

**AUSTIN ENERGY 2022 BASE RATE  
REVIEW**

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**BEFORE THE CITY OF AUSTIN  
HEARING EXAMINER**

**TEXAS INDUSTRIAL ENERGY CONSUMERS THIRD REQUEST FOR  
INFORMATION TO AUSTIN ENERGY**

Texas Industrial Energy Consumers (“TIEC”), by and through its attorneys of record, requests that Austin Energy (“Austin Energy” or “you”) provide information and answer the attached questions under oath pursuant to Procedural Guidelines Section B.3(a) and Section F. It is further requested that the questions be answered in the order in which they are asked with as much detail so as to fully present all of the relevant facts.

**DEFINITIONS AND INSTRUCTIONS**

A. Austin Energy” or “you” refers to Austin Energy, and its affiliates, subsidiaries, and any person acting or purporting to act on their behalf, including without limitation, attorneys, agents, advisors, investigators, representatives, employees or other persons.

B. The terms “document” or “documents” are used in their broadest sense to include, by way of illustration and not limitation, all written or graphic matter of every kind and description whether printed, produced, reproduced or stored by any process whether visually, magnetically, mechanically, electronically or by hand, whether final or draft, original or reproduction, whether or not claimed to be privileged or otherwise excludable from discovery, and whether or not in your actual or constructive possession, custody, or control. The terms include writings, correspondence, telegrams, memoranda, studies, reports, surveys, statistical compilations, notes, calendars, tapes, computer disks, data on computer drives, e-mail, cards, recordings, contracts, agreements, invoices, licenses, diaries, journals, accounts, pamphlets, books, ledgers, publications, microfilm, microfiche and any other data compilations from which information can be obtained and translated, by you if necessary, into reasonably usable form. The definition includes electronic information that has been deleted. “Document” or “documents” shall also include every copy of a document where the copy contains any commentary or notation of any kind that does not appear on the original or any other copy.

C. Pursuant to Rule 196.4 of the Texas Rules of Civil Procedure, TIEC specifically requests that any electronic or magnetic information (which is included in the definition of “document”) that is responsive to a request herein be produced on CD-ROM in a format that is compatible with Adobe Acrobat, Microsoft, Macintosh and/or Word Perfect and be produced with your response to these requests. If emails are responsive to these requests, please provide a searchable .pdf copy of the entire email string. Attachments to emails should be provided with the email in searchable .pdf form, unless it is stored in a different format, in which the attachment should be produced in its native format and provided on CD-Rom.

D. The terms “and” and “or” shall be construed both disjunctively and conjunctively as necessary to make the request inclusive rather than exclusive.

E. “Each” shall be construed to include the word “every” and “every” shall be construed to include the word “each.”

F. “Any” shall be construed to include “all” and “all” shall be construed to include “any.”

G. The term “concerning,” or one of its inflections, includes the following meanings: relating to; referring to; pertaining to; regarding; discussing; mentioning; containing; reflecting; evidencing; describing; showing; identifying; providing; disproving; consisting of; supporting; contradicting; in any way legally, logically or factually connected with the matter to which the term refers; or having a tendency to prove or disprove the matter to which the term refers.

H. The term “including,” or one of its inflections, means and refers to “including but not limited to.”

I. Words used in the plural shall also be taken to mean and include the singular. Words used in the singular shall also be taken to mean and include the plural.

J. The present tense shall be construed to include the past tense, and the past tense shall be construed to include the present tense.

K. If any document is withheld under any claims of privilege, please furnish a list identifying each document for which a privilege is claimed together with the following information: date, sender, recipients of copies, subject matter of the document, and the basis upon which such privilege is claimed. This instruction is not intended to impose an obligation greater than contemplated by the Commission’s rules and any applicable orders in this case.

L. If the response to any request is voluminous, please provide a detailed index of the voluminous material.

M. If the information requested is included in previously furnished exhibits, workpapers, and responses to other discovery inquiries or otherwise, in hard copy or electronic format, please furnish specific references thereto, including Bates Stamp page citations and detailed cross-references.

N. The term “emails” includes the entire email string and all attachments found anywhere within the email string. Please refer to paragraph “C.” regarding specific instructions for producing such items.

O. “Communications” refers to correspondence of any kind, including emails.

P. “Identify” and “describe” shall have the meaning set forth below according to the context in which the term is used:

- i. When used in reference to an individual, shall mean to state his or her full name, business affiliation, job title, and business address and telephone number;
- ii. When used in reference to a corporation, shall mean to state its full name, its state of incorporation, its address and its principal place of business;
- iii. When used in reference to any entity other than an individual or corporation, shall mean to state its official name, its organizational form and its address;
- iv. When used in reference to a document, shall mean to state the type of document, date, author, addressee, title, its present location, the name and address of its custodian, and the substance of the contents thereof. In lieu of identifying any document, copies thereof may be furnished; and
- v. When used in reference to a communication, shall mean to state the form of the communication (e.g., telephone conversation, letter, telegram, teletype, telecopy, written memorandum, face to face conversation, or any other form), the date of the communication or the dates on which the communication was sent and/or received if not the same, the parties to the communication, the party who initiated it, the substance of the communication, and the present location and the name and address of the custodian if the communication was non-verbal and/or of any written memorialization of the communication.

Respectfully submitted,

O'MELVENY & MYERS LLP

/s/ Katie L. Coleman

Katherine L. Coleman

State Bar No. 24059596

Benjamin B. Hallmark

State Bar No. 24069865

John R. Hubbard

State Bar No. 24120909

303 Colorado St., Suite 2750

Austin, TX 78701

(737) 261-8600

[kcoleman@omm.com](mailto:kcoleman@omm.com)

[bhallmark@omm.com](mailto:bhallmark@omm.com)

[jhubbard@omm.com](mailto:jhubbard@omm.com)

[OMMeservice@omm.com](mailto:OMMeservice@omm.com)

**ATTORNEYS FOR TEXAS INDUSTRIAL  
ENERGY CONSUMERS**

**CERTIFICATE OF SERVICE**

I, John R. Hubbard, Attorney for TIEC, hereby certify that a copy of this document was served on all parties of record in this proceeding on this 20<sup>th</sup> day of May, 2022 by electronic mail, facsimile, and/or First Class, U.S. Mail, Postage Prepaid.

/s/ John R. Hubbard

John R. Hubbard

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**Exhibit A  
BEFORE THE CITY OF AUSTIN  
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**TEXAS INDUSTRIAL ENERGY CONSUMERS THIRD REQUEST FOR  
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**TIEC 3-1** Referring to Schedule G-6:

- a. Explain the rationale and provide documents supporting the use of the 12NCP method to allocate distribution plant and related expenses, including in your response why Austin Energy proposes this method despite the fact that the Public Utility Commission of Texas (PUC) has approved the use of 1NCP to allocate these costs for other ERCOT utilities.
- b. Explain the rationale and provide documents supporting the use of the 12NCP method to allocate load dispatch expense, including in your response why Austin Energy proposes this method despite the fact that the PUC has approved the use of 1NCP to allocate these expenses for other ERCOT utilities.
- c. Please provide every reason upon which Austin Energy relies for using ERCOT 12CP to allocate production demand costs rather than using A&E/4CP as approved by the PUC for non-ERCOT vertically integrated utilities in Texas.
- d. Please provide every reason upon which Austin Energy relies for using ERCOT 12CP to allocate production demand costs rather than the Austin Energy System 12CP.
- e. Explain the rationale for allocating ERCOT Administration Fees on the NEFL allocator.
- f. Explain the rationale for recovering production energy-related costs allocated to customer classes equipped with demand meters through the demand charge rather than the energy charge.
- g. Explain the rationale for allocating energy efficiency program and service area street lighting costs to all customer classes using the Rev Req x COA Lights allocator. How are these allocations consistent with the following provision in the Primary Voltage  $\geq 20$  MW and Transmission customer classes: Charges for Service Area Lighting (SAL) and Energy Efficiency Services (EES) do not apply under this rate schedule.
- h. Provide workpapers showing the derivation of and explain the basis for the Key Acct allocator.

- i. Explain how the use of the Key Acct allocator reflects the benefits from economic development.

- TIEC 3-2** Referring to Schedule G-7, explain why Nacogdoches O&M and debt service costs are being recovered in the Power Supply Adjustment, rather than base rates.
- TIEC 3-3** Confirm that Austin Energy would achieve a 2.7 times Debt Service Coverage ratio under the proposed rates. If not confirmed, quantify the Debt Service Coverage ratio under the proposed rates.
- TIEC 3-4** Explain why Austin Energy requires a higher Debt Service Coverage ratio than other AA-rated municipal utilities providing retail electricity service.
- TIEC 3-5** Provide a copy of Austin Energy's analysis of the impact of Winter Storm Uri on its test-year energy sales and base revenues.
- TIEC 3-6** Provide a schedule showing the number of customers, energy sales, and base revenues by customer class for fiscal years 2017 through 2020.
- TIEC 3-7** Identify the specific energy efficiency, green building and solar programs associated with the expenses shown on WP D-1.2.4.3.
- TIEC 3-8** Explain how the societal and policy initiative benefits associated with the proposed Value of Solar tariff will be recovered from customer classes.
- TIEC 3-9** Provide a detailed breakdown of the test-year economic development expenses by activity.