AUSTIN CITY COUNCIL

AGENDA



Recommendation for Council Action

Austin City Council	**Item ID**	61079	**Agenda Number**	80.
Meeting Date:	8/18/2016	**Department:**	Austin Energy	

Subject

Set a public hearing to receive public comment on Austin Energy's proposed revised electric rates. (Suggested date and time: August 29, 2016 at 1:00 p.m., Austin City Hall, 301 W. Second Street, Austin, TX).

Amount and Source of Funding

Fiscal Note

Purchasing Language:	
Prior Council Action:	
For More Information:	Mark Dombroski, Sr. Vice President, Finance and Corporate Services (512) 322-6148; Mark Dreyfus, Vice President, Corporate Communications and Regulatory Affairs (512) 322-6544.
Council Committee, Boards and Commission Action:	
MBE / WBE:	
Related Items:	

Additional Backup Information

The City of Austin is examining Austin Energy's base electric rates through a cost of service study and independent public rate review process. This process updates the utility's retail rates so they more closely recover the costs the utility incurs in the current operating environment. At the end of this process, Austin Energy's customers should have rates that fairly recover costs and reflect the community's priorities.

The proposed public hearings represent the culmination of a seven-month public process adopted by City Council to review and debate Austin Energy's cost of service study and proposed retail rate design. The formal process enabled 23 intervenors representing all 11 customer classes to file nearly 400 documents, all of which are publicly available on the Austin City Clerk's website, and afforded over 30 hours of in-person debate in front of the Impartial Hearing Examiner. The public hearings provide constituents and ratepayers who may not have had the opportunity to participate in the Impartial Hearing Examiner process with the opportunity to express their views for the rate proposal directly to City Council.

After the latest rate review in 2012, the City Council required that electric rates be reviewed every five years. Any rate changes approved by Council this year are expected to take effect in January 2017. Portions of the electric bill which pay for pass-through costs such as energy purchases and access to the state grid will be reviewed as part of the overall budget process in summer 2016.

By regularly reviewing Austin Energy's cost structure through a cost of service study, Council gains a better idea of how much it costs to serve different types of customers, and a subsequent rate review provides insight into how customers should pay for those costs.

The City Council designated an Impartial Hearing Examiner to review information from the electric utility, stakeholders and customer groups. An Independent Consumer Advocate was selected to represent the interests of residential and small commercial customers. Members of the Electric Utility Commission will receive and summarize input from the community. The Impartial Hearing Examiner, Herrera & Boyle PLLC, will assist Council in establishing fair and balanced rates through the independent and impartial review of Austin Energy's recommendations and deliberate consideration of the concerns and opinions of the utility's customers. The Independent Consumer Advocate team, composed of John Coffman, Clarence Johnson and Janee Briesemeister, represents the interests of residential and small commercial customers as well as houses of worship.

RATE REVIEW TIMELINE

January 25	Tariff Package released; Motions to intervene accepted; Discovery begins
March 2	Deadline to file a motion to intervene
March 7	Hearing Examiner files final procedural schedule
March 17	Consumer Advocate files preliminary Statement of Issues
March 21	Hearing Examiner files final Statement of Issues
April 19	Last day to submit discovery request regarding Austin Energy's Direct Presentation
May 3	Intervenor and Consumer Advocate's Presentations or Pre-filed Direct Due
May 3	First day Austin Energy may submit discovery requests to other Parties
May 10	Cross Rebuttal by Intervenors and Consumer Advocate to other Intervenors' and Consumer Advocate's Party Presentations
May 17	Last day to submit discovery requests regarding Intervenors', Consumer Advocate's Direct and Cross-Rebuttal Presentations
May 20	Austin Energy files Rebuttal to Intervenors' and Consumer Advocate's Party Presentations and cross rebuttal
May 27	Last day to submit discovery requests regarding Austin Energy's Rebuttal presentation
May 27	Pre-Hearing Conference
May 31-June 2	Hearing (3-day hearing)
June 10	Intervenors and Consumer Advocate file Closing Briefs
June 17	Austin Energy files Closing Brief
July 15	Hearing Examiner issues final recommendation
July 18	Electric Utility Commission Meeting
August 8	Austin Energy Utility Oversight Committee - Rates Work Session
August 15	Austin Energy Utility Oversight Committee - Rates Work Session
August 15	Electric Utility Commission Meeting
August 22	Austin Energy Utility Oversight Committee - Rates Work Session
August 25	Special-called Council Meeting - Public Hearing on Rates
August 29	Special-called Council Meeting - Public Hearing and Final Decision by Council on Rates