

**AUSTIN REVIEW
2022 BASE RATE REVIEW**

§
§
§

**BEFORE THE CITY OF AUSTIN
HEARINGS EXAMINER**

2WR's First Request for Information

To: Austin Energy

Please answer the requests for information set out below. The term “Austin Energy” (“AE”) or “your” or “you” set out in these RFIs refers to AE, its employees, and any person acting or purporting to act on Austin Energy’s behalf or whose work product was relied upon or reviewed by AE in its business operations since the last rate case, including without limitation, attorneys, agents, advisors, investigators, representatives, consultants, contractors, and other city of Austin Department employees. You are instructed to call if you do not understand the question, if terms in an RFI are confusing or your understanding of the term in one RFI appears to conflict with that term in another RFI, or that you believe the RFI is unduly burdensome. Please do not hesitate to call if you wish to work with me to identify and provide available information responsive to the requests. To the extent AE is not able to provide all the information requested, please provide the available information and explain why all the information cannot be provided.

1. Please provide all residential energy efficiency marketing materials used by Austin Energy in FY 2020, FY2021, and FY2022 (to date) separated out by FY.
2. Since one of the reasons AE is proposing high customer charges and flatter rate designs for residential customers is to stabilize rates, why didn’t Austin Energy recommend adjustments to its reserves to reflect the less financial risk of its operations resulting from more stable revenues? See Bates stamp pages 116-120 of the rate-filing package and see the base rate-filing of AE’s last rate case where AE made reserve recommendations part of its base rate case.
3. How has AE allocated the costs of its CAP program among AE’s customer classes? To the extent this method is different than the one used in the rate-filing package proposing to allocate the costs of the commercial customer discounts, please explain how the allocation is different and why it is not consistent.
4. How did AE adjust its rate-filing package to account for the February 2021 winter storm (“winter storm Uri”) that left hundreds of thousands of Austin homes without electricity (and therefore no kWh billed) for up to four days and that caused higher O&M costs such as payroll overtime costs. If no adjustment was made, please explain why not?
5. For each year commencing with 2009 and ending with the most recent month’s available data in FY2022, please numerically provide the monthly residential bill distribution by the same monthly energy(kWh) use increments as utilized by AE in its power point presentation of the 2022 base review process to the community dated April-May 2022 broken down by CAP customers and non-CAP customers. See Power Point Presentation at p. 21 entitled “Residential Bill Distribution-Summer”—increments were set at: 250, 500, 750, 1000, 1250, 1500, 1750,

2000, 2250, 2500, 2750, 3000, 3250, 3500, 3750, and 4000)). This request is for the frequency data for each of the twelve months per year.

6. According to the rate-filing package at Bates Stamp p. 39, AE removed around \$111.7 million in depreciation expense from the test year; but included \$43 million in depreciation in pass-through rates. Please explain the \$111.7 million amount and how it relates to AE's FY 2021 business operations, including whether this amount was expensed as part of its budget. In your explanation, please address the underlying studies, calculations, workpapers, and any budget, fund, and reserve amounts affected by the \$111.7 amount in the FY2021 budget.
7. Please identify any business practices or operational changes, including each fee, discount, or rate which was waived or adjusted and that was changed temporarily to provide financial assistance because of the pandemic and winter storm Uri. To the extent these changes such as waivers of fees like late payment charges and initiation of service fees, and reduced rates, or actions resulted in less revenues or more costs, how has AE adjusted its TY rate-filing package to account for these changed business practices or operational changes. Please identify where these practices or changes were discussed or addressed in the rate-filing package.
8. Figure 7-11 entitled "Cost Recovery on a hypothetical inside City non-CAP customer" shows \$51 as an AE cost for providing demand to that hypothetical customer. What is the \$/KW that AE assumed for the total capacity costs used to calculate the \$51 and what is the \$/KW assumed for each of the parts listed under "Capacity [demand, \$/KW]", i.e. production, transmission, and distribution. Also, please explain why transmission demand costs are included in the \$51 capacity costs when transmission costs are not included in base rates. Please also provide a dollar breakout of the \$51 showing each demand component's (production, transmission and distribution) dollar contribution to the \$51 amount.
9. What are the short-run marginal costs of serving residential customers for each rate tier at the current and proposed rate tiers?
10. Please identify each cost AE included to derive its proposed, residential \$25 customer charge and include with each identified cost the amount used to calculate the customer charge. For instance, \$x of the \$25 customer charge is incurred by AE for meter reading.
11. For each FY commencing with FY2018 and ending in FY2021, please provide the revenues AE realized from each of the following AE fees: initiation of service fee (not the continuous service program initiation fee), returned check fee, late payment penalty fee, and Continuous Service Program disconnect fee
12. Does AE perform its regular, planned maintenance on its power plants in the summer? If not, when does AE perform its regular, planned maintenance and why? In your explanation, please identify any customer class or classes, if any, whose usage characteristics allow AE to do planned power plant maintenance without incurring additional capacity expenses.
13. Please explain the continuous services program offered to owners and managers by AE and please identify where it is located in the rate-filing package. In your explanation please address how the customer services AE provides an apartment manager in this program such as the meter reading of vacant apartment's electric usage, status reports, automated AE emails sent to managers when electric service changes, and billing for the electric services provided to the vacant apartment is accounted for in the cost of service; and include worksheets, workpapers, underlying calculations identifying these costs, calculating these costs, classifying these costs, and allocating these costs in the cost of service. Also, please show how these costs are

recovered from the apartment manager or owner. See "Multifamily Partnership Program" posted on AE's website.

14. How many disconnections did AE do on behalf of the owner or manager in the continuous service program during the TY2021?
15. Please explain whether the 2020, and 2021 base rate revenues identified in Figure 7-23 entitled "Impact of Revenue Gap on Cash Reserves" at p. 101 of the Base Rate Filing Package were normalized to address the temporary rate reductions established for the pandemic and winter storm Uri, the CAP revenues used to compensate AE for the underlying base rate costs for the CAP customers, and such other fee waivers such as returned check charges, initiation of service fees, and late payment penalty fees. Please also address whether AE normalized the revenues to account for the \$10 bill credit and such other reductions in bills caused by fee waivers and reduced rates effecting the base rate revenues. In your explanation, please go through the steps AE took to derive the Base Rate Revenue figures and provide the underlying calculations.
16. With regard to Figure 7-23 referenced in RFI No. 16, please explain whether AE normalized the 2020, and 2021 cost figures for the extraordinary costs AE incurred in responding to the pandemic and winter storm Uri such as repairs and maintenance, the \$10 billing credit, and the \$5million used to provide rate relief under the Customer Assistance Program's Plus-1 program. In AE's explanation, please go through the steps AE took to derive the AE cost figures and provide the underlying calculations.
17. At bates stamp page 120, Work Paper E-5.1 entitled, "Operating and Non-Operating Revenue", AE listed Stand By revenues of \$780,000 and noted that these revenues were an offset to cost of service. Please explain what is meant by an offset to cost of service. In your explanation, please identify where standby revenues were addressed in AE's rate-filing package. If AE did not allocate any costs to the underlying standby tariff, please explain why not. Also, please explain what the standby tariff is and what responsibilities AE has to serve customers under this tariff including whether AE is responsible to provide service and whether AE incurs capacity costs in providing this service.

Respectfully submitted on May 30, 2022

/s/ Lanetta M. Cooper

Lanetta M. Cooper
5008 Eilers Ave.
Austin, Texas 78751
Email: cooperlmcooper@outlook.com
Tel.: 512.619.3801
SBN: 4780600

Certificate of Service

The undersigned certifies that TLSC has served a copy of the attached document upon all known parties of record by email and to the Impartial Hearing Examiner on the 30th day of May 2016

/s/ Lanetta M. Cooper

