1001 - 1500 kWh (25% of bills)	7.82 ¢	7.6 ¢	9.1 ¢	9.2 ¢
1501 – 2500 kWh (25% of bills)	7.82 ¢	8.4 ¢	11.0 ¢	12.3 ¢
> 2500 kWh (9% of bills)	7.82 ¢	8.6 ¢	11.4 ¢	13.9 ¢
Energy Charge (¢/kWh) – Non-Summer Period (Oct-May)				
< 500 kWh (40% of bills)	3.55 ¢	3.7 ¢	2.0 ¢	2.2 ¢
501 – 1000 kWh (37% of bills)	6.02 ¢	4.8 ¢	5.2 ¢	4.5 ¢
1001 - 1500 kWh (14% of bills)	6.02 ¢	5.9 ¢	7.2 ¢	6.6 ¢
1501 – 2500 kWh (7% of bills)	6.02 ¢	6.3 ¢	8.4 ¢	9.5 ¢
> 2500 kWh (2% of bills)	6.02 ¢	6.7 ¢	9.6 ¢	11.1 ¢
Average Monthly Bill Impact				
501-750 kWh (50% of bills)	\$54	\$67	\$59	\$58
Dollar Increase		\$13	\$5	\$4
Percent Increase		24%	10%	8%
1000-1250 kWh (75% of bills)	\$106	\$117	\$113	\$109
Dollar Increase		\$12	\$8	\$3
Percent Increase		11%	7%	3%
2501-3000 kWh (97% of bills)	\$274	\$301	\$332	\$343
Dollar Increase		\$27	\$59	\$69
Percent Increase		10%	21%	25%



Residential Rates Tier Options

5 Tier Options	Affordability	Conservation Signal	Volatility
Flat	x low users ✓ high users	Less of signal	Most revenue stability due to weather
Moderate	✓ low users ✓ high users	More of signal	More revenue stability due to weather
Steep	✓ low users x high users	Strongest price signals	Less revenue stability due to weather



Residential Rate Impacts – Phase I

Small Apartment with Electric Heat							
	Feb	Aug	AvgMon	% Incr	\$ Incr	\$ /kWh	
kWh	560	541	427				
Existing	\$ 47	\$ 46	\$ 36			\$0.0845	
Prop Flat Tiers Ph I	\$ 57	\$ 64	\$ 49	35%	\$ 13	\$0.1139	
Prop Moderate Tiers Ph I	\$ 49	\$ 56	\$ 41	15%	\$ 5	\$0.0970	
Prop Steep Tiers Ph I	\$ 50	\$ 54	\$ 42	15%	\$ 6	\$0.0974	

Average Home with Gas Heat							
	Feb	Aug	AvgMon	% Incr	\$ Incr	\$ /kWh	
kWh	532	2011	1,162				
Existing	\$ 44	\$ 211	\$ 112			\$0.0960	
Prop Flat Tiers Ph I	\$ 55	\$ 240	\$ 128	14%	\$ 16	\$0.1098	
Prop Moderate Tiers Ph I	\$ 47	\$ 258	\$ 127	14%	\$ 16	\$0.1096	
Prop Steep Tiers Ph I	\$ 47	\$ 258	\$ 126	13%	\$ 14	\$0.1083	

Medium Sized Home with Electric Heat							
	Feb	Aug	AvgMon	% Incr	\$ Incr	\$ /kWh	
kWh	2163	2631	2,206				
Existing	\$ 198	\$ 281	\$ 214			\$0.0970	
Prop Flat Tiers Ph I	\$ 220	\$ 320	\$ 241	13%	\$ 27	\$0.1094	
Prop Moderate Tiers Ph I	\$ 234	\$ 354	\$ 261	22%	\$ 47	\$0.1184	
Prop Steep Tiers Ph I	\$ 236	\$ 363	\$ 266	24%	\$ 52	\$0.1205	

Medium Sized Home with Gas Heat							
	Feb	Aug	AvgMon	% Incr	\$ Incr	\$ /kWh	
kWh	1645	3088	2,219				
Existing	\$ 149	\$ 332	\$ 219			\$0.0987	
Prop Flat Tiers Ph I	\$ 165	\$ 379	\$ 247	13%	\$ 28	\$0.1112	
Prop Moderate Tiers Ph I	\$ 168	\$ 427	\$ 267	22%	\$ 48	\$0.1204	
Prop Steep Tiers Ph I	\$ 164	\$ 447	\$ 273	24%	\$ 54	\$0.1229	



Residential Rate Impacts Phase I (continued)

Large Home with Electric Heat						
	Feb	Aug	AvgMon	% Incr	\$ Incr	\$/kWh
kWh	3090	3431	3,026			
Existing	\$ 286	\$ 371	\$ 297			\$ 0.0982
Prop Flat Tiers Ph I	\$ 322	\$ 424	\$ 336	13%	\$ 39	\$ 0.1111
Prop Moderate Tiers Ph I	\$ 360	\$ 483	\$ 377	27%	\$ 79	\$ 0.1245
Prop Steep Tiers Ph I	\$ 374	\$ 510	\$ 393	32%	\$ 96	\$ 0.1298
Large Home with Gas Heat						
	Feb	Aug	AvgMon	% Incr	\$ Incr	\$/kWh
kWh	1547	5809	3,050			
Existing	\$ 140	\$ 638	\$ 308			\$ 0.1011
Prop Flat Tiers Ph I	\$ 154	\$ 733	\$ 350	13%	\$ 41	\$ 0.1146
Prop Moderate Tiers Ph I	\$ 155	\$ 865	\$ 394	28%	\$ 85	\$ 0.1291
Prop Steep Tiers Ph I	\$ 150	\$ 945	\$ 415	35%	\$ 106	\$ 0.1360
Very Large Home with Electric Heat						
	Feb	Aug	AvgMon	% Incr	\$ Incr	\$/kWh
kWh	6244	8275	6,273			
Existing	\$ 584	\$ 915	\$ 629			\$ 0.1002
Prop Flat Tiers Ph I	\$ 672	\$ 1,053	\$ 722	15%	\$ 94	\$ 0.1152
Prop Moderate Tiers Ph I	\$ 801	\$ 1,262	\$ 859	37%	\$ 231	\$ 0.1370
Prop Steep Tiers Ph I	\$ 863	\$ 1,396	\$ 933	48%	\$ 305	\$ 0.1488
Very Large Home with Gas Heat						
	Feb	Aug	AvgMon	% Incr	\$ Incr	\$/kWh
kWh	3596	10275	6,269			
Existing	\$ 333	\$ 1,140	\$ 636			\$ 0.1015
Prop Flat Tiers Ph I	\$ 378	\$ 1,313	\$ 730	15%	\$ 94	\$ 0.1165
Prop Moderate Tiers Ph I	\$ 431	\$ 1,584	\$ 868	36%	\$ 232	\$ 0.1385
Prop Steep Tiers Ph I	\$ 453	\$ 1,762	\$ 945	49%	\$ 309	\$ 0.1508



Questions