



**AUSTIN CITY COUNCIL
MINUTES**

**SPECIAL WORKSESSION MEETING
MONDAY, APRIL 23, 2012**

The City Council of Austin, Texas convened in a Special Called Meeting on Monday, April 23, 2012, City Hall at 301 W. Second Street, Austin, Texas.

Mayor Pro Tem Cole called the meeting to order at 9:08 a.m. Mayor Leffingwell and Council Member Martinez were absent.

1. Discussion regarding Austin Energy's 2011 audited finances, off-system wholesale power sales in the nodal market, connection and disconnection fees, and Austin Energy revenue requirements not addressed in prior work sessions.
The presentations for all the items on this agenda were made by Larry Weis, General Manager, Ann Little, Vice President of Finance and Corporate Services, and Mark Dreyfus, Director Regulatory and Government Affairs, Austin Energy. Thomas Brocato, Attorney, Lloyd Gosselink Rochelle & Townsend, P.C., and Paul L. Chernick, President of Resource Insight Inc. – the Consumer Advocate, were available to respond to Council's questions.
2. Discussion regarding fixed charges and alternatives, revenue regulation, inverted block rate structures, bundled rate plans for low-use customers, and the components and calculation methodology for the fuel charge.
3. Discussion and possible action to give preliminary direction to the City Manager regarding prior work session topics: financial policies governing debt service coverage ratio, capital projects debt-to-equity ratio, reserve funds, and interim revenue options; general fund transfer levels and calculation methodology, other transfers, and payments for shared services; distributed generation and energy efficiency goals, and the design and funding of low-income electric customer assistance programs; budget reduction options, line extension and new service policies, and revenue regulation and decoupling; and cost-of-service methodologies for allocating costs among customer classes in setting Austin Energy electric rates.
The motion to base the general fund transfer on fuel and base costs so it does not burden the residential customers was approved on Council Member Morrison's motion, Council Member Tovo's second on a 4-1 vote. Those voting aye were: Mayor Pro Tem Cole, Council Members Morrison, Riley and Tovo. Council Member Spelman voted nay. Mayor Leffingwell and Council Member Martinez were absent.
4. Discussion and possible action regarding amendments to the rate work session schedule and topics.
Staff was directed to cancel the Austin Energy rate session scheduled for April 24, 2012. All the topics on the scheduled should be shifted back one session. Additional dates will be added as needed.

Mayor Pro Tem Cole adjourned the Council Meeting at 11:36 a.m. without objection.

The minutes for the Austin Energy work session of April 23, 2012 were approved on this the 24th day of May 2012 on Council Member Morrison's motion, Council Member Spelman's second on a 7-0 vote