



AMI Contract Update

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Mission: Deliver clean, affordable, reliable energy
and excellent customer service.



Topics

- **History of AML: Advanced Metering Infrastructure (a.k.a. Smart Meters)**
- **Contract Overview & Goals**
- **Smart Meter Opt-Out Status**



History of AMI at AE

- 2001: AE installed ~120,000 1-way meters primarily at multifamily apartment complexes. Cellnet constructed the radio network and provided the read services under a 15-year agreement.
- 2007-2009: AE installed 2-way meters at all remaining locations, including ~20,000 with remote disconnection capability; Landis + Gyr (L+G) upgraded the radio network for 2-way read operations.
- 2010: AE updated spending authority to provide 100% remote meter reads for entire service territory ~420,000 meters; Additional authority was required to support the added meter reads under the original contract period.
- 2013: AE and L+G are reviewing existing contract and services.



AMI Contract Update Goals

1) Head End System transition -

- Existing platform is a re-engineered solution to provide 2-way AMR services
- New Platform is designed specifically for 2-Way AMI services
- Incentive for AE to take advantage of updating it's legacy 1-way population
- Allows for increased meter diagnostic data and AMI functionality, such as remote meter connection/disconnection capabilities

3) Updated performance metrics -

- Existing service levels don't match our current or future business needs
- New levels match AE needs, adds detailed Service Level Agreements (SLA) and damages provisions
- Adding provisions for SLA updates as well as additions

4) Re-negotiated pricing -

- One price for all meter reads and all rate classes
- Price per read decreases as we receive more advanced read data and roll out more rate classes



AMI Contract Update Goals (cont')

5) Contract term extension -

- Existing Agreement runs through 2017; New Agreement runs through 2022
- New contract price is reduced by cost savings with elimination of final 4 years of current agreement ($\$60\text{M} - \$35\text{M} = \$25\text{M}$)
- Provides Price/Cost Assurance and AMI Services support through 2022

6) Standard City Terms and Conditions -

- Existing Agreement was a settlement agreement that lacked many standard City protections; New Agreement has that language

7) Alignment with newer technologies -

- New Head End System provides better, faster, and more data for other business critical systems it directly works with:
 - Meter Data Management System
 - Advanced Distribution Management System
 - Distribution Automation



AMI Contract Update Goals (cont')

8) Future Proofing -

- AE has added language that will allow "Use of System" for enhanced Demand Response programs like Home Area Networking without added cost



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Questions?