AUSTIN ENERGY'S	§	**BEFORE THE CITY OF AUSTIN**
2022 BASE RATE REVIEW	§	
	§	**IMPARTIAL HEARING EXAMINER**

AUSTIN ENERGY'S RESPONSE TO INDEPENDENT CONSUMER ADVOCATE'S SIXTH REQUEST FOR INFORMATION

Austin Energy files this Response to the Independent Consumer Advocate's ("ICA") Sixth Request for Information ("RFI") submitted on June 3, 2022. Pursuant to the discovery deadlines established for Austin Energy's Amendment to the 2022 Base Rate Filing Package, filed on May 31, 2022, this Response is timely filed.[1]

Respectfully submitted,

LLOYD GOSSELINK ROCHELLE & TOWNSEND, P.C.
816 Congress Avenue, Suite 1900
Austin, Texas 78701
(512) 322-5800
(512) 472-0532 (Fax)

THOMAS L. BROCATO
State Bar No. 03039030
tbrocato@lglawfirm.com

TAYLOR P. DENISON
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tdenison@lglawfirm.com

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

[1] "Austin Energy will respond in writing to discovery requests related to the Amendment 7 days after the discovery request is submitted to the Rate Review Administrator." Austin Energy's Amendment to the 2022 Base Rate Filing Package (May 31, 2022).

ICA 6-1: Provide all internal correspondence, memoranda, and reports pertaining to development of the Rate Class Amendment.

ANSWER: Please see Attachment ICA 6-1. Notwithstanding the responsive documents provided in Attachment ICA 6-1, Austin Energy filed a Notice of Procedural Guidelines Section C(2) Ruling on June 8, 2022, in response to ICA 6-1 to the extent that some responsive Austin Energy information pertains to a pending lawsuit and is therefore protected under attorney-client privilege, attorney work product privilege, or the litigation exception to the Public Information Act (Government Code Section 552.103).

Prepared by: AP / TD

Sponsored by: Rusty Maenius

First Amendment to Austin Energy's 2021 Electric System Rate Study

PRI-2 HLF Rate Design

Proposed Rate Design		Billing Units	Revenues
Customer Charge	**$ 6,363.00**	144	$ 916,272
Demand rate	**$ 14.47**	764,977	$ 11,069,223
Energy rate	**$ -**	524,920,665	$ -
Power factor penalty (base portion)		11,893	$ 172,085
Total			$ 12,157,580

Target Revenues	April 18th Filed rates	All PRI-2 Billing Units	All PRI-2 Revenues	PRI-2 HLF Billing Units	PRI-2 HLF Revenues	PRI-2 Non-HLF Billing Units	PRI-2 Non-HLF Revenues	PRI-2 As-filed Unit Costs
Customer Charge	$ 2,500.00	324	$ 810,000	144	$ 360,000	180	$ 450,000	$ 6,363.29
Demand rate	$ 14.00	1,690,700	$ 23,669,805	764,977	$ 10,709,683	925,723	$ 12,960,122	$ 14.18
Energy rate	$ 0.00175	966,000,494	$ 1,690,501	524,920,665	$ 918,611	441,079,829	$ 771,890	$ -
Unbilled energy (LSOFF)		33,687,090				33,687,090		
Power factor penalty (base portion)		19,316	$ 270,423	11,893	$ 166,495	7,423	$ 103,928	
Sub-Total			$ 26,440,729		$ 12,154,790		$ 14,285,939	

Difference between target and proposed revenues $ 2,790

PRI-2 HLF Rate Design

Proposed Rate Design

			Billing Units	Revenues
Customer Charge	$ 6,363.00		144	$ 916,272
Demand rate	$ 14.33		764,977	$ 10,962,126
Energy rate	0		462,568,150	$ -
		Total		$ 11,878,398

Target Revenues

	April 18th Filed rates	All PRI-2 Billing Units	All PRI-2 Revenues	PRI-2 HLF Billing Units	PRI-2 HLF Revenues	PRI-2 Non-HLF Billing Units	PRI-2 Non-HLF Revenues	PRI-2 As-filed Unit Costs
Customer Charge	2500	348	$ 870,000	144	$ 360,000	204	$ 510,000	$ 6,363.29
Demand rate	14	1,690,700	$ 23,669,805	764,977	$ 10,709,683	925,723	$ 12,960,122	$ 14.18
Energy rate	0.00175	966,000,495	$ 1,690,501	462,568,150	$ 809,494	503,432,345	$ 881,007	$ -
Unbilled energy (LSOFF)		33,687,090				33,687,090		
Total			$ 26,230,306		$ 11,879,177		$ 14,351,129	

Difference between target and proposed revenues $ 780

Archived: Friday, June 10, 2022 11:40:51 AM
From: Murphy, Brian
Sent: Tuesday, April 26, 2022 1:08:15 PM
To: Lara, Jose
Subject: FW: PRI-2 HLF
Importance: Normal
Sensitivity: None

How hard would it be to determine if any ratcheted demand units would have been billed under a PRI-2 HLF class with the 12 customers in it, using FY21 data? (see below)

From: Murphy, Brian
Sent: Tuesday, April 26, 2022 11:26 AM
To: Oberwortmann, John <John.Oberwortmann@austinenergy.com>; Grant Rabon <grabon@newgenstrategies.net>; Johnson, Garry <Garry.Johnson@austinenergy.com>; Varughese, Jogee <Jogee.Varughese@austinenergy.com>; Lara, Jose <Jose.Lara@austinenergy.com>; Maloy, Alicia <Alicia.Maloy@austinenergy.com>; Mirick, Mark <Mark.Mirick@austinenergy.com>
Subject: RE: PRI-2 HLF

Seems like we should chat on the issues raised by Grant. Some notes below in blue

From: Oberwortmann, John <John.Oberwortmann@austinenergy.com>
Sent: Monday, April 25, 2022 4:57 PM
To: Grant Rabon <grabon@newgenstrategies.net>; Johnson, Garry <Garry.Johnson@austinenergy.com>; Murphy, Brian <Brian.Murphy@austinenergy.com>; Varughese, Jogee <Jogee.Varughese@austinenergy.com>; Lara, Jose <Jose.Lara@austinenergy.com>; Maloy, Alicia <Alicia.Maloy@austinenergy.com>; Mirick, Mark <Mark.Mirick@austinenergy.com>
Subject: RE: PRI-2 HLF

Maybe we can discuss the minimum bill tomorrow.

From: Grant Rabon <grabon@newgenstrategies.net>
Sent: Monday, April 25, 2022 4:49 PM
To: Oberwortmann, John <John.Oberwortmann@austinenergy.com>; Johnson, Garry <Garry.Johnson@austinenergy.com>; Murphy, Brian <Brian.Murphy@austinenergy.com>; Varughese, Jogee <Jogee.Varughese@austinenergy.com>; Lara, Jose <Jose.Lara@austinenergy.com>; Maloy, Alicia <Alicia.Maloy@austinenergy.com>; Mirick, Mark <Mark.Mirick@austinenergy.com>
Subject: RE: PRI-2 HLF

*** External email - Exercise caution ***

I assume the 11,893 kW in power factor penalty for the PRI-2 HLF customers was provided by Joe Lara as I did not have a version of the "sara_21_pf_adj.xlsx" source document to confirm that amount. Assuming that amount (which does not have a big impact anyway) is accurate, I agree with the calculation of the $14.47 per kW demand rate and the use of the $6,363 customer charge from the cost of service.

My only other comments (to supplement what has already been noted) are as follows:

1. I have inserted comments in the attached narrative on this proposal for your consideration.

2. In the tariff text, there is a sentence about the Minimum Bill that reads, "The minimum monthly bill is the highest billed demand established during the most recent 12-month billing period multiplied by the Demand Charge, in addition to any associated fuel or power supply charges."

While I understand that this language is in the P4 tariff, I have the following questions/comments:

a. This does not mention the customer charge or the other pass-through charges besides the PSA that would be applicable.

RESPONSE: Seems like a good catch, and that such amounts should be included in the minimum bill.

b. Is this statement necessary/desired? While this is applied for P4 customers, I suspect the HLF P2 customers likely have more variation in demands.
c. Although the minimum bill can be set this way, and I see no downside to AE in having the demand charge set the way this is described with a demand ratchet, we had not talked about this provision, so I am wondering if this will be news to the potential P2 HLF customers. Further, unless I am mistaken, the billing data Joe Lara provided for these customers is not reflective of a demand ratchet and, therefore, Brain's rate calculation does not account for such a rate provision. If a demand ratchet is going to be applied, Joe should determine what the new billing units under a ratchet would be. Perhaps it will not be meaningfully different, but this should be confirmed.

RESPONSE: Good catch, again. Wonder how hard it is to re-do the billable demand as if a ratchet had been in effect for "the 12" during FY 21.

Grant Rabon | NewGen Strategies & Solutions
Partner
8140 North Mopac Expressway | Suite 1-240 | Austin, TX 78759
Office: (512) 900-8232 | Cellular: (512) 565-0123
grabon@newgenstrategies.net
Please visit our website at www.newgenstrategies.net

From: Oberwortmann, John <John.Oberwortmann@austinenergy.com>
Sent: Monday, April 25, 2022 1:53 PM
To: Johnson, Garry <Garry.Johnson@austinenergy.com>; Murphy, Brian <Brian.Murphy@austinenergy.com>; Grant Rabon <grabon@newgenstrategies.net>; Varughese, Jogee <Jogee.Varughese@austinenergy.com>; Lara, Jose <Jose.Lara@austinenergy.com>; Maloy, Alicia <Alicia.Maloy@austinenergy.com>; Mirick, Mark <Mark.Mirick@austinenergy.com>
Subject: RE: PRI-2 HLF

I think the $200,000 needs further clarification that it is per account, not per customer.
I think we need to indicate the 85% load factor is based on metered kW, not billed kW. I don't think someone should get kicked off because of a power factor adjustment, although I am open to that discussion..

Do we need to describe the treatment of any customer that fails to maintain the 85% load factor? I assume they would get moved to the regular tariff but I do not think we should try to recapture any savings they may have received, primarily due to EES – does that detail need to be clarified or is it assumed?

Regards,

John Oberwortmann, CPA | Manager, Rates and Regulatory | Austin Energy
(512) 322-6419 (office) | (512) 573-7122

From: Johnson, Garry <Garry.Johnson@austinenergy.com>
Sent: Monday, April 25, 2022 1:40 PM
To: Murphy, Brian <Brian.Murphy@austinenergy.com>; Oberwortmann, John <John.Oberwortmann@austinenergy.com>; Grant Rabon <grabon@newgenstrategies.net>; Varughese, Jogee <Jogee.Varughese@austinenergy.com>; Lara, Jose <Jose.Lara@austinenergy.com>; Maloy, Alicia <Alicia.Maloy@austinenergy.com>; Mirick, Mark <Mark.Mirick@austinenergy.com>
Subject: RE: PRI-2 HLF

Looks ok to me but had a couple of questions on the tariff.

First, the paragraph that limits the Maximum Community Benefit Charge amount to $200,000. Should that be clarified that the $200,000 applies to each customer and not the group of customers billed under this section? I would think a crafty attorney could argue that point.

Second, in the paragraph you eliminated, I think we need to include the last sentence about the applicable PSA and Regulatory charge riders govern those charges. Otherwise, it could be interpreted that the PSA and Regulatory charges spelled out in the rates are what would be applicable for the entire 3 year period.

From: Murphy, Brian <Brian.Murphy@austinenergy.com>
Sent: Monday, April 25, 2022 9:19 AM
To: Oberwortmann, John <John.Oberwortmann@austinenergy.com>; Grant Rabon <grabon@newgenstrategies.net>; Varughese, Jogee <Jogee.Varughese@austinenergy.com>; Johnson, Garry <Garry.Johnson@austinenergy.com>; Lara, Jose <Jose.Lara@austinenergy.com>; Maloy, Alicia <Alicia.Maloy@austinenergy.com>; Mirick, Mark <Mark.Mirick@austinenergy.com>
Subject: PRI-2 HLF

Guys,

Attached are the draft documents supporting the addendum to Austin Energy's 2022 rate review to propose the creation of a primary-2 high load factor rate class, including a draft tariff, workpaper supporting the development of the draft rates, and a draft narrative to be included with the addendum. Thomas Brocato plans to write up some legal and procedural stuff that would wraparound the proposal.

Please have a look and provide suggested edits, verify math as needed. (my team, no need to look again, I think I've captured all our internal edits).

Once we're happy with this, I think it would go to Mark D, Rusty, and Thomas B.

Brian

Archived: Friday, June 10, 2022 11:40:57 AM
From: Murphy, Brian
Sent: Friday, May 6, 2022 9:54:18 AM
To: Oberwortmann, John Varughese, Jogee
Subject: FW: Updated draft documents for the amendment to create PRI-2 HLF rate class
Importance: Normal
Sensitivity: None
Attachments:
Rate design PRI 2 HLF v3.xlsx; Amendment_Legal Cover Letter.docx; PRI-2 HLF draft tariff.docx; Primary-2 HLF narrative - draft.docx;

Tariff again …

From: Murphy, Brian
Sent: Tuesday, May 3, 2022 12:26 PM
To: Dombroski, Mark <Mark.Dombroski@austinenergy.com>; Cooper, Tammy <Tammy.Cooper@austinenergy.com>; Maenius, Russell (Rusty) <Rusty.Maenius@austinenergy.com>; Oberwortmann, John <John.Oberwortmann@austinenergy.com>; Loving, Alicia <Alicia.Loving@austinenergy.com>; Thomas Brocato <tbrocato@lglawfirm.com>; Grant Rabon <grabon@newgenstrategies.net>; Abbott, Kristin <Kristin.Abbott@austinenergy.com>; Johnson, Garry <Garry.Johnson@austinenergy.com>; Maloy, Alicia <Alicia.Maloy@austinenergy.com>; Mirick, Mark <Mark.Mirick@austinenergy.com>; Lara, Jose <Jose.Lara@austinenergy.com>
Subject: Updated draft documents for the amendment to create PRI-2 HLF rate class

Folks,

Attached are the documents for the amendment to the Base Rate Filing Package to include the creation of the high load factor class for customers served at primary voltage at a load level 3 MW to 20 MW.

The documents are the cover letter, the amendment to the narrative, the tariff, and the workpapers to the rate design.

The updated documents reflect edits from NewGen, Lloyd Gosselink, Mark D, Tammy C, Rusty, John O, and Kristin A.

Please take another look and let me know if you have any additional suggested edits.

The goal is to finalize these documents and file them on Friday, May 6.

Cheers.

Brian

Archived: Friday, June 10, 2022 11:41:01 AM
From: Varughese, Jogee
Sent: Monday, May 2, 2022 9:00:45 AM
To: Cooper, Tammy
Subject: FW: Draft documents - Primary High Load Factor Proposal
Importance: Normal
Sensitivity: None
Attachments:
Amendment_Legal Cover Letter (BM).docx; rimary-2 HLF narrative - draft.docx; ate design PRI 2 HLF v3.xlsx; 2 HLF draft tariff.docx;

Morning Tammy,

I checked with Brian M who is leading the P2-HLF narrative, and as of this morning, we received feedback from the Attorneys, Rusty, Kristin Abbot and Grant Rabon. I know that Mark is reviewing the documents We would love to incorporate your feedback too. Thanks.

From: Varughese, Jogee
Sent: Thursday, April 28, 2022 1:00 PM
To: Dombroski, Mark <Mark.Dombroski@austinenergy.com>; Cooper, Tammy <Tammy.Cooper@austinenergy.com>; Maenius, Russell (Rusty) <Rusty.Maenius@austinenergy.com>; Oberwortmann, John <John.Oberwortmann@austinenergy.com>; Thomas Brocato <tbrocato@lglawfirm.com>; Grant Rabon <grabon@newgenstrategies.net>; Johnson, Garry <Garry.Johnson@austinenergy.com>; Lara, Jose <Jose.Lara@austinenergy.com>; Maloy, Alicia <Alicia.Maloy@austinenergy.com>; Mirick, Mark <Mark.Mirick@austinenergy.com>; Abbott, Kristin <Kristin.Abbott@austinenergy.com>; Maloy, Alicia <Alicia.Maloy@austinenergy.com>
Subject: RE: Draft documents - Primary High Load Factor Proposal

Team, to meet the submission date of Friday, May 6th, please send your feedback/edit by EOB Friday 4/29 to Brian Murphy. Please reach out to me if you have concerns. Thanks so much.

Regards,

Jogee Varughese

From: Murphy, Brian <Brian.Murphy@austinenergy.com>
Sent: Thursday, April 28, 2022 10:52 AM
To: Varughese, Jogee <Jogee.Varughese@austinenergy.com>
Subject: FW: Draft documents - Primary High Load Factor Proposal

,,,

From: Murphy, Brian
Sent: Wednesday, April 27, 2022 1:04 PM
To: Dombroski, Mark <Mark.Dombroski@austinenergy.com>; Cooper, Tammy <Tammy.Cooper@austinenergy.com>; Maenius, Russell (Rusty) <Rusty.Maenius@austinenergy.com>; Oberwortmann, John <John.Oberwortmann@austinenergy.com>; Thomas Brocato <tbrocato@lglawfirm.com>; Grant Rabon <grabon@newgenstrategies.net>; Johnson, Garry <Garry.Johnson@austinenergy.com>; Lara, Jose <Jose.Lara@austinenergy.com>; Maloy, Alicia

<Alicia.Maloy@austinenergy.com>; Mirick, Mark <Mark.Mirick@austinenergy.com>
Subject: Draft documents - Primary High Load Factor Proposal

Attached are the draft tariff, draft narrative, draft cover letter, and workpapers supporting the development of the proposal to create a primary-2 high load factor rate class.

Please review and offer edits as desired.

Cheers.

Brian

Archived: Friday, June 10, 2022 11:41:05 AM
From: Oberwortmann, John
Sent: Friday, May 27, 2022 8:34:26 AM
To: Maenius, Russell (Rusty)
Subject: FW: EES impact of pri_2 HLF.xlsx
Importance: Normal
Sensitivity: None
Attachments:
EES impact of pri_2 HLF.xlsx

Hi Rusty,

Here is the estimated bill impact for excluding EES from PRI-2 HLF. Brian has checked my spreadsheet.

I have two scenarios, one where only Switch moves, resulting in a bill increase of 1 cent per 1,000 kWh. The second scenario assumes all qualifying customers switch, resulting in a bill impact for all remaining customers of 13¢ per 1,000 kWh.

John

From: Oberwortmann, John
Sent: Thursday, May 26, 2022 5:01 PM
To: Murphy, Brian <Brian.Murphy@austinenergy.com>
Subject: EES impact of pri_2 HLF.xlsx

Hi Brian,

Please check my logic and numbers.

Here is my rough estimate of the bill impact of PRI-2 customers moving to HLF. I have two scenarios, one where only Switch moves, resulting in a bill increase of 1 cent per 1,000 kWh. The second scenario assumes all qualifying customers switch, resulting in a bill impact for all remaining customers of 13¢ per 1,000 kWh. I grabbed the energy sales from WP F-6.1 (Retail energy at meter). Otherwise, all my other data sources are copied into the spreadsheet. Hopefully it makes sense.

John

Archived: Friday, June 10, 2022 11:41:09 AM
From: Varughese, Jogee
To: Maenius, Russell (Rusty) Dombroski, Mark Oberwortmann, John Murphy, Brian
Subject: Fwd: Scanned from an Austin Energy Xerox MFD
Importance: Normal
Sensitivity: None
Attachments:
DOC22050514_28_33.pdf

Team, for your information, this is Jackie's feedback to the draft P2-HLF. Thanks.

Regards,

Jogee Varughese

From: Reilly, Stuart <Stuart.Reilly@austinenergy.com>
Sent: Thursday, May 5, 2022 2:40:54 PM
To: Varughese, Jogee <Jogee.Varughese@austinenergy.com>
Subject: Fwd: Scanned from an Austin Energy Xerox MFD

As mentioned. Jackie's proposed edits as well as comments for consideration. Let me know if there's anything in need of clarification.

Stuart Reilly
Chief of Staff - Austin Energy
4815 Mueller Blvd.
Austin, TX 78723
Stuart.Reilly@austinenergy.com
512.322.6087 (office)
512.577.6753 (mobile)

From: XeroxMFD@austinenergy.com <XeroxMFD@austinenergy.com>
Sent: Thursday, May 5, 2022 2:28:44 PM
To: Reilly, Stuart <Stuart.Reilly@austinenergy.com>
Subject: Scanned from an Austin Energy Xerox MFD

Please open the attached document. It was sent to you using a Xerox multifunction printer.

Attachment File Type: pdf, Multi-Page

Multifunction Printer Location: Mueller Headquarters
Multifunction Printer Name: Mueller_4237C

For more information on Xerox products and solutions, please visit https://gcc02.safelinks.protection.outlook.com/?url=http%3A%2F%2Fwww.xerox.com%2F&data=05%7C01%7CStuart.Reilly%40austinenergy.com%7Cc13ff9a2e0ed4a14647d08da2ece599f%7C482dc10d91804c99816e70ee2557afd5%7C0%7C0%7C637873761176639114%7CUnknown%7CTWFpbGZsb3d8eyJWIjoiMC4wLjAwMDAiLCJQIjoiV2luMzIiLCJBTiI6Ik1ha

Archived: Friday, June 10, 2022 11:41:13 AM
From: Maloy, Alicia
Sent: Thursday, May 5, 2022 12:47:33 PM
To: Murphy, Brian
Subject: HLF appendices
Importance: Normal
Sensitivity: None

Hey Brian-

Have we finalized the HLF documents yet? I will need to create appendices from the tariff and COS (and create a cover page).

Alicia Maloy
Energy Analyst, Finance, Austin Energy

austinenergy.com
facebook.com/austinenergy | twitter.com/austinenergy
Linkedin.com/company/austin-energy

Archived: Friday, June 10, 2022 11:41:16 AM
From: Murphy, Brian
Sent: Wednesday, April 20, 2022 3:37:54 PM
To: Dombroski, Mark Maenius, Russell (Rusty) Oberwortmann, John Varughese, Jogee
Subject: Narrative Draft - why PRI-2 HLF?
Importance: Normal
Sensitivity: None
Attachments:
Why HLF.docx;

Attached first draft. Thanks to John O for bits cropped from him and thrown in. We're waiting on

1. Brocato wrap-around legalese
2. Load data from Joe to be able to allocate the revenues and set the rates

Brian

Archived: Friday, June 10, 2022 11:41:25 AM
From: Lara, Jose
Sent: Fri, 22 Apr 2022 20:15:04
To: Murphy, Brian Oberwortmann, John Johnson, Garry Maloy, Alicia Mirick, Mark
Subject: RE: PRI-2 HLF draft rate design - please check numbers
Importance: Normal
Sensitivity: None
Attachments:
p2_pf_bysa.xlsx;

Brian,

I totally forgot about Power Factor adjustments. Amazingly, these high load factor customers have also received PF adjustments. Here is how PF Adjustment units should be split between HLF and non-HLF.

HLF : 11892.53 KW
Non HLF : 7423.40 KW

Total : 19315.93
.
..Joe

From: Murphy, Brian <Brian.Murphy@austinenergy.com>
Sent: Friday, April 22, 2022 1:51 PM
To: Oberwortmann, John <John.Oberwortmann@austinenergy.com>; Johnson, Garry <Garry.Johnson@austinenergy.com>; Lara, Jose <Jose.Lara@austinenergy.com>; Maloy, Alicia <Alicia.Maloy@austinenergy.com>; Mirick, Mark <Mark.Mirick@austinenergy.com>
Subject: RE: PRI-2 HLF draft rate design - please check numbers

A'ight, peeps. Second iteration. Same drill.

Brian

From: Murphy, Brian
Sent: Friday, April 22, 2022 9:35 AM
To: Oberwortmann, John <John.Oberwortmann@austinenergy.com>; Johnson, Garry <Garry.Johnson@austinenergy.com>; Lara, Jose <Jose.Lara@austinenergy.com>; Maloy, Alicia <Alicia.Maloy@austinenergy.com>; Mirick, Mark <Mark.Mirick@austinenergy.com>
Subject: PRI-2 HLF draft rate design - please check numbers

Guys,

Please check all the numbers and calculations for this PRI-2 HLF rate design.

I also attached Joe's file with the billing unit breakout, in the "Sum2b" tab.

Let me know if you have any questions.

Brian

Archived: Friday, June 10, 2022 11:41:28 AM
From: Oberwortmann, John
Sent: Wednesday, May 4, 2022 1:05:07 PM
To: Murphy, Brian
Subject: PRI2 HLF Data.xlsx
Importance: Normal
Sensitivity: None
Attachments:
PRI2 HLF Data.xlsx

Take a quick look at this.

Archived: Friday, June 10, 2022 11:41:31 AM
From: Murphy, Brian
Sent: Friday, April 22, 2022 9:35:08 AM
To: Oberwortmann, John Johnson, Garry Lara, Jose Maloy, Alicia Mirick, Mark
Subject: PRI-2 HLF draft rate design - please check numbers
Importance: Normal
Sensitivity: None
Attachments:
Rate design PRI 2 HLF.xlsx; Copy of sara_21_bill_freq_v3 - use this for HLF billing units.xlsb

---

Guys,

Please check all the numbers and calculations for this PRI-2 HLF rate design.

I also attached Joe's file with the billing unit breakout, in the "Sum2b" tab.

Let me know if you have any questions.

Brian

Archived: Friday, June 10, 2022 11:41:36 AM
From: Oberwortmann, John
Sent: Tuesday, May 24, 2022 11:26:09 AM
To: Génecé, Richard
Cc: Veselka, Elaine
Subject: PRI-2 HLF effective date
Importance: Normal
Sensitivity: None

Hi Richard,

What is the expected effective date for the PRI-2 HLF rate? I assumed it was January 1, 2023 but after some of this morning's discussion I wasn't sure whether it may be an earlier date. If the effective date is prior to 1/1/23, then the CC&B folks need to start looking at creating the rate in the billing system.

Thank you.

Regards,

John Oberwortmann, CPA | Manager, Rates and Regulatory | Austin Energy
(512) 322-6419 (office) | (512) 573-7122

Archived: Friday, June 10, 2022 11:41:39 AM
From: Murphy, Brian
Sent: Monday, April 25, 2022 9:19:07 AM
To: Oberwortmann, John Grant Rabon Varughese, Jogee Johnson, Garry Lara, Jose Maloy, Alicia Mirick, Mark
Subject: PRI-2 HLF
Importance: Normal
Sensitivity: None
Attachments:
Primary-2 HLF narrative - draft.docx; 2 HLF tariff DRAFT (BM).docx; ate design PRI 2 HLF v3.xlsx;

Guys,

Attached are the draft documents supporting the addendum to Austin Energy's 2022 rate review to propose the creation of a primary-2 high load factor rate class, including a draft tariff, workpaper supporting the development of the draft rates, and a draft narrative to be included with the addendum. Thomas Brocato plans to write up some legal and procedural stuff that would wraparound the proposal.

Please have a look and provide suggested edits, verify math as needed. (my team, no need to look again, I think I've captured all our internal edits).

Once we're happy with this, I think it would go to Mark D, Rusty, and Thomas B.

Brian

Archived: Friday, June 10, 2022 11:41:42 AM
From: Oberwortmann, John
To: Murphy, Brian
Subject: Primary-2 HLF narrative - draft_JHO comments
Importance: Normal
Sensitivity: None
Attachments:
Primary-2 HLF narrative - draft_JHO comments.docx

A couple of minor comments.

Archived: Friday, June 10, 2022 11:41:45 AM
From: Murphy, Brian
Sent: Friday, April 22, 2022 11:40:21 AM
To: Lara, Jose Johnson, Garry
Cc: Maloy, Alicia
Subject: RE: Bills by LF table
Importance: Normal
Sensitivity: None

No. The idea at this point is to leave the class as a whole as it is, and only add a rate option for HLF, keeping the standard PRI-2 the same, as if no one is migrating to PRI-2 HLF.

From: Lara, Jose <Jose.Lara@austinenergy.com>
Sent: Friday, April 22, 2022 11:16 AM
To: Johnson, Garry <Garry.Johnson@austinenergy.com>; Murphy, Brian <Brian.Murphy@austinenergy.com>
Cc: Maloy, Alicia <Alicia.Maloy@austinenergy.com>
Subject: Bills by LF table

Are you guys going to need to update this? P2 HLF?

	A	B	C	D	E	F
1						
2	**Work Paper H-3.6.1**					
3	**Primary Voltage ≥ 3 < 20 MW**			**Inside City of Austin**		
4						
5				*Bill Impact Tables on an Ave*		
6						
7	No.	Load Factor	Energy (kWh)	Billed Demand (kW)	# of Bills	% of Total Bills
8		(A)	(B)	(C)	(D)	(E)
9	1	***Annual***				
10	2	0%	0	5,000	0	0.00%
11	3	10%	365,000	5,000	3	1.01%
12	4	20%	730,000	5,000	4	1.35%
13	5	30%	1,095,000	5,000	3	1.01%
14	6	40%	1,460,000	5,000	8	2.69%
15	7	50%	1,825,000	5,000	7	2.36%
16	8	60%	2,190,000	5,000	9	3.03%
17	9	70%	2,555,000	5,000	17	5.72%
18	10	80%	2,920,000	5,000	67	22.56%
19	11	90%	3,285,000	5,000	92	30.98%
20	12	100%	3,650,000	5,000	87	29.29%
21	13				297	

Joe Lara
Energy Analyst, Rates and Forecasting, Austin Energy

Office: 512-322-6303

Archived: Friday, June 10, 2022 11:41:49 AM
From: Murphy, Brian
Sent: Wednesday, April 27, 2022 1:47:53 PM
To: Grant Rabon
Cc: Oberwortmann, John
Subject: RE: Draft documents - Primary High Load Factor Proposal
Importance: Normal
Sensitivity: None

In blue

From: Grant Rabon <grabon@newgenstrategies.net>
Sent: Wednesday, April 27, 2022 1:33 PM
To: Murphy, Brian <Brian.Murphy@austinenergy.com>
Cc: Oberwortmann, John <John.Oberwortmann@austinenergy.com>
Subject: RE: Draft documents - Primary High Load Factor Proposal

*** External email - Exercise caution ***

Thanks Brian. My final comments are:

1. Do we need to include in the write-up that although we are showing the current pass-through rates that would be applicable to the PRI-2 HLF customers, only the base rates would remain fixed for the duration of the contract and the PSA, applicable CBC, and Regulatory charges will be amended from time-to-time?

RESPONSE: Sounds good to me. Just in the narrative, I think. The tariff should be as close to P4 as possible, I think, to avoid controversy.

2. Should we add the red text below to the sentence in the write-up?
   "CAP charges will be limited to a maximum of $200,000 per year per account."

RESPONSE: Sounds good.

3. Are readers of the write-up going to understand that the carve-out we reference in the sentence below is the new rate design proposed? Would it be better to just say the proposed new rate offering?
   "The energy-efficiency carve-out for PRI-2 HLF customers…"

RESPONSE: Probably not. I'll change to "The waiver of EES charges…" or something like that.

4. Since there is a minimum bill with ratchet in the proposed tariff, should we check to see if any of the 12 possible PRI-2 HLF customers would end up paying more than designed because of inconsistent demands (and the ratchet)?

RESPONSE: We had Joe run the numbers for FY21, and he found that not a single customer in any month would have triggered the minimum bill provisions. Incidentally, it's not really a pure ratchet in that billing demand is not being determined using a ratchet. It's just that the minimum bill is being calculated using ratcheted demands.

Grant Rabon | NewGen Strategies & Solutions
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8140 North Mopac Expressway | Suite 1-240 | Austin, TX 78759
Office: (512) 900-8232 | Cellular: (512) 565-0123

grabon@newgenstrategies.net
Please visit our website at www.newgenstrategies.net

NewGen Strategies & Solutions

From: Murphy, Brian <Brian.Murphy@austinenergy.com>
Sent: Wednesday, April 27, 2022 1:04 PM
To: Dombroski, Mark <Mark.Dombroski@austinenergy.com>; Cooper, Tammy <Tammy.Cooper@austinenergy.com>; Maenius, Russell (Rusty) <Rusty.Maenius@austinenergy.com>; Oberwortmann, John <John.Oberwortmann@austinenergy.com>; Thomas Brocato <tbrocato@lglawfirm.com>; Grant Rabon <grabon@newgenstrategies.net>; Johnson, Garry <Garry.Johnson@austinenergy.com>; Lara, Jose <Jose.Lara@austinenergy.com>; Maloy, Alicia <Alicia.Maloy@austinenergy.com>; Mirick, Mark <Mark.Mirick@austinenergy.com>
Subject: Draft documents - Primary High Load Factor Proposal

Attached are the draft tariff, draft narrative, draft cover letter, and workpapers supporting the development of the proposal to create a primary-2 high load factor rate class.

Please review and offer edits as desired.

Cheers.

Brian

Archived: Friday, June 10, 2022 11:41:53 AM
From: Murphy, Brian
Sent: Friday, May 27, 2022 8:11:00 AM
To: Oberwortmann, John
Subject: RE: EES impact of pri_2 HLF.xlsx
Importance: Normal
Sensitivity: None

Makes sense to me. The only part I didn't follow is the carveout for lighting. I don't see this in the tariff – an exemption from CBC or EES charges for lighting classes. It probably makes no difference to your findings.

B

From: Oberwortmann, John <John.Oberwortmann@austinenergy.com>
Sent: Thursday, May 26, 2022 5:01 PM
To: Murphy, Brian <Brian.Murphy@austinenergy.com>
Subject: EES impact of pri_2 HLF.xlsx

Hi Brian,

Please check my logic and numbers.

Here is my rough estimate of the bill impact of PRI-2 customers moving to HLF. I have two scenarios, one where only Switch moves, resulting in a bill increase of 1 cent per 1,000 kWh. The second scenario assumes all qualifying customers switch, resulting in a bill impact for all remaining customers of 13¢ per 1,000 kWh. I grabbed the energy sales from WP F-6.1 (Retail energy at meter). Otherwise, all my other data sources are copied into the spreadsheet. Hopefully it makes sense.

John

Archived: Friday, June 10, 2022 11:41:56 AM
From: Murphy, Brian
Sent: Monday, April 25, 2022 3:39:48 PM
To: Lara, Jose Oberwortmann, John Johnson, Garry Grant Rabon Varughese, Jogee Maloy, Alicia Mirick, Mark
Subject: Re: PRI-2 HLF
Importance: Normal
Sensitivity: None

OK. I'll make all these edits once I get back a computer system with MS Word on it (typing from home system w/no MS Office). However, before I do, this will result in the tariff language for this tariff departing from the language in the P4 tariff. If these clarifications are needed for PRI-2 HLF, it seems like they are also needed for P4. If that's true (which I think it is), I don't like the idea of making these changes for P2 but not for P4.

Brian

From: Lara, Jose <Jose.Lara@austinenergy.com>
Sent: Monday, April 25, 2022 2:05 PM
To: Oberwortmann, John <John.Oberwortmann@austinenergy.com>; Johnson, Garry <Garry.Johnson@austinenergy.com>; Murphy, Brian <Brian.Murphy@austinenergy.com>; Grant Rabon <grabon@newgenstrategies.net>; Varughese, Jogee <Jogee.Varughese@austinenergy.com>; Maloy, Alicia <Alicia.Maloy@austinenergy.com>; Mirick, Mark <Mark.Mirick@austinenergy.com>
Subject: RE: PRI-2 HLF

I agree clarification on the CAP ceiling. One of the P4 customers exceeds 200k for the customer, but not by account

There should be something about dropping below 85%. A couple of the accounts are just above the threshold and they had an average LF < 85% in 2020. The 12 was based on 2021 billing data.

..Joe

From: Oberwortmann, John <John.Oberwortmann@austinenergy.com>
Sent: Monday, April 25, 2022 1:53 PM
To: Johnson, Garry <Garry.Johnson@austinenergy.com>; Murphy, Brian <Brian.Murphy@austinenergy.com>; Grant Rabon <grabon@newgenstrategies.net>; Varughese, Jogee <Jogee.Varughese@austinenergy.com>; Lara, Jose <Jose.Lara@austinenergy.com>; Maloy, Alicia <Alicia.Maloy@austinenergy.com>; Mirick, Mark <Mark.Mirick@austinenergy.com>
Subject: RE: PRI-2 HLF

I think the $200,000 needs further clarification that it is per account, not per customer.
I think we need to indicate the 85% load factor is based on metered kW, not billed kW. I don't think someone should get kicked off because of a power factor adjustment, although I am open to that discussion..

Do we need to describe the treatment of any customer that fails to maintain the 85% load factor? I assume they would get moved to the regular tariff but I do not think we should try to recapture any savings they may have received, primarily due to EES – does that detail need to be clarified or is it assumed?

Regards,

John Oberwortmann, CPA | Manager, Rates and Regulatory | Austin Energy
(512) 322-6419 (office) | (512) 573-7122

From: Johnson, Garry <Garry.Johnson@austinenergy.com>
Sent: Monday, April 25, 2022 1:40 PM
To: Murphy, Brian <Brian.Murphy@austinenergy.com>; Oberwortmann, John <John.Oberwortmann@austinenergy.com>; Grant Rabon <grabon@newgenstrategies.net>; Varughese, Jogee <Jogee.Varughese@austinenergy.com>; Lara, Jose <Jose.Lara@austinenergy.com>; Maloy, Alicia <Alicia.Maloy@austinenergy.com>; Mirick, Mark <Mark.Mirick@austinenergy.com>
Subject: RE: PRI-2 HLF

Looks ok to me but had a couple of questions on the tariff.

First, the paragraph that limits the Maximum Community Benefit Charge amount to $200,000. Should that be clarified that the $200,000 applies to each customer and not the group of customers billed under this section? I would think a crafty attorney could argue that point.

Second, in the paragraph you eliminated, I think we need to include the last sentence about the applicable PSA and Regulatory charge riders govern those charges. Otherwise, it could be interpreted that the PSA and Regulatory charges spelled out in the rates are what would be applicable for the entire 3 year period.

From: Murphy, Brian <Brian.Murphy@austinenergy.com>
Sent: Monday, April 25, 2022 9:19 AM
To: Oberwortmann, John <John.Oberwortmann@austinenergy.com>; Grant Rabon <grabon@newgenstrategies.net>; Varughese, Jogee <Jogee.Varughese@austinenergy.com>; Johnson, Garry <Garry.Johnson@austinenergy.com>; Lara, Jose <Jose.Lara@austinenergy.com>; Maloy, Alicia <Alicia.Maloy@austinenergy.com>; Mirick, Mark <Mark.Mirick@austinenergy.com>
Subject: PRI-2 HLF

Guys,

Attached are the draft documents supporting the addendum to Austin Energy's 2022 rate review to propose the creation of a primary-2 high load factor rate class, including a draft tariff, workpaper supporting the development of the draft rates, and a draft narrative to be included with the addendum. Thomas Brocato plans to write up some legal and procedural stuff that would wraparound the proposal.

Please have a look and provide suggested edits, verify math as needed. (my team, no need to look again, I think I've captured all our internal edits).

Once we're happy with this, I think it would go to Mark D, Rusty, and Thomas B.

Brian

Archived: Friday, June 10, 2022 11:42:00 AM
From: Murphy, Brian
To: Grant Rabon
Subject: Re: PRI-2 HLF
Importance: Normal
Sensitivity: None

Grant, my apologies. Joe sent those Power Factor penalty kW the other day, and I did not think to forward. I think it had no effect at all on the calculated demand rate. In fact, it made me wonder if Joe's power factor kW were allocated rather than directly measured.

I'm without MS Office now, but looking forward to seeing your suggested edits.

Cheers.

Brian

From: Grant Rabon <grabon@newgenstrategies.net>
Sent: Monday, April 25, 2022 4:49 PM
To: Oberwortmann, John <John.Oberwortmann@austinenergy.com>; Johnson, Garry <Garry.Johnson@austinenergy.com>; Murphy, Brian <Brian.Murphy@austinenergy.com>; Varughese, Jogee <Jogee.Varughese@austinenergy.com>; Lara, Jose <Jose.Lara@austinenergy.com>; Maloy, Alicia <Alicia.Maloy@austinenergy.com>; Mirick, Mark <Mark.Mirick@austinenergy.com>
Subject: RE: PRI-2 HLF

*** External email - Exercise caution ***

I assume the 11,893 kW in power factor penalty for the PRI-2 HLF customers was provided by Joe Lara as I did not have a version of the "sara_21_pf_adj.xlsx" source document to confirm that amount. Assuming that amount (which does not have a big impact anyway) is accurate, I agree with the calculation of the $14.47 per kW demand rate and the use of the $6,363 customer charge from the cost of service.

My only other comments (to supplement what has already been noted) are as follows:

1. I have inserted comments in the attached narrative on this proposal for your consideration.

2. In the tariff text, there is a sentence about the Minimum Bill that reads, "The minimum monthly bill is the highest billed demand established during the most recent 12-month billing period multiplied by the Demand Charge, in addition to any associated fuel or power supply charges."

   While I understand that this language is in the P4 tariff, I have the following questions/comments:
   a. This does not mention the customer charge or the other pass-through charges besides the PSA that would be applicable.
   b. Is this statement necessary/desired? While this is applied for P4 customers, I suspect the HLF P2 customers likely have more variation in demands.
   c. Although the minimum bill can be set this way, and I see no downside to AE in having the demand charge

set the way this is described with a demand ratchet, we had not talked about this provision, so I am wondering if this will be news to the potential P2 HLF customers. Further, unless I am mistaken, the billing data Joe Lara provided for these customers is not reflective of a demand ratchet and, therefore, Brain's rate calculation does not account for such a rate provision. If a demand ratchet is going to be applied, Joe should determine what the new billing units under a ratchet would be. Perhaps it will not be meaningfully different, but this should be confirmed.

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Partner
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From: Oberwortmann, John <John.Oberwortmann@austinenergy.com>
Sent: Monday, April 25, 2022 1:53 PM
To: Johnson, Garry <Garry.Johnson@austinenergy.com>; Murphy, Brian <Brian.Murphy@austinenergy.com>; Grant Rabon <grabon@newgenstrategies.net>; Varughese, Jogee <Jogee.Varughese@austinenergy.com>; Lara, Jose <Jose.Lara@austinenergy.com>; Maloy, Alicia <Alicia.Maloy@austinenergy.com>; Mirick, Mark <Mark.Mirick@austinenergy.com>
Subject: RE: PRI-2 HLF

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Do we need to describe the treatment of any customer that fails to maintain the 85% load factor? I assume they would get moved to the regular tariff but I do not think we should try to recapture any savings they may have received, primarily due to EES – does that detail need to be clarified or is it assumed?

Regards,

John Oberwortmann, CPA | Manager, Rates and Regulatory | Austin Energy
(512) 322-6419 (office) | (512) 573-7122

From: Johnson, Garry <Garry.Johnson@austinenergy.com>
Sent: Monday, April 25, 2022 1:40 PM
To: Murphy, Brian <Brian.Murphy@austinenergy.com>; Oberwortmann, John <John.Oberwortmann@austinenergy.com>; Grant Rabon <grabon@newgenstrategies.net>; Varughese, Jogee <Jogee.Varughese@austinenergy.com>; Lara, Jose <Jose.Lara@austinenergy.com>; Maloy, Alicia <Alicia.Maloy@austinenergy.com>; Mirick, Mark <Mark.Mirick@austinenergy.com>
Subject: RE: PRI-2 HLF

Looks ok to me but had a couple of questions on the tariff.

First, the paragraph that limits the Maximum Community Benefit Charge amount to $200,000. Should that be clarified that the

$200,000 applies to each customer and not the group of customers billed under this section? I would think a crafty attorney could argue that point.

Second, in the paragraph you eliminated, I think we need to include the last sentence about the applicable PSA and Regulatory charge riders govern those charges. Otherwise, it could be interpreted that the PSA and Regulatory charges spelled out in the rates are what would be applicable for the entire 3 year period.

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Sent: Monday, April 25, 2022 9:19 AM
To: Oberwortmann, John <John.Oberwortmann@austinenergy.com>; Grant Rabon <grabon@newgenstrategies.net>; Varughese, Jogee <Jogee.Varughese@austinenergy.com>; Johnson, Garry <Garry.Johnson@austinenergy.com>; Lara, Jose <Jose.Lara@austinenergy.com>; Maloy, Alicia <Alicia.Maloy@austinenergy.com>; Mirick, Mark <Mark.Mirick@austinenergy.com>
Subject: PRI-2 HLF

Guys,

Attached are the draft documents supporting the addendum to Austin Energy's 2022 rate review to propose the creation of a primary-2 high load factor rate class, including a draft tariff, workpaper supporting the development of the draft rates, and a draft narrative to be included with the addendum. Thomas Brocato plans to write up some legal and procedural stuff that would wraparound the proposal.

Please have a look and provide suggested edits, verify math as needed. (my team, no need to look again, I think I've captured all our internal edits).

Once we're happy with this, I think it would go to Mark D, Rusty, and Thomas B.

Brian

Archived: Friday, June 10, 2022 11:42:05 AM
From: Murphy, Brian
Sent: Tuesday, April 26, 2022 10:59:35 AM
To: Oberwortmann, John Johnson, Garry Grant Rabon Varughese, Jogee Lara, Jose Maloy, Alicia Mirick, Mark
Subject: RE: PRI-2 HLF
Importance: Normal
Sensitivity: None

John,

I'm incorporating all your suggestions. On your last question,

~~~

"I do not think we should try to recapture any savings they may have received, primarily due to EES – does that detail need to be clarified or is it assumed?"

~~

I don't think we have to state what we're not going to do. I think we would only state it if we did plan to reach back into EES credits.

My thought.

B

From: Oberwortmann, John <John.Oberwortmann@austinenergy.com>
Sent: Monday, April 25, 2022 1:53 PM
To: Johnson, Garry <Garry.Johnson@austinenergy.com>; Murphy, Brian <Brian.Murphy@austinenergy.com>; Grant Rabon <grabon@newgenstrategies.net>; Varughese, Jogee <Jogee.Varughese@austinenergy.com>; Lara, Jose <Jose.Lara@austinenergy.com>; Maloy, Alicia <Alicia.Maloy@austinenergy.com>; Mirick, Mark <Mark.Mirick@austinenergy.com>
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Regards,

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(512) 322-6419 (office) | (512) 573-7122
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Subject: PRI-2 HLF

Guys,

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Please have a look and provide suggested edits, verify math as needed. (my team, no need to look again, I think I've captured all our internal edits).

Once we're happy with this, I think it would go to Mark D, Rusty, and Thomas B.

Brian

Archived: Friday, June 10, 2022 11:42:10 AM
From: Murphy, Brian
Sent: Tuesday, April 26, 2022 3:25:28 PM
To: Lara, Jose
Subject: RE: PRI-2 HLF
Importance: Normal
Sensitivity: None

Cool. So no ratchet-driven billing units to add for PRI-2 HLF rate design.

From: Lara, Jose <Jose.Lara@austinenergy.com>
Sent: Tuesday, April 26, 2022 2:33 PM
To: Murphy, Brian <Brian.Murphy@austinenergy.com>
Subject: RE: PRI-2 HLF

I looked. The '..most recent 12-month billing period..' is the previous calendar year, fiscal year or preceding 12 months to the most recent month (i.e. Jan 2021 – Dec 2021 for the Jan 2022 bill, Feb 21 – Jan 22 for the Feb 23 bill, etc.).

If the most recent 12 month bill period is the previous calendar year, then I found that all customer customers currently on these contracts (P4 and T2) had billed demand in a given month that was less than the max billed demand from the previous calendar year.

..Joe

Minimum Bill:
The minimum monthly bill is the highest billed demand established during the most recent 12-month billing period multiplied by the Demand Charge, in addition to any associated fuel, power supply, or block pricing charges.

From: Lara, Jose
Sent: Tuesday, April 26, 2022 1:58 PM
To: Murphy, Brian <Brian.Murphy@austinenergy.com>
Subject: RE: PRI-2 HLF

No hard. I'll get back to you.

..Joe

From: Murphy, Brian <Brian.Murphy@austinenergy.com>
Sent: Tuesday, April 26, 2022 1:08 PM
To: Lara, Jose <Jose.Lara@austinenergy.com>
Subject: FW: PRI-2 HLF

How hard would it be to determine if any ratcheted demand units would have been billed under a PRI-2 HLF class with the 12 customers in it, using FY21 data? (see below)

From: Murphy, Brian
Sent: Tuesday, April 26, 2022 11:26 AM
To: Oberwortmann, John <John.Oberwortmann@austinenergy.com>; Grant Rabon <grabon@newgenstrategies.net>; Johnson, Garry <Garry.Johnson@austinenergy.com>; Varughese, Jogee <Jogee.Varughese@austinenergy.com>; Lara, Jose <Jose.Lara@austinenergy.com>; Maloy, Alicia <Alicia.Maloy@austinenergy.com>; Mirick, Mark <Mark.Mirick@austinenergy.com>
Subject: RE: PRI-2 HLF

Seems like we should chat on the issues raised by Grant. Some notes below in blue

From: Oberwortmann, John <John.Oberwortmann@austinenergy.com>
Sent: Monday, April 25, 2022 4:57 PM
To: Grant Rabon <grabon@newgenstrategies.net>; Johnson, Garry <Garry.Johnson@austinenergy.com>; Murphy, Brian <Brian.Murphy@austinenergy.com>; Varughese, Jogee <Jogee.Varughese@austinenergy.com>; Lara, Jose <Jose.Lara@austinenergy.com>; Maloy, Alicia <Alicia.Maloy@austinenergy.com>; Mirick, Mark <Mark.Mirick@austinenergy.com>
Subject: RE: PRI-2 HLF

Maybe we can discuss the minimum bill tomorrow.

From: Grant Rabon <grabon@newgenstrategies.net>
Sent: Monday, April 25, 2022 4:49 PM
To: Oberwortmann, John <John.Oberwortmann@austinenergy.com>; Johnson, Garry <Garry.Johnson@austinenergy.com>; Murphy, Brian <Brian.Murphy@austinenergy.com>; Varughese, Jogee <Jogee.Varughese@austinenergy.com>; Lara, Jose <Jose.Lara@austinenergy.com>; Maloy, Alicia <Alicia.Maloy@austinenergy.com>; Mirick, Mark <Mark.Mirick@austinenergy.com>
Subject: RE: PRI-2 HLF

*** External email - Exercise caution ***

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1. I have inserted comments in the attached narrative on this proposal for your consideration.

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   a. This does not mention the customer charge or the other pass-through charges besides the PSA that would be applicable.

RESPONSE: Seems like a good catch, and that such amounts should be included in the minimum bill.

   b. Is this statement necessary/desired? While this is applied for P4 customers, I suspect the HLF P2 customers likely have more variation in demands.
   c. Although the minimum bill can be set this way, and I see no downside to AE in having the demand charge set the way this is described with a demand ratchet, we had not talked about this provision, so I am wondering if this will be news to the potential P2 HLF customers. Further, unless I am mistaken, the billing data Joe Lara provided for these customers is not reflective of a demand ratchet and, therefore, Brain's rate calculation does not account for such a rate provision. If a demand ratchet is going to be applied, Joe should determine what the new billing units under a ratchet would be. Perhaps it will not be meaningfully different, but this should be confirmed.

RESPONSE: Good catch, again. Wonder how hard it is to re-do the billable demand as if a ratchet had been in effect for "the 12" during FY 21.

Grant Rabon | NewGen Strategies & Solutions
Partner
8140 North Mopac Expressway | Suite 1-240 | Austin, TX 78759
Office: (512) 900-8232 | Cellular: (512) 565-0123
grabon@newgenstrategies.net
Please visit our website at www.newgenstrategies.net

NewGen Strategies & Solutions

From: Oberwortmann, John <John.Oberwortmann@austinenergy.com>
Sent: Monday, April 25, 2022 1:53 PM
To: Johnson, Garry <Garry.Johnson@austinenergy.com>; Murphy, Brian <Brian.Murphy@austinenergy.com>; Grant Rabon <grabon@newgenstrategies.net>; Varughese, Jogee <Jogee.Varughese@austinenergy.com>; Lara, Jose <Jose.Lara@austinenergy.com>; Maloy,

Alicia <Alicia.Maloy@austinenergy.com>; Mirick, Mark <Mark.Mirick@austinenergy.com>
Subject: RE: PRI-2 HLF

I think the $200,000 needs further clarification that it is per account, not per customer.
I think we need to indicate the 85% load factor is based on metered kW, not billed kW. I don't think someone should get kicked off because of a power factor adjustment, although I am open to that discussion..

Do we need to describe the treatment of any customer that fails to maintain the 85% load factor? I assume they would get moved to the regular tariff but I do not think we should try to recapture any savings they may have received, primarily due to EES – does that detail need to be clarified or is it assumed?

Regards,

John Oberwortmann, CPA | Manager, Rates and Regulatory | Austin Energy
(512) 322-6419 (office) | (512) 573-7122

From: Johnson, Garry <Garry.Johnson@austinenergy.com>
Sent: Monday, April 25, 2022 1:40 PM
To: Murphy, Brian <Brian.Murphy@austinenergy.com>; Oberwortmann, John <John.Oberwortmann@austinenergy.com>; Grant Rabon <grabon@newgenstrategies.net>; Varughese, Jogee <Jogee.Varughese@austinenergy.com>; Lara, Jose <Jose.Lara@austinenergy.com>; Maloy, Alicia <Alicia.Maloy@austinenergy.com>; Mirick, Mark <Mark.Mirick@austinenergy.com>
Subject: RE: PRI-2 HLF

Looks ok to me but had a couple of questions on the tariff.

First, the paragraph that limits the Maximum Community Benefit Charge amount to $200,000. Should that be clarified that the $200,000 applies to each customer and not the group of customers billed under this section? I would think a crafty attorney could argue that point.

Second, in the paragraph you eliminated, I think we need to include the last sentence about the applicable PSA and Regulatory charge riders govern those charges. Otherwise, it could be interpreted that the PSA and Regulatory charges spelled out in the rates are what would be applicable for the entire 3 year period.

From: Murphy, Brian <Brian.Murphy@austinenergy.com>
Sent: Monday, April 25, 2022 9:19 AM
To: Oberwortmann, John <John.Oberwortmann@austinenergy.com>; Grant Rabon <grabon@newgenstrategies.net>; Varughese, Jogee <Jogee.Varughese@austinenergy.com>; Johnson, Garry <Garry.Johnson@austinenergy.com>; Lara, Jose <Jose.Lara@austinenergy.com>; Maloy, Alicia <Alicia.Maloy@austinenergy.com>; Mirick, Mark <Mark.Mirick@austinenergy.com>
Subject: PRI-2 HLF

Guys,

Attached are the draft documents supporting the addendum to Austin Energy's 2022 rate review to propose the creation of a primary-2 high load factor rate class, including a draft tariff, workpaper supporting the development of the draft rates, and a draft narrative to be included with the addendum. Thomas Brocato plans to write up some legal and procedural stuff that would wraparound the proposal.

Please have a look and provide suggested edits, verify math as needed. (my team, no need to look again, I think I've captured all our internal edits).

Once we're happy with this, I think it would go to Mark D, Rusty, and Thomas B.

Brian

Archived: Friday, June 10, 2022 11:42:15 AM
From: Murphy, Brian
Sent: Friday, April 22, 2022 10:21:48 AM
To: Mirick, Mark
Subject: RE: PRI-2 HLF draft rate design - please check numbers
Importance: Normal
Sensitivity: None

What is "LSOFF" and why were those kWh disregarded when we set the as-filed rates for PRI-2?

Load-shifting off-peak, maybe, and we don't bill those kWh?

In that case, those kWh are not "billing units" and don't belong in the proof of revenues for PRI-2.

B

From: Mirick, Mark <Mark.Mirick@austinenergy.com>
Sent: Friday, April 22, 2022 10:18 AM
To: Murphy, Brian <Brian.Murphy@austinenergy.com>
Subject: RE: PRI-2 HLF draft rate design - please check numbers

If you want to tie to the H Schedule you need to reduce the kWh by LSOFF (also PF penalty is a recon item), we are trying to recover a base amount of $26,440,723.

From: Murphy, Brian <Brian.Murphy@austinenergy.com>
Sent: Friday, April 22, 2022 10:15 AM
To: Mirick, Mark <Mark.Mirick@austinenergy.com>
Subject: RE: PRI-2 HLF draft rate design - please check numbers

I don't follow this, Mark. Apologies. Can you flesh out a bit more for me? Thanks for looking.

B

From: Mirick, Mark <Mark.Mirick@austinenergy.com>
Sent: Friday, April 22, 2022 10:13 AM
To: Lara, Jose <Jose.Lara@austinenergy.com>; Murphy, Brian <Brian.Murphy@austinenergy.com>; Oberwortmann, John <John.Oberwortmann@austinenergy.com>; Johnson, Garry <Garry.Johnson@austinenergy.com>; Maloy, Alicia <Alicia.Maloy@austinenergy.com>
Subject: RE: PRI-2 HLF draft rate design - please check numbers

Also if we are trying to tie to the original H-5.6 LSOFF kWh has zero rate in energy which skews the revenues between the files

---

From: Lara, Jose <Jose.Lara@austinenergy.com>
Sent: Friday, April 22, 2022 10:09 AM
To: Murphy, Brian <Brian.Murphy@austinenergy.com>; Oberwortmann, John <John.Oberwortmann@austinenergy.com>; Johnson, Garry <Garry.Johnson@austinenergy.com>; Maloy, Alicia <Alicia.Maloy@austinenergy.com>; Mirick, Mark <Mark.Mirick@austinenergy.com>
Subject: RE: PRI-2 HLF draft rate design - please check numbers

The calculations look good. What is the source of the 6363 customer charge?

Also, I see that I only have 10 customers here, rather than 12. I need to check the customer list to see which ones are missing. I think one is because of an erroneous bill that dropped it below 85%. I'm not sure about the other. Probably okay since we don't know if all customers would choose this option.

..Joe

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Subject: PRI-2 HLF draft rate design - please check numbers

Guys,

Please check all the numbers and calculations for this PRI-2 HLF rate design.

I also attached Joe's file with the billing unit breakout, in the "Sum2b" tab.

Let me know if you have any questions.

Brian

Archived: Friday, June 10, 2022 11:42:20 AM
From: Murphy, Brian
To: Lara, Jose Johnson, Garry Mirick, Mark Oberwortmann, John Maloy, Alicia
Subject: Re: PRI-2 HLF draft rate design - please check numbers
Importance: Normal
Sensitivity: None

So the billing demand and billable energy in that file I used are missing the demand and energy units for the 2 customers?

Sent from my T-Mobile 4G LTE Device
Get Outlook for Android

From: Lara, Jose <Jose.Lara@austinenergy.com>
Sent: Friday, April 22, 2022 10:26:07 AM
To: Johnson, Garry <Garry.Johnson@austinenergy.com>; Mirick, Mark <Mark.Mirick@austinenergy.com>; Murphy, Brian <Brian.Murphy@austinenergy.com>; Oberwortmann, John <John.Oberwortmann@austinenergy.com>; Maloy, Alicia <Alicia.Maloy@austinenergy.com>
Subject: RE: PRI-2 HLF draft rate design - please check numbers

I will need to update the bill frequency file since I am missing two customers in the P2HLF. It should be 12. I will repost the bill freq file shortly.

..Joe

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To: Mirick, Mark <Mark.Mirick@austinenergy.com>; Lara, Jose <Jose.Lara@austinenergy.com>; Murphy, Brian <Brian.Murphy@austinenergy.com>; Oberwortmann, John <John.Oberwortmann@austinenergy.com>; Maloy, Alicia <Alicia.Maloy@austinenergy.com>
Subject: RE: PRI-2 HLF draft rate design - please check numbers

That is where my difference is coming from.

From: Mirick, Mark <Mark.Mirick@austinenergy.com>
Sent: Friday, April 22, 2022 10:13 AM
To: Lara, Jose <Jose.Lara@austinenergy.com>; Murphy, Brian <Brian.Murphy@austinenergy.com>; Oberwortmann, John <John.Oberwortmann@austinenergy.com>; Johnson, Garry <Garry.Johnson@austinenergy.com>; Maloy, Alicia <Alicia.Maloy@austinenergy.com>
Subject: RE: PRI-2 HLF draft rate design - please check numbers

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Subject: PRI-2 HLF draft rate design - please check numbers

Guys,

Please check all the numbers and calculations for this PRI-2 HLF rate design.

I also attached Joe's file with the billing unit breakout, in the "Sum2b" tab.

Let me know if you have any questions.

Brian

Archived: Friday, June 10, 2022 11:42:24 AM
From: Murphy, Brian
Sent: Friday, April 22, 2022 1:20:46 PM
To: Lara, Jose Johnson, Garry Mirick, Mark Oberwortmann, John Maloy, Alicia
Subject: RE: PRI-2 HLF draft rate design - please check numbers
Importance: Normal
Sensitivity: None

Do we know if the "LSOFF" kWh are in the HLF group or the Non-HLF group?

I need to know which bucket to back those kWh out from.

B

From: Lara, Jose <Jose.Lara@austinenergy.com>
Sent: Friday, April 22, 2022 11:07 AM
To: Johnson, Garry <Garry.Johnson@austinenergy.com>; Mirick, Mark <Mark.Mirick@austinenergy.com>; Murphy, Brian <Brian.Murphy@austinenergy.com>; Oberwortmann, John <John.Oberwortmann@austinenergy.com>; Maloy, Alicia <Alicia.Maloy@austinenergy.com>
Subject: RE: PRI-2 HLF draft rate design - please check numbers

I have rerun the bill frequency. There are now 12 P2 HLF customers. The same that we have been discussing this week. It is attached here, and I have posted to the network. Here is the link.

\\\\lightning\\Finance\\AE DATA REPOSITORY\\RF_Cost of Service\\2022 Rate Case_FY2021 TY\\RFPs\\RFP 4-5-2022\\Source Documents\\sara_21_bill_freq_v3.xlsb

---

From: Lara, Jose
Sent: Friday, April 22, 2022 10:26 AM
To: Johnson, Garry <Garry.Johnson@austinenergy.com>; Mirick, Mark <Mark.Mirick@austinenergy.com>; Murphy, Brian <Brian.Murphy@austinenergy.com>; Oberwortmann, John <John.Oberwortmann@austinenergy.com>; Maloy, Alicia <Alicia.Maloy@austinenergy.com>
Subject: RE: PRI-2 HLF draft rate design - please check numbers

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From: Johnson, Garry <Garry.Johnson@austinenergy.com>
Sent: Friday, April 22, 2022 10:15 AM
To: Mirick, Mark <Mark.Mirick@austinenergy.com>; Lara, Jose <Jose.Lara@austinenergy.com>; Murphy, Brian <Brian.Murphy@austinenergy.com>; Oberwortmann, John <John.Oberwortmann@austinenergy.com>; Maloy, Alicia <Alicia.Maloy@austinenergy.com>
Subject: RE: PRI-2 HLF draft rate design - please check numbers

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From: Mirick, Mark <Mark.Mirick@austinenergy.com>

Sent: Friday, April 22, 2022 10:13 AM
To: Lara, Jose <Jose.Lara@austinenergy.com>; Murphy, Brian <Brian.Murphy@austinenergy.com>; Oberwortmann, John <John.Oberwortmann@austinenergy.com>; Johnson, Garry <Garry.Johnson@austinenergy.com>; Maloy, Alicia <Alicia.Maloy@austinenergy.com>
Subject: RE: PRI-2 HLF draft rate design - please check numbers

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Subject: PRI-2 HLF draft rate design - please check numbers

Guys,

Please check all the numbers and calculations for this PRI-2 HLF rate design.

I also attached Joe's file with the billing unit breakout, in the "Sum2b" tab.

Let me know if you have any questions.

Brian

Archived: Friday, June 10, 2022 11:42:28 AM
From: Murphy, Brian
Sent: Friday, April 22, 2022 1:50:52 PM
To: Oberwortmann, John Johnson, Garry Lara, Jose Maloy, Alicia Mirick, Mark
Subject: RE: PRI-2 HLF draft rate design - please check numbers
Importance: Normal
Sensitivity: None
Attachments:
Rate design PRI 2 HLF v2.xlsx;

A'ight, peeps. Second iteration. Same drill.

Brian

From: Murphy, Brian
Sent: Friday, April 22, 2022 9:35 AM
To: Oberwortmann, John <John.Oberwortmann@austinenergy.com>; Johnson, Garry <Garry.Johnson@austinenergy.com>; Lara, Jose <Jose.Lara@austinenergy.com>; Maloy, Alicia <Alicia.Maloy@austinenergy.com>; Mirick, Mark <Mark.Mirick@austinenergy.com>
Subject: PRI-2 HLF draft rate design - please check numbers

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Let me know if you have any questions.

Brian

Archived: Friday, June 10, 2022 11:42:32 AM
From: Murphy, Brian
Sent: Friday, April 22, 2022 2:19:08 PM
To: Maloy, Alicia
Subject: RE: PRI-2 HLF draft rate design - please check numbers
Importance: Normal
Sensitivity: None

Isn't that what I have in there:

PRI-2 HLF Rate Design							
				Billing			
Proposed Rate Design				Units	Revenues		
Customer Charge	$ 6,363.00			144	$ 916,272		
Demand rate	$ 14.47			764,977	$ 11,069,223		
Energy rate	0			524,920,665	$ -		
			Total		$ 11,985,495		
		All PRI-2		PRI-2 HLF		PRI-2 Non-H	
	April 18th	Billing		Billing		Billing	
Target Revenues	Filed rates	Units	Revenues	Units	Revenues	Units	Re
Customer Charge	2500	324	$ 810,000	144	$ 360,000	180	$
Demand rate	14	1,690,700	$ 23,669,805	764,977	$ 10,709,683	925,723	$ 1:
Energy rate	0.00175	966,000,494	$ 1,690,501	524,920,665	$ 918,611	441,079,829	$
Unbilled energy (LSOFF)		33,687,090				33,687,090	
Sub-Total			$ 26,170,306		$ 11,988,294		$ 1
Power factor penalty			$ 270,423				
Class total proposed rev			$ 26,440,729				

From: Maloy, Alicia <Alicia.Maloy@austinenergy.com>
Sent: Friday, April 22, 2022 2:17 PM
To: Murphy, Brian <Brian.Murphy@austinenergy.com>
Subject: RE: PRI-2 HLF draft rate design - please check numbers

I think the non-HLF doesn't have the correct billing units for the energy portion. I think it should be 474,766,919. I checked with the prior version you sent this morning, and the total billing units for the energy rate for all P2 on v2 is less than v1. I think the HLF amount is correct.

Assuming I'm correct, that won't change the rates you calculated.

From: Murphy, Brian <Brian.Murphy@austinenergy.com>
Sent: Friday, April 22, 2022 2:03 PM
To: Maloy, Alicia <Alicia.Maloy@austinenergy.com>
Subject: RE: PRI-2 HLF draft rate design - please check numbers

From: Lara, Jose <Jose.Lara@austinenergy.com>
Sent: Friday, April 22, 2022 11:07 AM
To: Johnson, Garry <Garry.Johnson@austinenergy.com>; Mirick, Mark <Mark.Mirick@austinenergy.com>; Murphy, Brian <Brian.Murphy@austinenergy.com>; Oberwortmann, John <John.Oberwortmann@austinenergy.com>; Maloy, Alicia <Alicia.Maloy@austinenergy.com>

Subject: RE: PRI-2 HLF draft rate design - please check numbers

I have rerun the bill frequency. There are now 12 P2 HLF customers. The same that we have been discussing this week. It is attached here, and I have posted to the network. Here is the link.

\\\\lightning\\Finance\\AE DATA REPOSITORY\\RF_Cost of Service\\2022 Rate Case_FY2021 TY\\RFPs\\RFP 4-5-2022\\Source Documents\\sara_21_bill_freq_v3.xlsb

---

From: Maloy, Alicia <Alicia.Maloy@austinenergy.com>
Sent: Friday, April 22, 2022 2:00 PM
To: Murphy, Brian <Brian.Murphy@austinenergy.com>
Subject: RE: PRI-2 HLF draft rate design - please check numbers

Do you have the updated bill frequency file too? So far it's looking great, but I like to be thorough.

From: Murphy, Brian <Brian.Murphy@austinenergy.com>
Sent: Friday, April 22, 2022 1:51 PM
To: Oberwortmann, John <John.Oberwortmann@austinenergy.com>; Johnson, Garry <Garry.Johnson@austinenergy.com>; Lara, Jose <Jose.Lara@austinenergy.com>; Maloy, Alicia <Alicia.Maloy@austinenergy.com>; Mirick, Mark <Mark.Mirick@austinenergy.com>
Subject: RE: PRI-2 HLF draft rate design - please check numbers

A'ight, peeps. Second iteration. Same drill.

Brian

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To: Oberwortmann, John <John.Oberwortmann@austinenergy.com>; Johnson, Garry <Garry.Johnson@austinenergy.com>; Lara, Jose <Jose.Lara@austinenergy.com>; Maloy, Alicia <Alicia.Maloy@austinenergy.com>; Mirick, Mark <Mark.Mirick@austinenergy.com>
Subject: PRI-2 HLF draft rate design - please check numbers

Guys,

Please check all the numbers and calculations for this PRI-2 HLF rate design.

I also attached Joe's file with the billing unit breakout, in the "Sum2b" tab.

Let me know if you have any questions.

Brian

Archived: Friday, June 10, 2022 11:42:36 AM
From: Murphy, Brian
Sent: Friday, April 22, 2022 3:17:58 PM
To: Lara, Jose Oberwortmann, John Johnson, Garry Maloy, Alicia Mirick, Mark
Subject: RE: PRI-2 HLF draft rate design - please check numbers
Importance: Normal
Sensitivity: None

Thanks, Joe. Before I do a v3, any other catches to incorporate?

From: Lara, Jose <Jose.Lara@austinenergy.com>
Sent: Friday, April 22, 2022 3:15 PM
To: Murphy, Brian <Brian.Murphy@austinenergy.com>; Oberwortmann, John <John.Oberwortmann@austinenergy.com>; Johnson, Garry <Garry.Johnson@austinenergy.com>; Maloy, Alicia <Alicia.Maloy@austinenergy.com>; Mirick, Mark <Mark.Mirick@austinenergy.com>
Subject: RE: PRI-2 HLF draft rate design - please check numbers

Brian,

I totally forgot about Power Factor adjustments. Amazingly, these high load factor customers have also received PF adjustments. Here is how PF Adjustment units should be split between HLF and non-HLF.

HLF : 11892.53 KW
Non HLF : 7423.40 KW

Total : 19315.93
.
..Joe

From: Murphy, Brian <Brian.Murphy@austinenergy.com>
Sent: Friday, April 22, 2022 1:51 PM
To: Oberwortmann, John <John.Oberwortmann@austinenergy.com>; Johnson, Garry <Garry.Johnson@austinenergy.com>; Lara, Jose <Jose.Lara@austinenergy.com>; Maloy, Alicia <Alicia.Maloy@austinenergy.com>; Mirick, Mark <Mark.Mirick@austinenergy.com>
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Let me know if you have any questions.

Brian

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From: Murphy, Brian
Sent: Friday, April 22, 2022 10:09:48 AM
To: Lara, Jose Oberwortmann, John Johnson, Garry Maloy, Alicia Mirick, Mark
Subject: RE: PRI-2 HLF draft rate design - please check numbers
Importance: Normal
Sensitivity: None

It should be the customer unit cost for the PRI-2 class from the as-filed cost study.

Thanks for checking.

B

From: Lara, Jose <Jose.Lara@austinenergy.com>
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Brian

Archived: Friday, June 10, 2022 11:42:42 AM
From: Murphy, Brian
Sent: Friday, May 27, 2022 1:43:04 PM
To: Oberwortmann, John Mirick, Mark
Cc: Thomas Brocato
Subject: RE: PRI-2 HLF tariff
Importance: Normal
Sensitivity: None
Attachments:
P2 HLF draft tariff.docx

Here it is.

From: Oberwortmann, John <John.Oberwortmann@austinenergy.com>
Sent: Friday, May 27, 2022 1:34 PM
To: Mirick, Mark <Mark.Mirick@austinenergy.com>; Murphy, Brian <Brian.Murphy@austinenergy.com>
Cc: Thomas Brocato <tbrocato@lglawfirm.com>
Subject: PRI-2 HLF tariff

Please send Thomas and Taylor the updated PRI-2 HLF tariff with the 5-year term update.

Thank you.

Regards,

John Oberwortmann, CPA | Manager, Rates and Regulatory | Austin Energy
(512) 322-6419 (office) | (512) 573-7122

austinenergy.com
facebook.com/austinenergy | twitter.com/austinenergy
linkedin.com/company/austin-energy

Archived: Friday, June 10, 2022 11:42:45 AM
From: Murphy, Brian
Sent: Thursday, April 21, 2022 1:24:49 PM
To: Mirick, Mark Oberwortmann, John
Subject: RE: PRI-2 HLF
Importance: Normal
Sensitivity: None
Attachments:
P2 HLF tariff DRAFT (BM).docx

Thanks, Mark. I put some comments in there, struck some stuff, had some suggested edits.

From: Mirick, Mark <Mark.Mirick@austinenergy.com>
Sent: Thursday, April 21, 2022 9:04 AM
To: Oberwortmann, John <John.Oberwortmann@austinenergy.com>
Cc: Murphy, Brian <Brian.Murphy@austinenergy.com>
Subject: RE: PRI-2 HLF

Here is my take cribbed from the P4 language in the tariff.

From: Oberwortmann, John <John.Oberwortmann@austinenergy.com>
Sent: Wednesday, April 20, 2022 2:10 PM
To: Murphy, Brian <Brian.Murphy@austinenergy.com>; Mirick, Mark <Mark.Mirick@austinenergy.com>; Johnson, Garry <Garry.Johnson@austinenergy.com>; Lara, Jose <Jose.Lara@austinenergy.com>; Varughese, Jogee <Jogee.Varughese@austinenergy.com>
Subject: PRI-2 HLF

I talked to Rusty and he did not have much detail to add beyond what was discussed yesterday. I put together this draft for everyone to consider. Please make any appropriate edits. I just wanted to get something started on paper.

Archived: Friday, June 10, 2022 11:42:49 AM
From: Murphy, Brian
Sent: Friday, April 22, 2022 1:09:51 PM
To: Johnson, Garry Lara, Jose Mirick, Mark
Subject: RE: Rate design PRI 2 HLF gmj 042222.xlsx
Importance: Normal
Sensitivity: None

The only way to get to the total for PRI-2 in the H schedules is to include the solar kWhs in Joe's SARA file.

I guess I'm saying I think it's impossible that the solar kWh were excluded from the count used to set the PRI-2 class's energy rates, at least with the information on hand.

B

From: Johnson, Garry <Garry.Johnson@austinenergy.com>
Sent: Friday, April 22, 2022 1:05 PM
To: Murphy, Brian <Brian.Murphy@austinenergy.com>; Lara, Jose <Jose.Lara@austinenergy.com>; Mirick, Mark <Mark.Mirick@austinenergy.com>
Subject: RE: Rate design PRI 2 HLF gmj 042222.xlsx

The PV generation was not included on WP H-5.6 for the energy charge calculations, but was included for the PSA calculations. I would think we would want to be consistent with the filing, even if it is not totally correct. It might raise other issues as to the reliability of our numbers if there is a difference.

But not my call.

From: Murphy, Brian <Brian.Murphy@austinenergy.com>
Sent: Friday, April 22, 2022 1:03 PM
To: Lara, Jose <Jose.Lara@austinenergy.com>; Johnson, Garry <Garry.Johnson@austinenergy.com>; Mirick, Mark <Mark.Mirick@austinenergy.com>
Subject: RE: Rate design PRI 2 HLF gmj 042222.xlsx

Any units that are billing units should go in.

From: Lara, Jose <Jose.Lara@austinenergy.com>
Sent: Friday, April 22, 2022 1:02 PM
To: Johnson, Garry <Garry.Johnson@austinenergy.com>; Murphy, Brian <Brian.Murphy@austinenergy.com>; Mirick, Mark <Mark.Mirick@austinenergy.com>
Subject: RE: Rate design PRI 2 HLF gmj 042222.xlsx

I think the PV generation should be included in the energy charge. This is as VOS customer that is billed for whole building.

From: Johnson, Garry <Garry.Johnson@austinenergy.com>
Sent: Friday, April 22, 2022 11:48 AM
To: Murphy, Brian <Brian.Murphy@austinenergy.com>; Lara, Jose <Jose.Lara@austinenergy.com>; Mirick, Mark <Mark.Mirick@austinenergy.com>
Subject: Rate design PRI 2 HLF gmj 042222.xlsx

I think this file reflects Joe's updates. It looks like to me that splitting the class with the proposed HLF rates we will be about $56k over the proposed base revenues in the filing. The HLF customer charge could be lowered to $6,000 and we would be very close.

Archived: Friday, June 10, 2022 11:42:53 AM
From: Murphy, Brian
Sent: Friday, April 22, 2022 8:25:21 AM
To: Maloy, Alicia Lara, Jose
Subject: RE: Stats for P2
Importance: Normal
Sensitivity: None

Thanks, Alicia. Come to think of it, please double-check the energy values as well to make sure the sum of consumption for the two P2 groups equals the sum of adjusted TY kWh for the P2 class as a whole, as filed on April 18th and shown in the cost study.

B

From: Maloy, Alicia <Alicia.Maloy@austinenergy.com>
Sent: Friday, April 22, 2022 8:23 AM
To: Murphy, Brian <Brian.Murphy@austinenergy.com>; Lara, Jose <Jose.Lara@austinenergy.com>
Subject: RE: Stats for P2

Good morning Brian-

When I talked to Joe last night around 7, it sounded like he got this sorted out to where the segregated data adds up to the original.

Alicia

From: Murphy, Brian <Brian.Murphy@austinenergy.com>
Sent: Friday, April 22, 2022 8:05 AM
To: Lara, Jose <Jose.Lara@austinenergy.com>
Cc: Maloy, Alicia <Alicia.Maloy@austinenergy.com>
Subject: RE: Stats for P2

Thanks, Joe.

I'm not clear about which figures I should be using for billable demand for each P2 group.

The COS shows 1,690,700 billable kWs during adjusted FY2021:

Work Paper H-5.6		FY 2021 Base Rates and FY 2022 Pass-Throughs				
Primary Voltage ≥ 3 < 20 MW						
		Test Year 2021			Test Yea	
		Inside City of Austin			Outside City	
No.	Description	Units	Rates	Revenues	Units	Rate
		(A)	(B)	(C)	(D)	(E)
19						
20						
21	**Demand Charges**					
22		5,000				
23	All kWs	1,163,887	$ 9.17	$ 10,672,841	117,022	$
24	All kWs - HOW	-	$ 9.17	$ -	-	$
25	All kWs - S	203,142	$ 9.17	$ 1,862,814	-	$
26	All kWs - LS	206,649	$ 9.17	$ 1,894,973	-	$
27	All kWs - LSOFF	-	$ 9.17	$ -	-	$
28	Subtotal	1,573,678		$ 14,430,628	117,022	
29						
30	Power Factor Penalty	18,453	$ 13.67	$ 252,249	863	$
31						
32	Total Demand Charges	1,573,678		$ 14,682,877	117,022	
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But I've got a file from you called "p2_detail" which sums to only 1,529,635.

Can you guys nail down what the billable demands are for each P2 group?

The sum of the two groups must equal what we've got in the cost study for P2.

Brian

From: Lara, Jose <Jose.Lara@austinenergy.com>
Sent: Thursday, April 21, 2022 5:10 PM
To: Murphy, Brian <Brian.Murphy@austinenergy.com>
Cc: Maloy, Alicia <Alicia.Maloy@austinenergy.com>
Subject: Stats for P2

Brian,

I need to run down an error in a couple of months, but this is mostly complete. I wanted to give you a preview. The data that you requested is highlighted in yellow.

Joe Lara
Energy Analyst, Rates and Forecasting, Austin Energy
Office: 512-322-6303

Archived: Friday, June 10, 2022 11:42:56 AM
From: Murphy, Brian
Sent: Friday, April 22, 2022 8:58:34 AM
To: Lara, Jose
Cc: Maloy, Alicia
Subject: RE: Stats for P2
Importance: Normal
Sensitivity: None

Looks like there may still be something going on with the energy values.

Here's what's in the COS, totaling 999,687,584 kWhs.

Work Paper H-5.6		FY 2021 Base Rates and FY 2022 Pass-Throughs				
	Primary Voltage ≥ 3 < 20 MW					
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		Inside City of Austin			Outsic	
No.	Description	Units	Rates	Revenues	Units	
		(A)	(B)	(C)	(D)	
31						
32	Total Demand Charges	1,573,678		$ 14,682,877	117,022	
33						
34						
35	Energy Charges					
36		3,650,000				
37	All kWhs	726,766,107	$ 0.00052	$ 377,918	65,733,597	$
38	All kWhs - HOW	-	$ 0.00052	$ -	-	$
39	All kWhs - S	140,796,873	$ 0.00052	$ 73,214	-	$
40	All kWhs - LS	32,703,917	$ 0.00052	$ 17,006	-	$
41	All kWhs - LSOFF	33,687,090	$ -	$ -	-	$
42	Subtotal	933,953,987		$ 468,139	65,733,597	
43						
44	Total Energy Charges	933,953,987		$ 468,139	65,733,597	
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But I think the file you just sent me the link to shows 998,358,663.

Not a big difference, but somewhat nagging.

B

From: Lara, Jose <Jose.Lara@austinenergy.com>
Sent: Friday, April 22, 2022 8:48 AM
To: Murphy, Brian <Brian.Murphy@austinenergy.com>
Cc: Maloy, Alicia <Alicia.Maloy@austinenergy.com>
Subject: RE: Stats for P2

For the billing determinates, use the following file.

\\\\lightning\\Finance\\AE DATA REPOSITORY\\RF_Cost of Service\\2022 Rate Case_FY2021 TY\\RFPs\\RFP 4-5-2022\\Source Documents\\sara_21_bill_freq_v3.xlsb

The p2_detail spreadsheet includes bill corrections that occurred during FY22. That report was solely indented to answer the question of how many customer has a certain characteristic (which is an average 4cp demand between 3 and 20 MW, plus an average load factor equal to or greater than 85%). That is the specification that I got from Mark D. The p2_detail spreadsheet, since it includes bill corrections in FY22, was not indented to supplement the RFP. The bill correction was necessary to properly categorize a customer that had an erroneous bill in September 2021 that caused their annual load factor to drop below 85%.

..Joe

From: Murphy, Brian <Brian.Murphy@austinenergy.com>
Sent: Friday, April 22, 2022 8:05 AM
To: Lara, Jose <Jose.Lara@austinenergy.com>
Cc: Maloy, Alicia <Alicia.Maloy@austinenergy.com>
Subject: RE: Stats for P2

Thanks, Joe.

I'm not clear about which figures I should be using for billable demand for each P2 group.

The COS shows 1,690,700 billable kWs during adjusted FY2021:

Work Paper H-5.6		FY 2021 Base Rates and FY 2022 Pass-Throughs				
Primary Voltage ≥ 3 < 20 MW						
		Test Year 2021			Test Yea	
		Inside City of Austin			Outside City	
No.	Description	Units	Rates	Revenues	Units	Rate
		(A)	(B)	(C)	(D)	(E)
19						
20						
21	Demand Charges					
22		5,000				
23	All kWs	1,163,887	$ 9.17	$ 10,672,841	117,022	$
24	All kWs - HOW	-	$ 9.17	$ -	-	$
25	All kWs - S	203,142	$ 9.17	$ 1,862,814	-	$
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But I've got a file from you called "p2_detail" which sums to only 1,529,635.

Can you guys nail down what the billable demands are for each P2 group?

The sum of the two groups must equal what we've got in the cost study for P2.

Brian

From: Lara, Jose <Jose.Lara@austinenergy.com>
Sent: Thursday, April 21, 2022 5:10 PM
To: Murphy, Brian <Brian.Murphy@austinenergy.com>
Cc: Maloy, Alicia <Alicia.Maloy@austinenergy.com>
Subject: Stats for P2

Brian,

I need to run down an error in a couple of months, but this is mostly complete. I wanted to give you a preview. The data that you requested is highlighted in yellow.

Joe Lara
Energy Analyst, Rates and Forecasting, Austin Energy
Office: 512-322-6303

Archived: Friday, June 10, 2022 11:43:00 AM
From: Murphy, Brian
Sent: Friday, April 22, 2022 10:13:03 AM
To: Lara, Jose
Cc: Maloy, Alicia
Subject: RE: Stats for P2
Importance: Normal
Sensitivity: None

If the demand and energy from those 12 are in the counts for billable demand and billed energy, then the 12 need to go into the count of customer-months.

From: Lara, Jose <Jose.Lara@austinenergy.com>
Sent: Friday, April 22, 2022 10:12 AM
To: Murphy, Brian <Brian.Murphy@austinenergy.com>
Cc: Maloy, Alicia <Alicia.Maloy@austinenergy.com>
Subject: RE: Stats for P2

In the file with the demand data, I tracked down the source of the issue that was throwing off one my check figures. I can fix it and it will have no impact on the CP data (ERCOT CP or NCP).

Bigger issue is rather to include only the 10 customers from the bill frequency file or the twelve (which includes bill corrections posted during FY22).

..Joe

From: Murphy, Brian <Brian.Murphy@austinenergy.com>
Sent: Friday, April 22, 2022 9:08 AM
To: Lara, Jose <Jose.Lara@austinenergy.com>
Cc: Maloy, Alicia <Alicia.Maloy@austinenergy.com>
Subject: RE: Stats for P2

I think I see it now. Column O is the PV. If I add that to prior columns, I get the RFP's total.

From: Murphy, Brian
Sent: Friday, April 22, 2022 9:06 AM
To: Lara, Jose <Jose.Lara@austinenergy.com>
Cc: Maloy, Alicia <Alicia.Maloy@austinenergy.com>
Subject: RE: Stats for P2

I don't see it. Forgive me. Lots of figures in there, I'm not sure where to look to find the PV energy.

Also, I don't see figures in a column R that match the energy in the RFP--999,687,584 kWhs.

Maybe it's a "Friday moment" for me here.

B

From: Lara, Jose <Jose.Lara@austinenergy.com>
Sent: Friday, April 22, 2022 9:01 AM

To: Murphy, Brian <Brian.Murphy@austinenergy.com>
Cc: Maloy, Alicia <Alicia.Maloy@austinenergy.com>
Subject: RE: Stats for P2

Add the PV generation.

From: Murphy, Brian <Brian.Murphy@austinenergy.com>
Sent: Friday, April 22, 2022 8:59 AM
To: Lara, Jose <Jose.Lara@austinenergy.com>
Cc: Maloy, Alicia <Alicia.Maloy@austinenergy.com>
Subject: RE: Stats for P2

Looks like there may still be something going on with the energy values.

Here's what's in the COS, totaling 999,687,584 kWhs.

Work Paper H-5.6
Primary Voltage ≥ 3 < 20 MW

		FY 2021 Base Rates and FY 2022 Pass-Throughs			
		Test Year 2021			Te
		Inside City of Austin			Outsic
No.	**Description**	**Units**	**Rates**	**Revenues**	**Units**
		(A)	(B)	(C)	(D)
31					
32	Total Demand Charges	1,573,678		$ 14,682,877	117,022
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34					
35	**Energy Charges**				
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37	All kWhs	726,766,107	$ 0.00052	$ 377,918	65,733,597 $
38	All kWhs - HOW	-	$ 0.00052	$ -	- $
39	All kWhs - S	140,796,873	$ 0.00052	$ 73,214	- $
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B

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Sent: Friday, April 22, 2022 8:48 AM
To: Murphy, Brian <Brian.Murphy@austinenergy.com>
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For the billing determinates, use the following file.

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Sent: Friday, April 22, 2022 8:05 AM
To: Lara, Jose <Jose.Lara@austinenergy.com>
Cc: Maloy, Alicia <Alicia.Maloy@austinenergy.com>
Subject: RE: Stats for P2

Thanks, Joe.

I’m not clear about which figures I should be using for billable demand for each P2 group.

The COS shows 1,690,700 billable kWs during adjusted FY2021:

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The sum of the two groups must equal what we’ve got in the cost study for P2.

Brian

From: Lara, Jose <Jose.Lara@austinenergy.com>
Sent: Thursday, April 21, 2022 5:10 PM
To: Murphy, Brian <Brian.Murphy@austinenergy.com>
Cc: Maloy, Alicia <Alicia.Maloy@austinenergy.com>
Subject: Stats for P2

Brian,

I need to run down an error in a couple of months, but this is mostly complete. I wanted to give you a preview. The data that you requested is highlighted in yellow.

Joe Lara
Energy Analyst, Rates and Forecasting, Austin Energy
Office: 512-322-6303

Archived: Friday, June 10, 2022 11:43:05 AM
From: Murphy, Brian
Sent: Friday, April 22, 2022 8:05:22 AM
To: Lara, Jose
Cc: Maloy, Alicia
Subject: RE: Stats for P2
Importance: Normal
Sensitivity: None

Thanks, Joe.

I'm not clear about which figures I should be using for billable demand for each P2 group.

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Brian

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To: Murphy, Brian <Brian.Murphy@austinenergy.com>
Cc: Maloy, Alicia <Alicia.Maloy@austinenergy.com>
Subject: Stats for P2

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Joe Lara
Energy Analyst, Rates and Forecasting, Austin Energy
Office: 512-322-6303

Archived: Friday, June 10, 2022 11:43:08 AM
From: Grant Rabon
Sent: Thursday, April 21, 2022 12:16:57 PM
To: Lara, Jose Johnson, Garry
Subject: RE: Draft Bill Frequency file - version 3
Importance: Normal
Sensitivity: None

Thank you Joe. I have a couple questions:

1. The summary of 'E-P2HLF' on Excel rows 727 to 787 of the 'Sum2' worksheet seem to be a subset of the 'E-PRI2' on Excel rows 312 to 372 (meaning these units for HLF customers show up both places), correct?
   a. If so, this double counting may cause trouble for you when you are attempting to align data. It won't bother me for my needs, but I wanted to point this out.
2. I noticed the kW and kWh for the overall P2 class are different in the version 3 you provided as compared with what I believe was the most recent version before. I was not expecting a change to these values given I believe we wanted to keep the overall cost of service the same. As you know, when you group customers differently you can get different results (e.g., NCP) but the goal of this investigation for high load factor P2 customers (if I understood correctly) is to keep all this the same. Let me know if I misunderstood the approach.

Grant Rabon | NewGen Strategies & Solutions
Partner
8140 North Mopac Expressway | Suite 1-240 | Austin, TX 78759
Office: (512) 900-8232 | Cellular: (512) 565-0123
grabon@newgenstrategies.net
Please visit our website at www.newgenstrategies.net

NewGen Strategies & Solutions

From: Lara, Jose <Jose.Lara@austinenergy.com>
Sent: Thursday, April 21, 2022 10:05 AM
To: Johnson, Garry <Garry.Johnson@austinenergy.com>; Grant Rabon <grabon@newgenstrategies.net>
Subject: Draft Bill Frequency file - version 3

I have a draft of the bill frequency file with P2 segregated by annual load factor. P2HLF has the customers which have an annual load greater to or equal to 85%. To be very clear, this assumes that all customers would take advantage of any new rate that is offered.

Here is a link to the file. I wasn't sure to place the file. You can move it later. I have attached the file for Grant.

The data for rate design start on 'SUM2' on row 728.

\\\\lightning\\Finance\\AE DATA REPOSITORY\\RF_Cost of Service\\2022 Rate Case_FY2021 TY\\sara_21_bill_freq_v3.xlsb

This is a draft. I still need to

- calibrate the energy to the 8760 data at the meter.
- Report the green choice data for these customers

Joe Lara
Energy Analyst, Rates and Forecasting, Austin Energy
Office: 512-322-6303

Archived: Friday, June 10, 2022 11:43:12 AM
From: Grant Rabon
Sent: Thursday, April 21, 2022 12:16:57 PM
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Please visit our website at www.newgenstrategies.net

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To: Johnson, Garry <Garry.Johnson@austinenergy.com>; Grant Rabon <grabon@newgenstrategies.net>
Subject: Draft Bill Frequency file - version 3

I have a draft of the bill frequency file with P2 segregated by annual load factor. P2HLF has the customers which have an annual load greater to or equal to 85%. To be very clear, this assumes that all customers would take advantage of any new rate that is offered.

Here is a link to the file. I wasn't sure to place the file. You can move it later. I have attached the file for Grant.

The data for rate design start on 'SUM2' on row 728.

\\\\lightning\\Finance\\AE DATA REPOSITORY\\RF_Cost of Service\\2022 Rate Case_FY2021 TY\\sara_21_bill_freq_v3.xlsb

This is a draft. I still need to

- calibrate the energy to the 8760 data at the meter.
- Report the green choice data for these customers

Joe Lara
Energy Analyst, Rates and Forecasting, Austin Energy
Office: 512-322-6303

Archived: Friday, June 10, 2022 11:43:16 AM
From: Grant Rabon
Sent: Wed, 27 Apr 2022 18:33:18
To: Murphy, Brian
Cc: John Oberwortmann
Subject: RE: Draft documents - Primary High Load Factor Proposal
Importance: Normal
Sensitivity: None

Thanks Brian. My final comments are:

1. Do we need to include in the write-up that although we are showing the current pass-through rates that would be applicable to the PRI-2 HLF customers, only the base rates would remain fixed for the duration of the contract and the PSA, applicable CBC, and Regulatory charges will be amended from time-to-time?
2. Should we add the red text below to the sentence in the write-up?
   "CAP charges will be limited to a maximum of $200,000 per year per account."
3. Are readers of the write-up going to understand that the carve-out we reference in the sentence below is the new rate design proposed? Would it be better to just say the proposed new rate offering?
   "The energy-efficiency carve-out for PRI-2 HLF customers…"
4. Since there is a minimum bill with ratchet in the proposed tariff, should we check to see if any of the 12 possible PRI-2 HLF customers would end up paying more than designed because of inconsistent demands (and the ratchet)?

Grant Rabon | NewGen Strategies & Solutions
Partner
8140 North Mopac Expressway | Suite 1-240 | Austin, TX 78759
Office: (512) 900-8232 | Cellular: (512) 565-0123
grabon@newgenstrategies.net
Please visit our website at www.newgenstrategies.net

NewGen Strategies & Solutions

From: Murphy, Brian <Brian.Murphy@austinenergy.com>
Sent: Wednesday, April 27, 2022 1:04 PM
To: Dombroski, Mark <Mark.Dombroski@austinenergy.com>; Cooper, Tammy <Tammy.Cooper@austinenergy.com>; Maenius, Russell (Rusty) <Rusty.Maenius@austinenergy.com>; Oberwortmann, John <John.Oberwortmann@austinenergy.com>; Thomas Brocato <tbrocato@lglawfirm.com>; Grant Rabon <grabon@newgenstrategies.net>; Johnson, Garry <Garry.Johnson@austinenergy.com>; Lara, Jose <Jose.Lara@austinenergy.com>; Maloy, Alicia <Alicia.Maloy@austinenergy.com>; Mirick, Mark <Mark.Mirick@austinenergy.com>
Subject: Draft documents - Primary High Load Factor Proposal

Attached are the draft tariff, draft narrative, draft cover letter, and workpapers supporting the development of the proposal to create a primary-2 high load factor rate class.

Please review and offer edits as desired.

Cheers.

Brian

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Subject: Draft documents - Primary High Load Factor Proposal

Attached are the draft tariff, draft narrative, draft cover letter, and workpapers supporting the development of the proposal to create a primary-2 high load factor rate class.

Please review and offer edits as desired.

Cheers.

Brian

Archived: Friday, June 10, 2022 11:43:24 AM
From: Maloy, Alicia
Sent: Friday, April 22, 2022 2:16:37 PM
To: Murphy, Brian
Subject: RE: PRI-2 HLF draft rate design - please check numbers
Importance: Normal
Sensitivity: None

I think the non-HLF doesn't have the correct billing units for the energy portion. I think it should be 474,766,919. I checked with the prior version you sent this morning, and the total billing units for the energy rate for all P2 on v2 is less than v1. I think the HLF amount is correct.

Assuming I'm correct, that won't change the rates you calculated.

From: Murphy, Brian <Brian.Murphy@austinenergy.com>
Sent: Friday, April 22, 2022 2:03 PM
To: Maloy, Alicia <Alicia.Maloy@austinenergy.com>
Subject: RE: PRI-2 HLF draft rate design - please check numbers

From: Lara, Jose <Jose.Lara@austinenergy.com>
Sent: Friday, April 22, 2022 11:07 AM
To: Johnson, Garry <Garry.Johnson@austinenergy.com>; Mirick, Mark <Mark.Mirick@austinenergy.com>; Murphy, Brian <Brian.Murphy@austinenergy.com>; Oberwortmann, John <John.Oberwortmann@austinenergy.com>; Maloy, Alicia <Alicia.Maloy@austinenergy.com>
Subject: RE: PRI-2 HLF draft rate design - please check numbers

I have rerun the bill frequency. There are now 12 P2 HLF customers. The same that we have been discussing this week. It is attached here, and I have posted to the network. Here is the link.

\\\\lightning\\Finance\\AE DATA REPOSITORY\\RF_Cost of Service\\2022 Rate Case_FY2021 TY\\RFPs\\RFP 4-5-2022\\Source Documents\\sara_21_bill_freq_v3.xlsb

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From: Maloy, Alicia <Alicia.Maloy@austinenergy.com>
Sent: Friday, April 22, 2022 2:00 PM
To: Murphy, Brian <Brian.Murphy@austinenergy.com>
Subject: RE: PRI-2 HLF draft rate design - please check numbers

Do you have the updated bill frequency file too? So far it's looking great, but I like to be thorough.

From: Murphy, Brian <Brian.Murphy@austinenergy.com>
Sent: Friday, April 22, 2022 1:51 PM
To: Oberwortmann, John <John.Oberwortmann@austinenergy.com>; Johnson, Garry <Garry.Johnson@austinenergy.com>; Lara, Jose <Jose.Lara@austinenergy.com>; Maloy, Alicia <Alicia.Maloy@austinenergy.com>; Mirick, Mark <Mark.Mirick@austinenergy.com>
Subject: RE: PRI-2 HLF draft rate design - please check numbers

A'ight, peeps. Second iteration. Same drill.

Brian

From: Murphy, Brian
Sent: Friday, April 22, 2022 9:35 AM
To: Oberwortmann, John <John.Oberwortmann@austinenergy.com>; Johnson, Garry <Garry.Johnson@austinenergy.com>; Lara, Jose <Jose.Lara@austinenergy.com>; Maloy, Alicia <Alicia.Maloy@austinenergy.com>; Mirick, Mark <Mark.Mirick@austinenergy.com>
Subject: PRI-2 HLF draft rate design - please check numbers

Guys,

Please check all the numbers and calculations for this PRI-2 HLF rate design.

I also attached Joe's file with the billing unit breakout, in the "Sum2b" tab.

Let me know if you have any questions.

Brian

Archived: Friday, June 10, 2022 11:43:28 AM
From: Maloy, Alicia
Sent: Friday, April 22, 2022 2:00:25 PM
To: Murphy, Brian
Subject: RE: PRI-2 HLF draft rate design - please check numbers
Importance: Normal
Sensitivity: None

Do you have the updated bill frequency file too? So far it's looking great, but I like to be thorough.

From: Murphy, Brian <Brian.Murphy@austinenergy.com>
Sent: Friday, April 22, 2022 1:51 PM
To: Oberwortmann, John <John.Oberwortmann@austinenergy.com>; Johnson, Garry <Garry.Johnson@austinenergy.com>; Lara, Jose <Jose.Lara@austinenergy.com>; Maloy, Alicia <Alicia.Maloy@austinenergy.com>; Mirick, Mark <Mark.Mirick@austinenergy.com>
Subject: RE: PRI-2 HLF draft rate design - please check numbers

A'ight, peeps. Second iteration. Same drill.

Brian

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To: Oberwortmann, John <John.Oberwortmann@austinenergy.com>; Johnson, Garry <Garry.Johnson@austinenergy.com>; Lara, Jose <Jose.Lara@austinenergy.com>; Maloy, Alicia <Alicia.Maloy@austinenergy.com>; Mirick, Mark <Mark.Mirick@austinenergy.com>
Subject: PRI-2 HLF draft rate design - please check numbers

Guys,

Please check all the numbers and calculations for this PRI-2 HLF rate design.

I also attached Joe's file with the billing unit breakout, in the "Sum2b" tab.

Let me know if you have any questions.

Brian

Archived: Friday, June 10, 2022 11:43:31 AM
From: Maloy, Alicia
Sent: Friday, April 22, 2022 10:00:50 AM
To: Murphy, Brian
Subject: RE: PRI-2 HLF draft rate design - please check numbers
Importance: Normal
Sensitivity: None

Hey Brian-
I checked all the billing units to verify they are correct.

I checked all the calculations in the Rate design PRI 2 HLF.xlsx to verify they are correct.

I pulled up the COS and found the rates you used, so this makes sense to me.

I don't see any errors in your calculations.

Alicia

From: Murphy, Brian <Brian.Murphy@austinenergy.com>
Sent: Friday, April 22, 2022 9:35 AM
To: Oberwortmann, John <John.Oberwortmann@austinenergy.com>; Johnson, Garry <Garry.Johnson@austinenergy.com>; Lara, Jose <Jose.Lara@austinenergy.com>; Maloy, Alicia <Alicia.Maloy@austinenergy.com>; Mirick, Mark <Mark.Mirick@austinenergy.com>
Subject: PRI-2 HLF draft rate design - please check numbers

Guys,

Please check all the numbers and calculations for this PRI-2 HLF rate design.

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Let me know if you have any questions.

Brian

Archived: Friday, June 10, 2022 11:43:34 AM
From: Maloy, Alicia
Sent: Friday, April 22, 2022 2:22:04 PM
To: Murphy, Brian
Subject: RE: PRI-2 HLF draft rate design - please check numbers
Importance: Normal
Sensitivity: None

My bad-I didn't add in the LSOFF. I was repeating the steps I did this morning when that wasn't separated (I think). I'm good with it all.

From: Murphy, Brian <Brian.Murphy@austinenergy.com>
Sent: Friday, April 22, 2022 2:19 PM
To: Maloy, Alicia <Alicia.Maloy@austinenergy.com>
Subject: RE: PRI-2 HLF draft rate design - please check numbers

Isn't that what I have in there:

PRI-2 HLF Rate Design							
				Billing			
Proposed Rate Design				Units	Revenues		
Customer Charge	$ 6,363.00			144	$ 916,272		
Demand rate	$ 14.47			764,977	$ 11,069,223		
Energy rate	0			524,920,665	$ -		
			Total		$ 11,985,495		
		All PRI-2		PRI-2 HLF		PRI-2 Non-H	
	April 18th	Billing		Billing		Billing	
Target Revenues	Filed rates	Units	Revenues	Units	Revenues	Units	Re
Customer Charge	2500	324	$ 810,000	144	$ 360,000	180	$
Demand rate	14	1,690,700	$ 23,669,805	764,977	$ 10,709,683	925,723	$ 1
Energy rate	0.00175	966,000,494	$ 1,690,501	524,920,665	$ 918,611	441,079,829	$
Unbilled energy (LSOFF)		33,687,090				33,687,090	
Sub-Total			$ 26,170,306		$ 11,988,294		$ 1
Power factor penalty			$ 270,423				
Class total proposed rev			$ 26,440,729				

From: Maloy, Alicia <Alicia.Maloy@austinenergy.com>
Sent: Friday, April 22, 2022 2:17 PM
To: Murphy, Brian <Brian.Murphy@austinenergy.com>
Subject: RE: PRI-2 HLF draft rate design - please check numbers

I think the non-HLF doesn't have the correct billing units for the energy portion. I think it should be 474,766,919. I checked with the prior version you sent this morning, and the total billing units for the energy rate for all P2 on v2 is less than v1. I think the HLF amount is correct.

Assuming I'm correct, that won't change the rates you calculated.

From: Murphy, Brian <Brian.Murphy@austinenergy.com>
Sent: Friday, April 22, 2022 2:03 PM

To: Maloy, Alicia <Alicia.Maloy@austinenergy.com>
Subject: RE: PRI-2 HLF draft rate design - please check numbers

From: Lara, Jose <Jose.Lara@austinenergy.com>
Sent: Friday, April 22, 2022 11:07 AM
To: Johnson, Garry <Garry.Johnson@austinenergy.com>; Mirick, Mark <Mark.Mirick@austinenergy.com>; Murphy, Brian <Brian.Murphy@austinenergy.com>; Oberwortmann, John <John.Oberwortmann@austinenergy.com>; Maloy, Alicia <Alicia.Maloy@austinenergy.com>
Subject: RE: PRI-2 HLF draft rate design - please check numbers

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From: Maloy, Alicia <Alicia.Maloy@austinenergy.com>
Sent: Friday, April 22, 2022 2:00 PM
To: Murphy, Brian <Brian.Murphy@austinenergy.com>
Subject: RE: PRI-2 HLF draft rate design - please check numbers

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To: Oberwortmann, John <John.Oberwortmann@austinenergy.com>; Johnson, Garry <Garry.Johnson@austinenergy.com>; Lara, Jose <Jose.Lara@austinenergy.com>; Maloy, Alicia <Alicia.Maloy@austinenergy.com>; Mirick, Mark <Mark.Mirick@austinenergy.com>
Subject: RE: PRI-2 HLF draft rate design - please check numbers

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To: Oberwortmann, John <John.Oberwortmann@austinenergy.com>; Johnson, Garry <Garry.Johnson@austinenergy.com>; Lara, Jose <Jose.Lara@austinenergy.com>; Maloy, Alicia <Alicia.Maloy@austinenergy.com>; Mirick, Mark <Mark.Mirick@austinenergy.com>
Subject: PRI-2 HLF draft rate design - please check numbers

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Let me know if you have any questions.

Brian

Archived: Friday, June 10, 2022 11:43:38 AM
From: Johnson, Garry
Sent: Monday, April 25, 2022 1:40:16 PM
To: Murphy, Brian Oberwortmann, John Grant Rabon Varughese, Jogee Lara, Jose Maloy, Alicia Mirick, Mark
Subject: RE: PRI-2 HLF
Importance: Normal
Sensitivity: None

Looks ok to me but had a couple of questions on the tariff.

First, the paragraph that limits the Maximum Community Benefit Charge amount to $200,000. Should that be clarified that the $200,000 applies to each customer and not the group of customers billed under this section? I would think a crafty attorney could argue that point.

Second, in the paragraph you eliminated, I think we need to include the last sentence about the applicable PSA and Regulatory charge riders govern those charges. Otherwise, it could be interpreted that the PSA and Regulatory charges spelled out in the rates are what would be applicable for the entire 3 year period.

From: Murphy, Brian <Brian.Murphy@austinenergy.com>
Sent: Monday, April 25, 2022 9:19 AM
To: Oberwortmann, John <John.Oberwortmann@austinenergy.com>; Grant Rabon <grabon@newgenstrategies.net>; Varughese, Jogee <Jogee.Varughese@austinenergy.com>; Johnson, Garry <Garry.Johnson@austinenergy.com>; Lara, Jose <Jose.Lara@austinenergy.com>; Maloy, Alicia <Alicia.Maloy@austinenergy.com>; Mirick, Mark <Mark.Mirick@austinenergy.com>
Subject: PRI-2 HLF

Guys,

Attached are the draft documents supporting the addendum to Austin Energy's 2022 rate review to propose the creation of a primary-2 high load factor rate class, including a draft tariff, workpaper supporting the development of the draft rates, and a draft narrative to be included with the addendum. Thomas Brocato plans to write up some legal and procedural stuff that would wraparound the proposal.

Please have a look and provide suggested edits, verify math as needed. (my team, no need to look again, I think I've captured all our internal edits).

Once we're happy with this, I think it would go to Mark D, Rusty, and Thomas B.

Brian

Archived: Friday, June 10, 2022 11:43:42 AM
From: Grant Rabon
Sent: Mon, 25 Apr 2022 21:49:23
To: Oberwortmann, John Johnson, Garry Murphy, Brian Varughese, Jogee Lara, Jose Maloy, Alicia Mirick, Mark
Subject: RE: PRI-2 HLF
Importance: Normal
Sensitivity: None
Attachments:
Primary-2 HLF narrative - draft - NewGen.docx;

I assume the 11,893 kW in power factor penalty for the PRI-2 HLF customers was provided by Joe Lara as I did not have a version of the "sara_21_pf_adj.xlsx" source document to confirm that amount. Assuming that amount (which does not have a big impact anyway) is accurate, I agree with the calculation of the $14.47 per kW demand rate and the use of the $6,363 customer charge from the cost of service.

My only other comments (to supplement what has already been noted) are as follows:

1. I have inserted comments in the attached narrative on this proposal for your consideration.

2. In the tariff text, there is a sentence about the Minimum Bill that reads, "The minimum monthly bill is the highest billed demand established during the most recent 12-month billing period multiplied by the Demand Charge, in addition to any associated fuel or power supply charges."

   While I understand that this language is in the P4 tariff, I have the following questions/comments:
   a. This does not mention the customer charge or the other pass-through charges besides the PSA that would be applicable.
   b. Is this statement necessary/desired? While this is applied for P4 customers, I suspect the HLF P2 customers likely have more variation in demands.
   c. Although the minimum bill can be set this way, and I see no downside to AE in having the demand charge set the way this is described with a demand ratchet, we had not talked about this provision, so I am wondering if this will be news to the potential P2 HLF customers. Further, unless I am mistaken, the billing data Joe Lara provided for these customers is not reflective of a demand ratchet and, therefore, Brain's rate calculation does not account for such a rate provision. If a demand ratchet is going to be applied, Joe should determine what the new billing units under a ratchet would be. Perhaps it will not be meaningfully different, but this should be confirmed.

Grant Rabon | NewGen Strategies & Solutions
Partner
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grabon@newgenstrategies.net
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NewGen Strategies & Solutions

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Sent: Monday, April 25, 2022 1:53 PM
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Subject: RE: PRI-2 HLF

I think the $200,000 needs further clarification that it is per account, not per customer.
I think we need to indicate the 85% load factor is based on metered kW, not billed kW. I don't think someone should get kicked off because of a power factor adjustment, although I am open to that discussion..

Do we need to describe the treatment of any customer that fails to maintain the 85% load factor? I assume they would get moved to the regular tariff but I do not think we should try to recapture any savings they may have received, primarily due to EES – does that detail need to be clarified or is it assumed?

Regards,

John Oberwortmann, CPA | Manager, Rates and Regulatory | Austin Energy
(512) 322-6419 (office) | (512) 573-7122

From: Johnson, Garry <Garry.Johnson@austinenergy.com>
Sent: Monday, April 25, 2022 1:40 PM
To: Murphy, Brian <Brian.Murphy@austinenergy.com>; Oberwortmann, John <John.Oberwortmann@austinenergy.com>; Grant Rabon <grabon@newgenstrategies.net>; Varughese, Jogee <Jogee.Varughese@austinenergy.com>; Lara, Jose <Jose.Lara@austinenergy.com>; Maloy, Alicia <Alicia.Maloy@austinenergy.com>; Mirick, Mark <Mark.Mirick@austinenergy.com>
Subject: RE: PRI-2 HLF

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Please have a look and provide suggested edits, verify math as needed. (my team, no need to look again, I think I've captured all our internal edits).

Once we're happy with this, I think it would go to Mark D, Rusty, and Thomas B.

Brian

Archived: Friday, June 10, 2022 11:43:47 AM
From: Oberwortmann, John
Sent: Thursday, May 26, 2022 8:55:02 AM
To: Leath, Chad
Subject: RE: Rate Check in
Importance: Normal
Sensitivity: None

The only thing I am concerned about is the possible PRI-2 HLF rate. It will not be put in place until 1/1/2023 and so I don't think there is anything significant to deal with, but I want to check with you to make sure there are not any unknown issues with the concept.

Regards,

John Oberwortmann, CPA | Manager, Rates and Regulatory | Austin Energy
(512) 322-6419 (office) | (512) 573-7122

From: Leath, Chad <Chad.Leath@austinenergy.com>
Sent: Thursday, May 26, 2022 7:07 AM
To: Oberwortmann, John <John.Oberwortmann@austinenergy.com>; Garcia, Jenifer <Jenifer.Garcia@austinenergy.com>
Subject: Rate Check in

Hi John,

I was think about our last meeting and how there aren't always items to discuss. So I thought I would reach out ahead of time to see if there was anything new on your end. If not, we can give you the time back.

Thanks!!

Chad

Chad Leath
Manager, Quality Management- Customer Account Management, Austin Energy
(C) 512-971-9750
At this time, I am working remotely; please reach me by email, text, or cell.

austinenergy.com facebook.com/austinenergy | twitter.com/austinenergy
linkedin.com/company/austin-energy

Archived: Friday, June 10, 2022 11:43:50 AM
From: Grant Rabon
Sent: Tue, 3 May 2022 18:31:02
To: Murphy, Brian
Subject: RE: Updated draft documents for the amendment to create PRI-2 HLF rate class
Importance: Normal
Sensitivity: None
Attachments:
Primary-2 HLF narrative - NewGen.docx; Rate design PRI 2 HLF.xlsx;

Brian,

I made two very small edits in the attached version of the narrative (with tracked changes).

Also, if you are planning to give them the Excel file I would change the name so that it is not identified as version 3. This may reasonably lead to a request for the prior versions. Also, you might consider the attached version. I have included the power factor penalty revenue under both the current target revenues and the new proposed PRI-2 HLF rates, which I think makes it easier to follow.

Let me know if you have any questions.

Grant Rabon | NewGen Strategies & Solutions
Partner
8140 North Mopac Expressway | Suite 1-240 | Austin, TX 78759
Office: (512) 900-8232 | Cellular: (512) 565-0123
grabon@newgenstrategies.net

From: Murphy, Brian <Brian.Murphy@austinenergy.com>
Sent: Tuesday, May 3, 2022 12:26 PM
To: Dombroski, Mark <Mark.Dombroski@austinenergy.com>; Cooper, Tammy <Tammy.Cooper@austinenergy.com>; Maenius, Russell (Rusty) <Rusty.Maenius@austinenergy.com>; Oberwortmann, John <John.Oberwortmann@austinenergy.com>; Loving, Alicia <Alicia.Loving@austinenergy.com>; Thomas Brocato <tbrocato@lglawfirm.com>; Grant Rabon <grabon@newgenstrategies.net>; Abbott, Kristin <Kristin.Abbott@austinenergy.com>; Johnson, Garry <Garry.Johnson@austinenergy.com>; Maloy, Alicia <Alicia.Maloy@austinenergy.com>; Mirick, Mark <Mark.Mirick@austinenergy.com>; Lara, Jose <Jose.Lara@austinenergy.com>
Subject: Updated draft documents for the amendment to create PRI-2 HLF rate class

Folks,

Attached are the documents for the amendment to the Base Rate Filing Package to include the creation of the high load factor class for customers served at primary voltage at a load level 3 MW to 20 MW.

The documents are the cover letter, the amendment to the narrative, the tariff, and the workpapers to the rate design.

The updated documents reflect edits from NewGen, Lloyd Gosselink, Mark D, Tammy C, Rusty, John O, and Kristin A.

Please take another look and let me know if you have any additional suggested edits.

The goal is to finalize these documents and file them on Friday, May 6.

Cheers.

Brian

Archived: Friday, June 10, 2022 11:43:54 AM
From: Grant Rabon
Sent: Tue, 3 May 2022 18:31:02
To: Murphy, Brian
Subject: RE: Updated draft documents for the amendment to create PRI-2 HLF rate class
Importance: Normal
Sensitivity: None
Attachments:
Primary-2 HLF narrative - NewGen.docx ate design PRI 2 HLF.xlsx

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Brian,

I made two very small edits in the attached version of the narrative (with tracked changes).

Also, if you are planning to give them the Excel file I would change the name so that it is not identified as version 3. This may reasonably lead to a request for the prior versions. Also, you might consider the attached version. I have included the power factor penalty revenue under both the current target revenues and the new proposed PRI-2 HLF rates, which I think makes it easier to follow.

Let me know if you have any questions.

Grant Rabon | NewGen Strategies & Solutions
Partner
8140 North Mopac Expressway | Suite 1-240 | Austin, TX 78759
Office: (512) 900-8232 | Cellular: (512) 565-0123
grabon@newgenstrategies.net
Please visit our website at www.newgenstrategies.net

From: Murphy, Brian <Brian.Murphy@austinenergy.com>
Sent: Tuesday, May 3, 2022 12:26 PM
To: Dombroski, Mark <Mark.Dombroski@austinenergy.com>; Cooper, Tammy <Tammy.Cooper@austinenergy.com>; Maenius, Russell (Rusty) <Rusty.Maenius@austinenergy.com>; Oberwortmann, John <John.Oberwortmann@austinenergy.com>; Loving, Alicia <Alicia.Loving@austinenergy.com>; Thomas Brocato <tbrocato@lglawfirm.com>; Grant Rabon <grabon@newgenstrategies.net>; Abbott, Kristin <Kristin.Abbott@austinenergy.com>; Johnson, Garry <Garry.Johnson@austinenergy.com>; Maloy, Alicia <Alicia.Maloy@austinenergy.com>; Mirick, Mark <Mark.Mirick@austinenergy.com>; Lara, Jose <Jose.Lara@austinenergy.com>
Subject: Updated draft documents for the amendment to create PRI-2 HLF rate class

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Attached are the documents for the amendment to the Base Rate Filing Package to include the creation of the high load factor class for customers served at primary voltage at a load level 3 MW to 20 MW.

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The updated documents reflect edits from NewGen, Lloyd Gosselink, Mark D, Tammy C, Rusty, John O, and Kristin A.

Please take another look and let me know if you have any additional suggested edits.

The goal is to finalize these documents and file them on Friday, May 6.

Cheers.

Brian

Archived: Friday, June 10, 2022 11:43:58 AM
From: Murphy, Brian
Sent: Tuesday, May 3, 2022 12:25:35 PM
To: Dombroski, Mark Cooper, Tammy Maenius, Russell (Rusty) Oberwortmann, John Loving, Alicia Thomas Brocato Grant Rabon Abbott, Kristin Johnson, Garry Maloy, Alicia Mirick, Mark Lara, Jose
Subject: Updated draft documents for the amendment to create PRI-2 HLF rate class
Importance: Normal
Sensitivity: None
Attachments:
Rate design PRI 2 HLF v3.xlsx; Amendment_Legal Cover Letter.docx; 2 HLF draft tariff.docx; Primary-2 HLF narrative - draft.docx;

Folks,

Attached are the documents for the amendment to the Base Rate Filing Package to include the creation of the high load factor class for customers served at primary voltage at a load level 3 MW to 20 MW.

The documents are the cover letter, the amendment to the narrative, the tariff, and the workpapers to the rate design.

The updated documents reflect edits from NewGen, Lloyd Gosselink, Mark D, Tammy C, Rusty, John O, and Kristin A.

Please take another look and let me know if you have any additional suggested edits.

The goal is to finalize these documents and file them on Friday, May 6.

Cheers.

Brian

Archived: Friday, June 10, 2022 11:44:02 AM
From: Murphy, Brian
Sent: Wednesday, April 27, 2022 1:04:11 PM
To: Dombroski, Mark Cooper, Tammy Maenius, Russell (Rusty) Oberwortmann, John Thomas Brocato Grant Rabon Johnson, Garry Lara, Jose Maloy, Alicia Mirick, Mark
Subject: Draft documents - Primary High Load Factor Proposal
Importance: Normal
Sensitivity: None
Attachments:
Amendment_Legal Cover Letter (BM).docx; Primary-2 HLF narrative - draft.docx; Rate design PRI 2 HLF v3.xlsx; P2 HLF draft tariff.docx;

Attached are the draft tariff, draft narrative, draft cover letter, and workpapers supporting the development of the proposal to create a primary-2 high load factor rate class.

Please review and offer edits as desired.

Cheers.

Brian

Archived: Friday, June 10, 2022 11:44:05 AM
From: Oberwortmann, John
Sent: Thursday, May 26, 2022 5:01:08 PM
To: Murphy, Brian
Subject: EES impact of pri_2 HLF.xlsx
Importance: Normal
Sensitivity: None
Attachments:
EES impact of pri_2 HLF.xlsx

Hi Brian,

Please check my logic and numbers.

Here is my rough estimate of the bill impact of PRI-2 customers moving to HLF. I have two scenarios, one where only Switch moves, resulting in a bill increase of 1 cent per 1,000 kWh. The second scenario assumes all qualifying customers switch, resulting in a bill impact for all remaining customers of 13¢ per 1,000 kWh. I grabbed the energy sales from WP F-6.1 (Retail energy at meter). Otherwise, all my other data sources are copied into the spreadsheet. Hopefully it makes sense.

John

Archived: Friday, June 10, 2022 11:44:08 AM
From: Varughese, Jogee
Sent: Monday, May 2, 2022 9:00:45 AM
To: Cooper, Tammy
Subject: FW: Draft documents - Primary High Load Factor Proposal
Importance: Normal
Sensitivity: None
Attachments:
Amendment_Legal Cover Letter (BM).docx; Primary-2 HLF narrative - draft.docx; Rate design PRI 2 HLF v3.xlsx; P2 HLF draft tariff.docx;

Morning Tammy,

I checked with Brian M who is leading the P2-HLF narrative, and as of this morning, we received feedback from the Attorneys, Rusty, Kristin Abbot and Grant Rabon. I know that Mark is reviewing the documents We would love to incorporate your feedback too. Thanks.

From: Varughese, Jogee
Sent: Thursday, April 28, 2022 1:00 PM
To: Dombroski, Mark <Mark.Dombroski@austinenergy.com>; Cooper, Tammy <Tammy.Cooper@austinenergy.com>; Maenius, Russell (Rusty) <Rusty.Maenius@austinenergy.com>; Oberwortmann, John <John.Oberwortmann@austinenergy.com>; Thomas Brocato <tbrocato@lglawfirm.com>; Grant Rabon <grabon@newgenstrategies.net>; Johnson, Garry <Garry.Johnson@austinenergy.com>; Lara, Jose <Jose.Lara@austinenergy.com>; Maloy, Alicia <Alicia.Maloy@austinenergy.com>; Mirick, Mark <Mark.Mirick@austinenergy.com>; Abbott, Kristin <Kristin.Abbott@austinenergy.com>; Maloy, Alicia <Alicia.Maloy@austinenergy.com>
Subject: RE: Draft documents - Primary High Load Factor Proposal

Team, to meet the submission date of Friday, May 6th, please send your feedback/edit by EOB Friday 4/29 to Brian Murphy. Please reach out to me if you have concerns. Thanks so much.

Regards,

Jogee Varughese

From: Murphy, Brian <Brian.Murphy@austinenergy.com>
Sent: Thursday, April 28, 2022 10:52 AM
To: Varughese, Jogee <Jogee.Varughese@austinenergy.com>
Subject: FW: Draft documents - Primary High Load Factor Proposal

,,,

From: Murphy, Brian
Sent: Wednesday, April 27, 2022 1:04 PM
To: Dombroski, Mark <Mark.Dombroski@austinenergy.com>; Cooper, Tammy <Tammy.Cooper@austinenergy.com>; Maenius, Russell (Rusty) <Rusty.Maenius@austinenergy.com>; Oberwortmann, John <John.Oberwortmann@austinenergy.com>; Thomas Brocato <tbrocato@lglawfirm.com>; Grant Rabon <grabon@newgenstrategies.net>; Johnson, Garry <Garry.Johnson@austinenergy.com>; Lara, Jose <Jose.Lara@austinenergy.com>; Maloy, Alicia

<Alicia.Maloy@austinenergy.com>; Mirick, Mark <Mark.Mirick@austinenergy.com>
Subject: Draft documents - Primary High Load Factor Proposal

Attached are the draft tariff, draft narrative, draft cover letter, and workpapers supporting the development of the proposal to create a primary-2 high load factor rate class.

Please review and offer edits as desired.

Cheers.

Brian

Amendment to Austin Energy's 2022 Base Rate Filing Package

The purpose of this Amendment is to incorporate a new type of rate class into Austin Energy's Base Rate Filing Package, filed on April 18, 2022. Austin Energy is proposing a new High Load Factor Primary Voltage tariff that will be available to customers who take service at primary voltage at a load level greater than or equal to 3 megawatts (MW) but less than 20 MW (PRI-2), and whose monthly average load factor during the course of the year meets or exceeds 85 percent. This new system of charges creates a new rate class of Austin Energy customers, the PRI-2 High Load Factor (HLF) class.[1] All else equal, the creation of the new PRI-2 HLF rate class is not expected to lead to any changes in the level of base revenues that Austin Energy would recover. In other words, the changes made in this Amendment are "revenue neutral." For all rate classes, the rates proposed in Austin Energy's initial Base Rate Filing Package filed on April 18, 2022 are unaffected by this Amendment.

Austin Energy is designing the new PRI-2 HLF class for customers who exhibit flat loads, and therefore utilize system resources more efficiently. The new system of charges is being proposed because it advances the important rate-making objectives of fairness, economic efficiency, and revenue stability.

The new rate design advances the fairness objective in two ways. First, it promotes consistency across rate classes. Currently, Austin Energy offers a high-load factor rate option to primary customers at a load size above 20 MW. The new charges for PRI-2 HLF customers make the same rate option available to primary customers at lower load levels. Second, fairness is also advanced because the PRI-2 HLF rate design will be closer to the unit costs for the PRI-2 class, which means the demand charges and the customer charge assessed under the proposed rates will be closer to cost of service. Cost-based rates are fair because the charges on the customer's bill are a more accurate representation of what it costs Austin Energy to provide services to that customer.

Under the PRI-2 HLF rate option, economic efficiency is also advanced, by incentivizing customers to flatten their daily load curves, which promotes the efficient use of the overall system. A load curve is a plot of the level of a customer's load through the course of the day. A customer with a flat load curve exhibits a high load factor. Recognizing customers with high load factors with a distinct system of charges can incentivize primary-voltage customers to flatten their load shapes, which can also shift demand away from high cost, capacity-constrained peak times. Both behavioral responses can increase Austin Energy's system-wide load factor.

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[1] Load factor is a measure of how efficiently a customer uses Austin Energy's electric system. Load factor is calculated as average demand divided by peak demand.

Finally, the PRI-2 HLF rate option promotes revenue stability for Austin Energy by reducing reliance on energy rates to recover capacity and customer costs. The new rate design aligns with one of the key issues to be addressed in this rate review: the need for systems of charges that promote Austin Energy's financial health by eliminating rate designs that cause customer bill instability and induce volatility in revenues and revenue erosion. The PRI-2 HLF rate design, described below, accomplishes this by increasing cost recovery under the demand charge and the customer charge, and decreasing cost recovery under the energy charge.

It is important to note that the PRI-2 HLF class's exemption from energy efficiency programs and energy efficiency charges is consistent with the treatment of Austin Energy's PRI-4 HLF rate class by recognizing that larger customers generally have sophisticated energy management programs and are capable of implementing their own energy efficiency measures.

Rate design for the PRI-2 HLF rate class is two-part, with a customer charge and a demand charge. The customer charge is set to the P2 class's customer unit cost from the cost-of-service study. The P2 customer unit cost represents the costs per customer per month that Austin Energy incurred to provide customer-related services to customers in the P2 class during FY2021. Customer-related services are those that vary directly with number of customers, including the meter, billing systems, meter reading, bill rendering, customer records, and customer service. The second component of the P2-HLF class's rate design is the demand rate, which is set to collect the remaining revenues assigned to the PRI-2 HLF class. The level of revenues used to design the rates is a subset of the PRI-2 rate class's target revenues, determined by calculating the amount of revenues that would have been collected from all high-load factor customers in the class under the PRI-2 class's proposed rates as reflected in the April 18 base rate filing package. The proposed rates are as follows:

Basic Charges	
Customer ($/month)	$6,363.00
Demand Charges ($/kW)	
Billed kWs	$14.47
Energy Charges ($/kWh)	
Billed kWhs	$0.00000
Power Supply Adjustment Charge ($/kWh)	
Billed kWhs	$0.02811
Community Benefit Charges ($/kWh)	
Customer Assistance Program	$0.00079

Regulatory Charge ($/kW)	
Billed kWs	$3.29

Customers who take service under the PRI-2 HLF rate option will be required to sign a full-requirements contract with a three-year term during which rates remain unchanged, similar to Austin Energy's current PRI-4 HLF class. Customers under this rate option will not be eligible for Austin Energy's energy-efficiency programs and will not be assessed the energy-efficiency component of the Community Benefit Charge (CBC). However, the PRI-2 rate class's Customer Assistance Program (CAP) and Service Area Lighting charges under the CBC will apply. CAP charges will be limited to a maximum of $200,000 per account per year.

Attached to this Amendment to the Base Rate Filing Package is a legal cover letter, a new tariff for the PRI-2 HLF rate class, and the workpapers supporting the development of the rates.

Austin Energy believes the changes incorporated in this Amendment align with its longstanding rate-making principles and will help to improve the long-term financial strength of the utility.

Proposal

Austin Energy is creating a new system of charges that will be available to customers who take service at primary voltage at a load level greater than or equal to 3MW but less than 20MW, and whose monthly average load factor during the course of the year meets or exceeds 85% (PRI-2 HLF).[1] The proposal is not expected to lead to any changes in the level of revenues the Company would recover at adjusted Test Year sales. In other words, it is revenue neutral. For all rate classes, the rates proposed in Austin Energy's base rate filing package filed on April 18, 2022, are unaffected by this proposal.

The PRI-2 HLF rate option is a two-part rate design with a customer charge and a demand rate. The customer charge is set to the PRI-2 class's unit cost. The demand rate is set to recover the remaining revenues to be recovered by customers under this option. The level of revenues used to design the rates is a subset of the PRI-2 rate class's target revenues, determined by calculating the amount of revenues that would have been collected from all high-load factor customers in the class under the PRI-2 class's proposed rates as filed on April 18th. The proposed rates are as follows:

[table with rates, to be developed after Joe is finished compiling the necessary load data]

Customers who take service under the PRI-2 HLF rate option will be required to sign a full-requirements contract with a three-year term under which rates are frozen, similar to Austin Energy's current PRI-4 HLF class. Customers under this rate option will not be eligible for Austin Energy's energy-efficiency programs and will not be assessed the energy-efficiency component of the Community Benefit Charge (CBC). However, the PRI-2 rate class's Customer Assistance Program (CAP) and Service Area Lighting charges under the CBC will apply. CAP charges will be limited to a maximum of $200,000 per year.

Rationale

The new PRI-2 HLF class is for customers who exhibit flat loads and therefore utilize system resources very efficiently. The new system of charges is desirable because it advances the important rate-making objectives of fairness, economic efficiency, and revenue stability.

---

[1] Load factor is a measure of how efficiently a customer uses Austin Energy's electric system. Load factor is calculated as average demand divided by peak demand.

Fairness is advanced by expanding the availability of a high load factor rate option. Currently, primary customers at a load size above 20MW have this rate option. The new charges for PRI-2 HLF customers simply make the same rate option available to customers at load levels that are slightly less large. Fairness is also advanced because the PRI-2 HLF rate design will be closer to the unit costs for the PRI-2 class, which means the charges are more cost-based—both the demand rate and also the customer charge. Cost-based rates are fair because the charges on the customer's bill are a closer approximation to Austin Energy's costs to provide services to the customer.

Under the PRI-2 HLF rate option, economic efficiency is advanced by incentivizing customers to flatten their load shapes, which promotes the health of the system. Rewarding customers with high load factors with a distinct system of charges sends a price signal to primary-voltage customers to shift demand away from high cost, capacity-constrained peak times. This behavioral response can increase Austin Energy's system-wide load factor, enabling Austin Energy to provide more power to customers using the same utility system—to do more with less. In other words, the new rate structure will help Austin Energy provide the same overall level and quality of service at lower cost.

Finally, the PRI-2 HLF rate option promotes revenue stability for Austin Energy by reducing reliance on energy rates to recover capacity and customer costs. One of the most important rate design themes for Austin Energy in this rate review is the need for systems of charges that promote Austin Energy's financial health by eliminating rate designs which induce volatility in revenues and revenue erosion. The PRI-2 HLF rate design accomplishes this by increasing cost recovery under demand rates and the customer charge, and decreasing cost recovery under energy rates.

The energy-efficiency carve-out for PRI-2 HLF customers is consistent with the PUCT's treatment of industrial customers pursuant to 16 Texas Administrative Code § 25.181.

<u>Proposal</u>

Austin Energy is proposing a new High Load Factor Primary Voltage tariff that will be available to customers who take service at primary voltage at a load level greater than or equal to 3MW but less than 20MW, and whose monthly average load factor during the course of the year meets or exceeds 85% (PRI-2 HLF).[1] The proposal is not expected to lead to any changes in the level of revenues the Company would recover at adjusted Test Year sales. In other words, it is revenue neutral. For all rate classes, the rates proposed in Austin Energy's initial base rate filing package filed on April 18, 2022, are unaffected by this proposal.

The PRI-2 HLF rate option is a two-part rate design with a customer charge and a demand rate. The customer charge is set to the PRI-2 class's unit cost. The demand rate is set to recover the remaining revenues to be recovered by customers under this option. The level of revenues used to design the rates is a subset of the PRI-2 rate class's target revenues, determined by calculating the amount of revenues that would have been collected from all high-load factor customers in the class under the PRI-2 class's proposed rates as reflected in the April 18 base rate filing package. The proposed rates are as follows:

Basic Charges	
Customer ($/month)	$6,363.00
Demand Charges ($/kW)	
Billed kWs	$14.47
Energy Charges ($/kWh)	
Billed kWhs	$0.00000
Power Supply Adjustment Charge ($/kWh)	
Billed kWhs	$0.02811
Community Benefit Charges ($/kWh)	
Customer Assistance Program	$0.00079
Regulatory Charge ($/kW)	
Billed kWs	$3.29

Customers who take service under the PRI-2 HLF rate option will be required to sign a full-requirements contract with a three-year term under which rates are frozen, similar to Austin Energy's current PRI-4 HLF class. Accounts under this rate option will not be eligible for Austin Energy's energy-

[1] Load factor is a measure of how efficiently a customer uses Austin Energy's electric system. Load factor is calculated as average demand divided by peak demand.

efficiency programs and will not be assessed the energy-efficiency component of the Community Benefit Charge (CBC). However, the PRI-2 rate class's Customer Assistance Program (CAP) and Service Area Lighting charges under the CBC will apply. CAP charges will be limited to a maximum of $200,000 per year.

<u>Rationale</u>

The new PRI-2 HLF class is designed for customers who exhibit flat loads and therefore utilize system resources more efficiently. The new system of charges is desirable because it advances the important rate-making objectives of fairness, economic efficiency, and revenue stability.

Fairness is advanced by expanding the availability of a high load factor rate option. Currently, primary customers at a load size above 20MW have this rate option. The new charges for PRI-2 HLF customers simply make the same rate option available to customers at load levels that are slightly less large. Fairness is also advanced because the PRI-2 HLF rate design will be closer to the unit costs for the PRI-2 class, which means the charges assessed under the proposed rates will be closer to cost of service—both the demand charges and also the customer charge. Cost-based charges are fair because they are a closer approximation to Austin Energy's costs to provide services to the customer.

Under the PRI-2 HLF rate option, economic efficiency is advanced by incentivizing customers to flatten their load shapes, which promotes the health of the system. Rewarding customers with high load factors with a distinct system of charges sends a price signal to primary-voltage customers to flatten their load shapes, which can also shift demand away from high cost, capacity-constrained peak times. Both behavioral responses can increase Austin Energy's system-wide load factor, enabling Austin Energy to provide more power to customers using the same utility system—to do more with less. In other words, the new rate structure will help Austin Energy provide the same overall level and quality of service at lower cost.

Finally, the PRI-2 HLF rate option promotes revenue stability for Austin Energy by reducing reliance on energy rates to recover capacity and customer costs. One of the most important rate design themes for Austin Energy in this rate review is the need for systems of charges that promote Austin Energy's financial health by eliminating rate designs which induce volatility in revenues and revenue erosion. The PRI-2 HLF rate design accomplishes this by increasing cost recovery under demand rates and the customer charge and decreasing cost recovery under energy rates.

The energy-efficiency carve-out for PRI-2 HLF customers is consistent with the treatment of Austin Energy's PRI-4 HLF rate class by recognizing that larger customers generally have sophisticated energy management programs and are capable of implementing their own energy efficiency measures.

Proposal

Austin Energy is proposing a new system of charges that will be available as an option to customers who take service at primary voltage at a load level greater than or equal to 3MW but less than 20MW, and whose monthly average load factor during the course of the year meets or exceeds 85% (PRI-2 HLF).[1] The proposal is not expected to lead to any changes in the level of revenues the Company would recover at adjusted Test Year sales. In other words, it is revenue neutral. For all rate classes, the rates proposed in Austin Energy's base rate filing package filed on April 18, 2022, are unaffected by this proposal.

The PRI-2 HLF rate option is a two-part rate design with a customer charge and a demand rate. The customer charge is set to the PRI-2 class's unit cost. The demand rate is set to recover the remaining revenues to be recovered by customers under this option. The level of revenues used to design the rates is a subset of the PRI-2 rate class's target revenues, determined by calculating the amount of revenues that would have been collected from all high-load factor customers in the class under the PRI-2 class's proposed rates as filed on April 18th. The proposed rates are as follows:

Basic Charges	
Customer ($/month)	$6,363.00
Demand Charges ($/kW)	
Billed kWs	$14.47
Energy Charges ($/kWh)	
Billed kWhs	$0.00000
Power Supply Adjustment Charge ($/kWh)	
Billed kWhs	$0.02811
Community Benefit Charges ($/kWh)	
Customer Assistance Program	$0.00079
Regulatory Charge ($/kW)	
Billed kWs	$3.29

Customers who take service under the PRI-2 HLF rate option will be required to sign a full-requirements contract with a three-year term under which rates are frozen, similar to Austin Energy's

[1] Load factor is a measure of how efficiently a customer uses Austin Energy's electric system. Load factor is calculated as average demand divided by peak demand.

current PRI-4 HLF class. Accounts under this rate option will not be eligible for Austin Energy's energy-efficiency programs and will not be assessed the energy-efficiency component of the Community Benefit Charge (CBC). However, the PRI-2 rate class's Customer Assistance Program (CAP) and Service Area Lighting charges under the CBC will apply. CAP charges will be limited to a maximum of $200,000 per year.

Rationale

The new PRI-2 HLF class is for customers who exhibit flat loads and therefore utilize system resources very efficiently. The new system of charges advances the important rate-making objectives of fairness, economic efficiency, and revenue stability.

Fairness is advanced by expanding the availability of a high load factor rate option. Currently, primary customers at a load size above 20MW have this rate option. The new charges for PRI-2 HLF customers simply make the same rate option available to customers at load levels that are slightly smaller. Fairness is also advanced because the PRI-2 HLF rate design will be closer to the unit costs for the PRI-2 class, which means the charges assessed under the proposed rates will be closer to cost of service—both the demand charges and also the customer charge. Cost-based charges are fair because they are a closer approximation to Austin Energy's costs to provide services to the customer.

Under the PRI-2 HLF rate option, economic efficiency is advanced by incentivizing customers to flatten their load shapes, which promotes the health of the system. Rewarding customers with high load factors with a distinct system of charges sends a price signal to primary-voltage customers to flatten their load shapes, which can also shift demand away from high cost, capacity-constrained peak times. Both behavioral responses can increase Austin Energy's system-wide load factor, enabling Austin Energy to provide more power to customers using the same utility system—to do more with less. In other words, the new rate structure will help Austin Energy provide the same overall level and quality of service at lower cost.

Finally, the PRI-2 HLF rate option promotes revenue stability for Austin Energy by reducing reliance on energy rates to recover capacity and customer costs. This change aligns with one of the key issues realized in this rate review: the need for systems of charges that promote Austin Energy's financial health by eliminating rate designs which induce volatility in revenues and revenue erosion. The PRI-2 HLF rate design accomplishes this by increasing cost recovery under demand rates and the customer charge and decreasing cost recovery under energy rates.

The energy-efficiency carve-out for PRI-2 HLF customers is consistent with the PUCT's treatment of industrial customers pursuant to 16 Texas Administrative Code § 25.181.

Proposal

Austin Energy is creating a new system of charges that will be available to customers who take service at primary voltage at a load level greater than or equal to 3MW but less than 20MW, and whose monthly average load factor during the course of the year meets or exceeds 85% (PRI-2 HLF).[1] The proposal is not expected to lead to any changes in the level of revenues the Company would recover at adjusted Test Year sales. In other words, it is revenue neutral. For all rate classes, the rates proposed in Austin Energy's base rate filing package filed on April 18, 2022, are unaffected by this proposal.

The PRI-2 HLF rate option is a two-part rate design with a customer charge and a demand rate. The customer charge is set to the PRI-2 class's unit cost. The demand rate is set to recover the remaining revenues to be recovered by customers under this option. The level of revenues used to design the rates is a subset of the PRI-2 rate class's target revenues, determined by calculating the amount of revenues that would have been collected from all high-load factor customers in the class under the PRI-2 class's proposed rates as filed on April 18th. The proposed rates are as follows:

[table with rates, to be developed after Joe is finished compiling the necessary load data]

Customers who take service under the PRI-2 HLF rate option will be required to sign a full-requirements contract with a three-year term under which rates are frozen, similar to Austin Energy's current PRI-4 HLF class. Customers under this rate option will not be eligible for Austin Energy's energy-efficiency programs and will not be assessed the energy-efficiency component of the Community Benefit Charge (CBC). However, the PRI-2 rate class's Customer Assistance Program (CAP) and Service Area Lighting charges under the CBC will apply. CAP charges will be limited to a maximum of $200,000 per year.

Rationale

The new PRI-2 HLF class is for customers who exhibit flat loads and therefore utilize system resources very efficiently. The new system of charges is desirable because it advances the important rate-making objectives of fairness, economic efficiency, and revenue stability.

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[1] Load factor is a measure of how efficiently a customer uses Austin Energy's electric system. Load factor is calculated as average demand divided by peak demand.

Fairness is advanced by expanding the availability of a high load factor rate option. Currently, primary customers at a load size above 20MW have this rate option. The new charges for PRI-2 HLF customers simply make the same rate option available to customers at load levels that are slightly less large. Fairness is also advanced because the PRI-2 HLF rate design will be closer to the unit costs for the PRI-2 class, which means the charges are more cost-based—both the demand rate and also the customer charge. Cost-based rates are fair because the charges on the customer's bill are a closer approximation to Austin Energy's costs to provide services to the customer.

Under the PRI-2 HLF rate option, economic efficiency is advanced by incentivizing customers to flatten their load shapes, which promotes the health of the system. Rewarding customers with high load factors with a distinct system of charges sends a price signal to primary-voltage customers to shift demand away from high cost, capacity-constrained peak times. This behavioral response can increase Austin Energy's system-wide load factor, enabling Austin Energy to provide more power to customers using the same utility system—to do more with less. In other words, the new rate structure will help Austin Energy provide the same overall level and quality of service at lower cost.

Finally, the PRI-2 HLF rate option promotes revenue stability for Austin Energy by reducing reliance on energy rates to recover capacity and customer costs. One of the most important rate design themes for Austin Energy in this rate review is the need for systems of charges that promote Austin Energy's financial health by eliminating rate designs which induce volatility in revenues and revenue erosion. The PRI-2 HLF rate design accomplishes this by increasing cost recovery under demand rates and the customer charge, and decreasing cost recovery under energy rates.

The energy-efficiency carve-out for PRI-2 HLF customers is consistent with the PUCT's treatment of industrial customers pursuant to 16 Texas Administrative Code § 25.181.

<u>Proposal</u>

Austin Energy is proposing a new system of charges that will be available to customers who take service at primary voltage at a load level greater than or equal to 3MW but less than 20MW, and whose monthly average load factor during the course of the year meets or exceeds 85% (PRI-2 HLF).[1] The proposal is not expected to lead to any changes in the level of revenues the Company would recover at adjusted Test Year sales. In other words, it is revenue neutral. For all rate classes, the rates proposed in Austin Energy's base rate filing package filed on April 18, 2022, are unaffected by this proposal.

The PRI-2 HLF rate option is a two-part rate design with a customer charge and a demand rate. The customer charge is set to the PRI-2 class's unit cost. The demand rate is set to recover the remaining revenues to be recovered by customers under this option. The level of revenues used to design the rates is a subset of the PRI-2 rate class's target revenues, determined by calculating the amount of revenues that would have been collected from all high-load factor customers in the class under the PRI-2 class's proposed rates as filed on April 18th. The proposed rates are as follows:

Basic Charges	
Customer ($/month)	$6,363.00
Demand Charges ($/kW)	
Billed kWs	$14.47
Energy Charges ($/kWh)	
Billed kWhs	$0.00000
Power Supply Adjustment Charge ($/kWh)	
Billed kWhs	$0.02811
Community Benefit Charges ($/kWh)	
Customer Assistance Program	$0.00079
Regulatory Charge ($/kW)	
Billed kWs	$3.29

Customers who take service under the PRI-2 HLF rate option will be required to sign a full-requirements contract with a three-year term under which rates are frozen, similar to Austin Energy's current PRI-4 HLF class. Accounts under this rate option will not be eligible for Austin Energy's energy-

[1] Load factor is a measure of how efficiently a customer uses Austin Energy's electric system. Load factor is calculated as average demand divided by peak demand.

efficiency programs and will not be assessed the energy-efficiency component of the Community Benefit Charge (CBC). However, the PRI-2 rate class's Customer Assistance Program (CAP) and Service Area Lighting charges under the CBC will apply. CAP charges will be limited to a maximum of $200,000 per year.

Rationale

The new PRI-2 HLF class is for customers who exhibit flat loads and therefore utilize system resources very efficiently. The new system of charges is proposed because it advances the important rate-making objectives of fairness, economic efficiency, and revenue stability.

Fairness is advanced by expanding the availability of a high load factor rate option. Currently, primary customers at a load size above 20MW have this rate option. The new charges for PRI-2 HLF customers make the same rate option available to primary customers at lower load levels. Fairness is also advanced because the PRI-2 HLF rate design will be closer to the unit costs for the PRI-2 class, which means the charges assessed under the proposed rates will be closer to cost of service—both the demand charges and also the customer charge. Cost-based charges are fair because they are a closer approximation to Austin Energy's costs to provide services to the customer.

Under the PRI-2 HLF rate option, economic efficiency is advanced by incentivizing customers to flatten their load shapes, which promotes efficient use of the of the system. Recognizing customers with high load factors with a distinct system of charges can incentivize primary-voltage customers to flatten their load shapes, which can also shift demand away from high cost, capacity-constrained peak times. Both behavioral responses can increase Austin Energy's system-wide load factor.

Finally, the PRI-2 HLF rate option promotes revenue stability for Austin Energy by reducing reliance on energy rates to recover capacity and customer costs. One of the most important rate design themes for Austin Energy in this rate review is the need for systems of charges that promote Austin Energy's financial health by eliminating rate designs that cause customer bill instability which induces volatility in revenues and revenue erosion. The PRI-2 HLF rate design accomplishes this by increasing cost recovery under demand rates and the customer charge and decreasing cost recovery under energy rates.

The energy-efficiency carve-out for PRI-2 HLF customers is consistent with the PUCT's treatment of industrial customers pursuant to 16 Texas Administrative Code § 25.181.

AMENDMENT TO

AUSTIN ENERGY'S

BASE RATE FILING PACKAGE

May 6, 2022

AMENDMENT TO AUSTIN ENERGY'S 2022 BASE RATE FILLING PACKAGE

The purpose of this Amendment is to incorporate a new type of rate class into Austin Energy's Base Rate Filing Package, filed on April 18, 2022. Austin Energy is proposing a new High Load Factor Primary Voltage tariff that will be available to customers who take service at primary voltage at a load level greater than or equal to 3 megawatts (MW) but less than 20 MW (PRI-2), and whose monthly average load factor during the course of the year meets or exceeds 85 percent. This new system of charges creates a new rate class of Austin Energy customers, the PRI-2 High Load Factor (HLF) class.[1] All else equal, the creation of the new PRI-2 HLF rate class is not expected to lead to any changes in the level of base rate revenues that Austin Energy would recover. ~ with regard to base rate rev In other words, the changes made in this Amendment are "revenue neutral." For all rate classes, the rates proposed in Austin Energy's initial Base Rate Filing Package filed on April 18, 2022 are unaffected by this Amendment.

Austin Energy is designing the new PRI-2 HLF class for customers who exhibit steady? flat loads, and therefore utilize system resources more efficiently. The new system of charges is being proposed because it advances the important rate-making objectives of fairness, economic efficiency, and revenue stability.

We are losing EE revenue

[1] Load factor is a measure of how efficiently a customer uses Austin Energy's electric system. Load factor is calculated as average demand divided by peak demand.

The new rate design advances the fairness objective in two ways. First, it promotes consistency across rate classes. Currently, Austin Energy offers a high-load factor rate option to primary customers at a load size above 20 MW. The new charges for PRI-2 HLF customers make the same rate option available to primary customers at lower load levels, but with similar load profiles. Second, fairness is also advanced because the PRI-2 HLF rate design will be closer to the unit costs for the PRI-2 class, which means the demand charges and the customer charge assessed under the proposed rates will be closer to cost of service. Cost-based rates are fair because the charges on the customer's bill are a more accurate representation of what it costs Austin Energy to provide services to that customer.

really c… just th… 2 in P…?

Under the PRI-2 HLF rate option, economic efficiency is also advanced, by incentivizing customers to flatten their daily load curves, which promotes the efficient use of the overall system. A load curve is a plot of the level of a customer's load through the course of the day. A customer with a flat load curve exhibits a high load factor. Recognizing customers with high load factors with a distinct system of charges can incentivize primary-voltage customers to flatten their load shapes, which can also shift demand away from high cost, capacity-constrained peak times. Both behavioral responses can increase Austin Energy's system-wide load factor.

Finally, the PRI-2 HLF rate option promotes revenue stability for Austin Energy by reducing reliance on energy rates to recover capacity and customer costs (i.e. fixed costs). The new rate design aligns with one of the key issues to be addressed in this rate review: the need for systems of charges that promote Austin Energy's financial health by eliminating rate designs that cause customer bill instability and induce volatility in revenues and revenue erosion. The PRI-2 HLF rate design, described below, accomplishes this by increasing base rate cost recovery under the demand charge and the customer charges, and decreasing cost recovery under the energy charge.

It is important to note that the PRI-2 HLF class's exemption from energy efficiency programs and energy efficiency charges is consistent with the treatment of Austin Energy's PRI-4 HLF rate class by recognizing that larger customers generally have sophisticated energy management programs and are capable of implementing their own energy efficiency measures (often have corporate mandates to manage energy use).

really that is what it is called?

Rate design for the PRI-2 HLF rate class is two-part, with a customer charge and a demand charge. The customer charge is set to the P2 class's customer unit cost from the cost-of-service study. The P2 customer unit cost represents the costs per customer per month that Austin Energy incurred to provide customer-related services to customers in the P2 class during FY2021. Customer-related services are those that vary directly with number of customers, including the meter, billing systems, meter reading, bill rendering, customer records, and customer service. The second component of the P2-HLF class's rate design is the demand rate, which is set to collect the remaining revenues assigned to the PRI-2 HLF class. The level of revenues used to design the rates is a subset of the PRI-2 rate class's target revenues, determined by calculating the amount of revenues that would have been collected from all high-load factor customers in the class under the PRI-2 class's proposed rates as reflected in the April 18 base rate filing package. The proposed rates are as follows:

Basic Charges	
Customer ($/month)	$6,363.00
Demand Charges ($/kW)	
Billed kWs	$14.47
Energy Charges ($/kWh)	
Billed kWhs	$0.00000
* **Power Supply Adjustment Charge** ($/kWh)	
Billed kWhs	$0.02811
* **Community Benefit Charges** ($/kWh)	
Customer Assistance Program	$0.00079
* **Regulatory Charge** ($/kW)	
Billed kWs	$3.29

Subject to annual adjustments through the budget process.

Customers who take service under the PRI-2 HLF rate option will be required to sign a full-requirements contract with a three-year term during which rates remain unchanged, similar to Austin Energy's current PRI-4 HLF class. Customers under this rate option will not be eligible for Austin Energy's energy-efficiency programs and will not be assessed the energy-efficiency component of the Community Benefit Charge (CBC). However, the PRI-2 rate class's Customer

Assistance Program (CAP) and Service Area Lighting charges under the CBC will apply. CAP charges will be limited to a maximum of $200,000 per account per year.

Attached to this Amendment to the Base Rate Filing Package is a legal cover letter, a new tariff for the PRI-2 HLF rate class, and the workpapers supporting the development of the rates.

Austin Energy believes the changes incorporated in this Amendment align with its longstanding rate-making principles and will help to improve the long-term financial strength of the utility.

END OF AMENDMENT TO AUSTIN ENERGY'S 2022 BASE RATE FILLING PACKAGE

ICA 6-2: Provide letters or email, or other documentation that indicate customers, customer organizations, or individuals external to AE requested the relief provided by this Rate Class Amendment.

ANSWER: There are no responsive documents.

Prepared by: RG

Sponsored by: Richard Génecé

ICA 6-3: Provide the number of current customers whom AE expects will be eligible for this Rate Class Amendment.

ANSWER: Based on FY 2021 data, there are currently eleven customers who qualify and who Austin Energy expects may take service under the proposed PRI-2 HLF rate schedule.

Prepared by: JHO

Sponsored by: Brian Murphy

ICA 6-4: Please provide AE's estimate of the change in expected revenues which will result from adoption of this Rate Class Amendment. Identify the expected change by type of rate (i.e., base rates, community benefit rate, etc.).

ANSWER: Base revenues are not expected to change as a result of the Rate Class Amendment. Participation in the PRI-2 HLF class is voluntary and, as such, Austin Energy has not estimated any impact to the energy efficiency revenues collected through the Community Benefit Charge. Periodically, the Community Benefit Charge is adjusted either up or down as necessary to collect revenues sufficient to recover costs.

Prepared by: BTM

Sponsored by: Brian Murphy