



MEMORANDUM

TO: Electric Utility Commission

CC: Larry Weis, Austin Energy General Manager

FROM: Kerry Overton, Austin Energy, Deputy General Manager Shared Services
Jawana JJ Gutierrez, Austin Energy, Vice President Customer Care

DATE: March 18, 2013

SUBJECT: Utility Customer Connection and Disconnection Update

Over the past several years Austin Energy has implemented several technologies that impact the utility customer connection and disconnection process; some of which include the Mobile Workforce Management (MWM) system, the Customer Care and Billing System (CC&B), and Automated Metering Infrastructure (AMI). This memo will provide an update on the connection and disconnection process changes made to date, as well as anticipated changes to these processes in the future.

Background

Prior to 2003 the process to connect and disconnect customers was completely manual. In 2003 the MWM system and ~100,000 automated meters were implemented to help streamline this process by optimizing the delivery of field orders and reducing the number of manual reads. In 2008 we began full deployment of an AMI that would provide capability for 2-way metering allowing for direct communication with the meters. Currently there are more than 424,000 automated meters in our service territory. In our network we have installed two types of meters; the FOCUS AL (\$30) meter which provides consumption information via the AMI network, and the FOCUS AX-SD meter (\$135) which is a more feature rich meter that allows for remote connection and disconnection. As of today, there are about 20,000 AX-SD meters deployed throughout our service territory. The remote connect and disconnect process for the AX-SD meter has not been activated at this time. Installation of vendor software and successful acceptance testing must be performed in order to remotely connect and disconnect over the vendor's proprietary AMI network. We plan to implement the AMI software in 2014.

Q&A

1. What is our connection and disconnection policy?

Customers who are requesting a new service will pay a one-time \$20 initiation fee. New services are turned on within 24 hours of the confirmed request. Customers who are

disconnected and request reconnection will pay a \$25 re-initiation fee. Customers will be reconnected within 24 hours of the received confirmation for full payment or payment installment. If the customer would like same-day reconnection, an additional fee of \$55 is assessed and guarantees the service is reconnected by the end of the day. Although we have not disconnected customers since 2011, data from that year shows that 61% of the customers who request reconnection also requested the same day service. In 2010, 81% of the customers requested same day service.

2. How has the connection and disconnection process changed since AMI and CC&B were implemented?

The procedural steps of the connection and disconnection process have remained the same. However, automation and system integration have streamlined these steps. For example, the billing system is now integrated with the MWM so that field orders are automatically routed between the systems, shortening the process duration by two days. In addition, the implementation of CC&B allows us to make improvements to the collections process that will ultimately shorten the disconnection cycle by 12 days. Once this improvement is fully implemented, customers with difficulty paying will be helped sooner to avoid the buildup of large account balances.

3. What is the status of the Fee Analysis Study performed by Austin Energy?

Austin Energy performs an analysis of the fees associated with the utility during the annual budgeting process. In preparation for the 2013 budget, the analysis of the fees was deferred due to the amount of effort required for the rate analysis and implementation. A new analysis will be conducted in conjunction with the FY2014 budget development.

Summary

There will be strategic implementation of the advanced AX-SD meters over the next several years. At an additional \$100 per meter, it would be cost prohibitive to change out all of the remaining 400,000 meters. Also, not every customer will require the advanced features of the AX-SD meter. We anticipate gradually changing out the existing meter to the more advanced meter as the business need requires.

Austin Energy will evaluate the costs of service for the connection and disconnection processes during the 2014 budget development process. We will continue to reevaluate the fees associated with these processes each year as the number of deployed advance meters increase and the remote capabilities are utilized.

Please let me know if you have additional questions. I can be reached at 322-6113.