

AGENDA



Recommendation for Council Action

Austin City Council	Item ID	51988	Agenda Number	2.
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Meeting Date:	11/12/2015	Department:	Austin Energy
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Subject

Approve an ordinance amending Ordinance No. 20150908-003 to add an electric rate schedule for service at primary voltage to customers with an average load of at least 20 megawatts and a load factor of at least 85 percent.

Amount and Source of Funding

There is no unanticipated fiscal impact.

Fiscal Note

A fiscal note is not required.

Purchasing Language:

Prior Council Action: September 8, 2015 – Held public hearing and approved Ordinance No. 20150908-003 including electric rate schedules; May 28, 2015 – Approved extension of contract rates for six months.

For More Information: Mark Dombroski, Sr. Vice President, Finance and Corporate Services, 512-322-6148; Debbie Kimberly, Vice President, Customer Energy Solutions, 512-322-6327; Jeff Vice, Director, Local Government Issues, 512-322-6087.

Council Committee, Boards and Commission Action: Recommended by the Electric Utility Commission per Recommendation 20150817-017 regarding FY 2015-16 Budget.

MBE / WBE:

Related Items:

Additional Backup Information

The requested action will provide a new tariff for primary voltage customers with an average electrical load of at least 20 megawatts and a high load factor of at least 85 percent. Currently, Austin Energy has two large industrial customers who could be served under this tariff, enabling them to enter into a long-term contract, with a tariff termination date of October 31, 2024. This tariff would provide predictable, stable billing for the customers while securing a long-term relationship between Austin Energy and its largest industrial customers. Austin Energy's revenue risk would be reduced by establishing a minimum charge and a customer charge set closer to cost of service, while increasing revenue for the Customer Assistance Program. This tariff, with its load factor requirement, helps provide assurance that these customers will maintain predictable and steady use of the electrical system.

Other benefits for the customers include provisions for rate re-sets and true-ups, as well as market-based options for power supply. If applicable customers do not take advantage of this new tariff when the temporary extension of contract rates granted in May expires, they will move to the current tariff for customers with primary voltage greater than or equal to 20MW.