



High Load Factor Primary Voltage Tariff

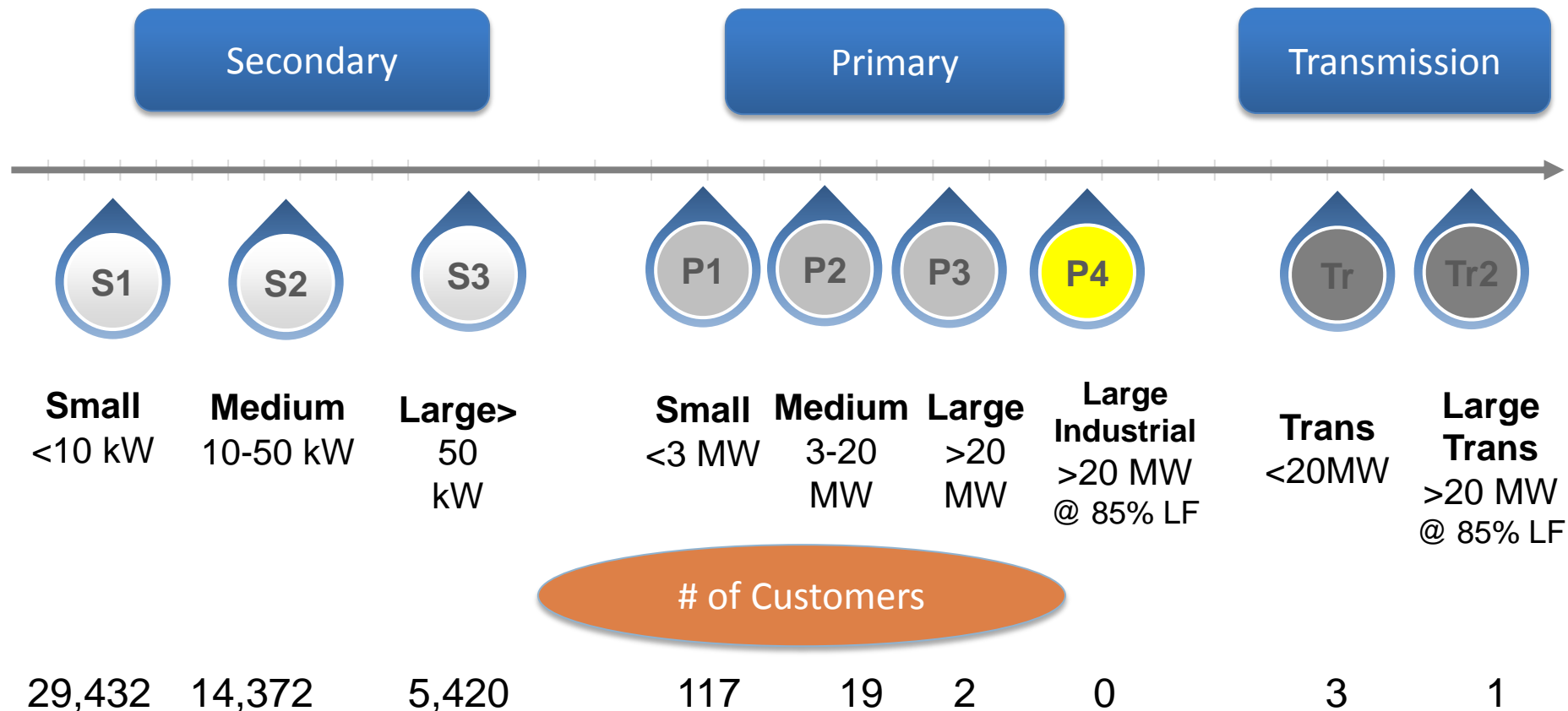
Austin Energy Utility Oversight Committee

October 22, 2015





~50,000 Commercial Customers





High Load Factor Primary Voltage Tariff

Comparison to Alternative P3

Rate Component	P3 Non-Summer	P3 Summer	P4	Explanation
Minimum Charge			Variable	Highest billed demand for most recent 12-months times the Demand Charge
Customer Charge (\$/mo)	\$2,500.00	\$2,500.00	\$12,000.00	Increases fixed charges to align with cost of service
Delivery (\$/kW)	\$3.50	\$3.50	\$3.75	Increases charges to align with cost of service
Demand Charge (\$/kW)	\$11.00	\$12.00	\$11.10	Same cost of service but P4 has no seasonality in recognition of the large load factor
Energy Charges (\$/kWh)	\$0.00260	\$0.00760	\$0.00370	Same cost of service but P4 has no seasonality in recognition of the large load factor
Power Supply Adjustment Charge (\$/kWh)	\$0.03068	\$0.03068	\$0.03068	No change to rate
Community Benefits Charges – Customer Assistance Program (\$/kWh)	\$0.00065	\$0.00065	\$0.00065	No change to rate with a limit of \$200,000 per account under the P4 (consistent with T2 tariff)
CBC – Service Area Lighting (\$/kWh)	\$0.00051	\$0.00051		Charge eliminated under P4 (consistent with T2 tariff)
CBC – Energy Efficiency (\$/kWh)	\$0.00158	\$0.00158		Charge eliminated and cannot receive rebates or incentives under P4 (consistent with T2 tariff)
Regulatory Charges (\$/kW)	\$5.18	\$5.18	\$5.18	No Change



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Timeline of Rate Adjustments

Date	Base Rates (Customer, Delivery, Demand & Energy)	CBC (CAP only, maximum \$200,000 per year)	Regulatory (Also adjusted if +/- 10% actual costs)	PSA
Nov 1, 2015	X	X	X	X
Nov 1, 2016				X
Nov 1, 2017				X
Nov 1, 2018	X	X	X	X
Nov 1, 2019				X
Nov 1, 2020				X
Nov 1, 2021	X	X	X	X
Nov 1, 2022				X
Nov 1, 2023				X
Oct 31, 2024 (Tariff Termination)				



Energy Efficiency Services Community Benefits Charge for FY2014

(Excludes CAP and Street Lighting)

	Residential	Commercial	Industrial	Total
EES Revenue	\$16,855,648	\$17,243,796	\$156,927	\$34,256,372
EES Rebates & Incentives	13,874,832	8,628,961	454,156	22,957,948
EES Administration	4,664,651	4,866,498	256,131	9,787,281
Total CBC Benefits	\$18,539,482	\$13,495,459	\$710,287	\$32,745,229
Net Benefits (Ov)/Un Revenue	\$(1,683,834)	\$3,748,337	\$(553,360)	\$1,511,143

- Secondary, P1 and Lighting Customers included in Commercial
- P2, P3 and Transmission customers included in Industrial
- Based on Generally Accepted Accounting Principles (GAAP)



High Load Factor Primary Voltage Tariff Benefits

- Secures long term relationship between Austin Energy and its largest industrial customers
- Provides predictable, stable billing for the customer
- Reduces revenue risk for Austin Energy by establishing a minimum charge and a Customer Charge set closer to cost of service
- Provides for rate re-sets and true-ups
- Increases CAP revenue
- Provides customers with market-based options for power supply
- Provides assurance that these customers will maintain predictable and steady use of the electrical system



Back-Up Slides



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Community Benefits Charge for FY2014

CBC Revenue	Residential	Commercial	Industrial	Total
EES	16,855,648	17,243,796	156,927	34,256,372
SAL	3,122,575	3,357,293	70,745	6,550,613
CAP	6,904,983	3,479,601	98,359	10,482,943
Total CBC Revenue	\$26,883,205	\$24,080,691	\$326,032	\$51,289,928
CBC Benefit Recipients				
EES	18,539,482	13,495,459	710,287	32,745,229
SAL	0	0	0	0
CAP	10,902,367	0	0	10,902,367
Total CBC Benefits	\$29,441,849	\$13,495,459	\$710,287	\$43,647,596
Net Benefits	\$2,558,644	\$(10,585,232)	\$384,256	\$(7,642,332)
Add Back SAL	3,122,575	3,357,293	70,745	6,550,613
Adjusted Benefits	\$5,681,219	\$(7,227,938)	\$455,001	\$(1,091,719)



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Community Benefits Charge for FY2014

CBC Revenue	Residential	Commercial	Industrial	Total
EES	16,855,648	17,243,796	156,927	34,256,372
SAL	3,122,575	3,357,293	70,745	6,550,613
CAP	6,904,983	3,479,601	98,359	10,482,943
Total CBC Revenue	\$26,883,205	\$24,080,691	\$326,032	\$51,289,928
CBC Benefit Recipients				
EES	14,482,702	9,371,530	56,825	23,911,057
SAL	0	0	0	0
CAP	10,482,943	0	0	10,482,943
Total CBC Benefits	\$24,965,645	\$9,371,530	\$56,825	\$34,394,000
Net Benefits	\$(1,917,560)	\$(14,709,161)	\$(269,207)	\$(16,895,928)
Add Back SAL	3,122,575	3,357,293	70,745	6,550,613
Adjusted Benefits	\$1,205,014	\$(11,351,868)	\$(198,461)	\$(10,345,315)

Note: Benefits exclude administrative and overhead costs