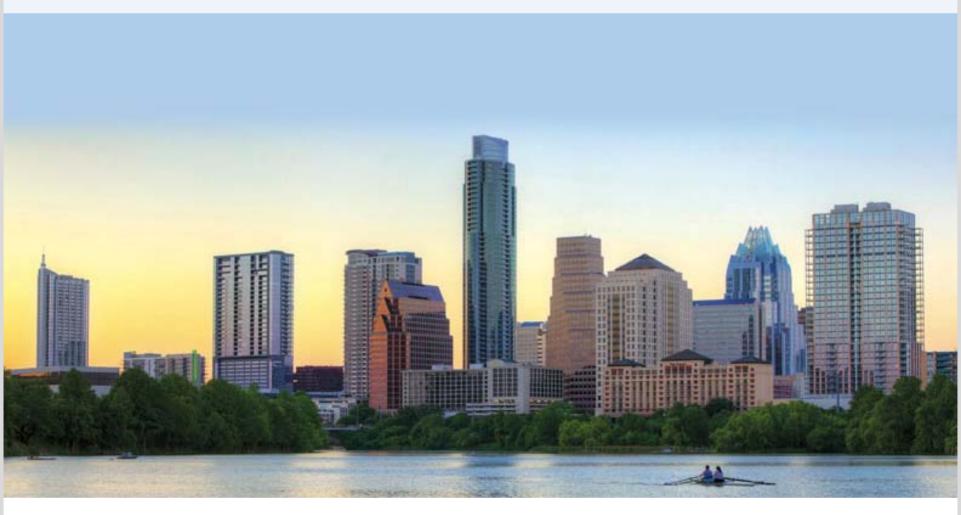


#### **AMI Contract Update**

#### June 17, 2013





David Wood, PE Vice President, Electric Service Delivery Austin Energy **Mission:** Deliver clean, affordable, reliable energy and excellent customer service.



- History of AMI: 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 provide100% 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 (\$60M - \$35M = \$25M)
- 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



#### **AMI Contract Update**

# **Questions?**