

**AUSTIN ENERGY'S
2022 BASE RATE REVIEW**

§ **BEFORE THE CITY OF AUSTIN**
§
§ **IMPARTIAL HEARING EXAMINER**

**AUSTIN ENERGY'S RESPONSE TO HOMEOWNERS UNITED FOR
RATE FAIRNESS'S FIRST REQUEST FOR INFORMATION**

Austin Energy files this Response to Homeowners United for Rate Fairness's ("HURF") First Request for Information ("RFI") submitted on May 27, 2022. Pursuant to the 2022 Austin Energy Base Rate Review Procedural Guidelines § F(2)(f)(1), this Response is timely filed.

Respectfully submitted,

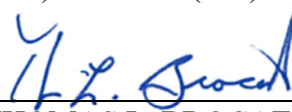
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**ATTORNEYS FOR THE CITY OF AUSTIN
D/B/A AUSTIN ENERGY**

HURF 1-1: Please provide proposed rates under the City's new proposed rate structure for customers outside the City limits to approximate the current differentials between inside and outside City limits rates as well as the overall revenue generation differential implied in the settlement in PUCT Docket No. 40627.

ANSWER: The requested alternative rate design has not been developed by Austin Energy.

Prepared by: BTM

Sponsored by: Brian Murphy

HURF 1-2: Please provide any information, including any rate calculations, showing, or addressing any differentials between inside and outside City limits rates which were prepared or reviewed in the preparation of this rate filing package.

ANSWER: There are no responsive rate calculations, analyses, reports, or studies.

Prepared by: BTM

Sponsored by: Brian Murphy

HURF 1-3: Please provide the amounts, by fiscal year, budgeted by AE during fiscal years 2017, 2018, 2019, 2020 and 2021 for each of the items listed. (Provide unaudited amounts if audited amounts are not available.)

(1) General fund transfer

(2) EGRSO

(3) Economic Incentive Reserve Fund

(4) Economic Incentive Agreements

(5) CMO Environmental Sustainability Office

(6) Holly Good Neighbor Program

(7) Street lighting

(8) Community programs (whether or not "specified"), including donations, contributions, and sponsorships

(9) Lobbyists

ANSWER: See Attachment HURF 1-3 for the requested information.

Attachment HURF 1-3.

Prepared by: NK

Sponsored by: Rusty Maenius

Item	Approved Budget					FDUO Source	Note
	2017	2018	2019	2020	2021		
(1) General fund transfer	\$108,000,000	\$109,000,000	\$110,000,000	\$111,000,000	\$114,000,000	5010-1100-9991-9700	
(2) EGRSO	\$7,492,992	\$6,872,809	\$8,535,853	\$9,069,619	\$8,367,233	5010-1100-9991-9845	Direct Transfer
(3) Economic Incentive Reserve Fund	\$0	\$0	\$0	\$0	\$0		No longer budgeted
(4) Economic Incentive Agreements	\$0	\$0	\$0	\$0	\$0		No longer budgeted
(5) CMO Environmental Sustainability Office	\$985,236	\$1,034,487	\$1,068,435	\$1,067,573	\$1,075,725	5010-1100-9991-6203	Object includes other items
(6) Holly Good Neighbor Program	\$0	\$0	\$0	\$0	\$0		No longer budgeted
							Removed from O&M budget in FY13. The amounts previously recorded were the electric costs for streetlights within the City of Austin. This is no longer recovered through base rates and is recovered through the CBC-SAL rate.
(7) Street lighting	\$0	\$0	\$0	\$0	\$0		
(8) Community programs (whether or not "specified"), including donations, contributions, and sponsorships	\$829,699	\$431,000	\$431,000	\$414,000	\$414,000	5010-1100-1317-????	All object codes
(9) Lobbyists	\$90,000	\$90,000	\$90,000	\$150,000	\$150,000	5010-1100-1312-5860	

HURF 1-4: Please provide the calculations and explanation for the General Fund Transfer request of \$121 million.

ANSWER: For the calculation, see WP C-3.2.1. For the explanation, see Financial Policy No. 13 within Appendix B.

Prepared by: GR

Sponsored by: Grant Rabon

HURF 1-5: Explain how the statement “Bring outside- and inside-City of Austin residential customers together in the new rates since there is no cost difference in serving those customers” relates to the principles established in the settlement of PUCT Docket No. 40627.

ANSWER: The principles set forth by Austin Energy witness Mark Dreyfus in Docket No. 40627 are as follows:

1. Rates should be in alignment with Austin Energy's strategic objectives.
2. Ratemaking should be founded on economic standards common to the electric utility industry.
3. Rates should be fair between customer classes.
4. Rates should ensure the long-run financial strength of the utility.
5. Rate structures should provide incentives for energy conservation, promote the efficient use of resources, and encourage consumer investment in energy efficiency.
6. Rates should maintain the affordability of electricity.
7. Provide a discount to low-income customers.
8. Rates should be as simple and understandable as practical.
9. The rate review process should be transparent, including public involvement.
10. The rate review process must adhere to laws and regulations.

For a discussion as to how Austin Energy's residential rate design proposal for both inside and outside city customers advances the above principles, see Austin Energy's Base Rate Filing Package at 114, Section 7.5.

Prepared by: BTM

Sponsored by: Brian Murphy

HURF 1-6: Please provide a schedule for the test year showing the number of customers by customer class for total Austin Energy, the number of customers by customer class for those customers inside the City Limits of the City of Austin, and the number of customers by customer class for those customers outside the City Limits of Austin. In the same format, please provide the number of kWh billed for each customer class by tier for total customers, inside city customers, and outside city customers. Also, in the same format for each customer class show the load factor for total customers, inside city customers, and outside city customers.

ANSWER: For the requested customer counts, please see the Cost of Service Study's series of workpapers "WPs H-5.x," which includes a separate proof of revenues worksheet for each rate class. Austin Energy does not calculate load factor separately for inside and outside city customers, or by residential tier.

Prepared by: BTM

Sponsored by: Brian Murphy

HURF 1-7: Is Austin Energy proposing to eliminate the Winter/Summer differential rates?

ANSWER: No. In the settlement agreement to the 2016 Rate Review, the seasonally differentiated rates had already been eliminated in the Council-adopted rate designs as reflected in the Council-adopted Tariff.

Prepared by: BTM

Sponsored by: Brian Murphy