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

AUSTIN ENERGY'S RESPONSE TO NXP SEMICONDUCTORS' FIRST REQUEST FOR INFORMATION ON AUSTIN ENERGY'S REBUTTAL TESTIMONY

Austin Energy files this Response to NXP Semiconductors' ("NXP") First Request for Information ("RFI") on Austin Energy's Rebuttal Testimony submitted on July 8, 2022. Pursuant to the 2022 Austin Energy Base Rate Review Procedural Guidelines § F(2)(f)(1), this Response is timely filed.

Respectfully submitted,

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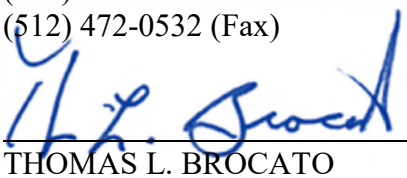

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ATTORNEYS FOR THE CITY OF AUSTIN D/B/A AUSTIN ENERGY

NXP 1-1R: Please provide an electronic copy of all studies, analyses, forecasts, reports, capacity plans, and other documents that discuss and/or determine the forecasted dispatchable capacity necessary to "cover" peak demand requirements.

ANSWER: Austin Energy operates within the ERCOT wholesale market and makes decisions based on the market conditions and economics. With the start of the Nodal Market, Austin Energy is no longer required to build or dispatch generation to meet its demand. Austin Energy buys energy from the market to serve its demand and sells energy from its generators into the market.

Prepared by: SC / ME

Sponsored by: Erika Bierschbach

NXP 1-2R: How does AE determine the forecasted "system peak" when assessing if it will have enough dispatchable generating capacity to "meet or exceed the system peak"?

ANSWER: Please refer to Austin Energy's Response to NXP 1-1R, above. Austin Energy has an active hedging program that studies the short-term, mid-term, and long-term market conditions periodically and manages the risk by actively taking positions in the Bilateral, Day-Ahead and Real-Time Market.

Prepared by: SC / ME

Sponsored by: Erika Bierschbach

NXP 1-3R: Please provide the date and time of the 12 monthly NCP demands by customer class used by AE to develop its proposed 12NCP demand allocation factor.

ANSWER: See Attachment NXP 1-3R.

Prepared by: JL

Sponsored by: Scott Burnham

Attachment NXP1-3R

(provided in Native Excel Format)

NXP 1-4R: Please refer to page 21, lines 7 through 9, of the rebuttal testimony of AE witness Mr. Burnham. Regarding the two full sentences on those lines, provide a copy of all studies, analyses, load research data, and other information that supports the claim that AE off-peak and seasonal customers are not included in the 1NCP but are included in some of the 12NCPs by customer class.

ANSWER: Mr. Burnham's rebuttal testimony actually states, "Because the NCP calculation is done at the class-level, off-peak or seasonal customers may not be fully accounted for in a 1NCP calculation. The 12NCP calculation solves this problem."

Use of a 12NCP is a reasonable and fair allocation approach that appropriately recognizes the value that the distribution system provides to customers throughout the year, given load variability and the ability of customers to place full load requirements on the system at any time.

Studies supporting the claim includes:
Non-Residential Peak Usage Measurement, Navigant A Guidehouse Company. April 2022. Appendix E to the Austin Energy Base Rate Filing Package.

From Navigant Study:
Page 9 of 72 – The S2 and S3 rate classes peak in the summer months when temperatures are at their highest, the S2 customer class also sees high peak demand in some winter months. SPL (outdoor lighting) see highest peak demand in late winter/early spring (February – April) and in the fall (October- November). P1 and P2 customer see highest peak demand occurring in the summer months and in adjacent months, but with less month-to-month variation compared to S2 and S3 customers.

This variation in peak demands for the non-residential customer classes supports Austin Energy's statement that "off-peak or seasonal customer may not be fully accounted for in a 1NCP calculation."

Prepared by: SB

Sponsored by: Scott Burnham

NXP 1-5R: Please refer to Section II.E. of the rebuttal testimony of Mr. Burnham. For each of the three Above 20 MW High Load Factor customers, provide the number of feet of AE primary lines to the customer's point of delivery ("POD") from the primary substation serving the customer and from the back-up substation serving the customer and, for each feeder, indicate if other customers are served by the feeder.

ANSWER: See below:

Date: 7/11/2022

Customer with Substation on Property	Direct Feeder	Feeder Cable Type (MCM)	Feeder Length (ft)
Customer A	1	2 - 1000	1,950
	2	2 - 1000	1,937
	3	2 - 1000	1,925
	4	2 - 1000	1,722
	5	2 - 1000	1,784
	6	2 - 1000	1,846
	7	2 - 1000	1,293
	8	2 - 1000	1,274
	9	2 - 1000	1,268
	10	2 - 1000	1,372
	11	2 - 1000	1,390
	12	2 - 1000	1,420
	13	2 - 1000	1,060
	14	2 - 1000	1,059
	15	2 - 1000	1,068
	16	2 - 1000	895
	17	2 - 1000	887
	18	2 - 1000	882
	19	2 - 1000	809
	20	4 - 1000	809
	21	2 - 1000	1,745
	22	4 - 1000	1,745
Customer B	1	3 - 1000	3,399
	2	3 - 1000	536
Customer C	1	3 - 1000	2,661
	2	1 - 1000	1,913
	3	3 - 1000	2,882
	4	1 - 1000	2,017

Please Note:
1. Each feeder does not serve other customers.
2. List includes feeders from both "primary and back-up" substation or transformer. Austin Energy does not differentiate primary from backup feeders since either or both can be utilized by the customer depending on their operational preference.

Prepared by: DT / SB

Sponsored by: Scott Burnham

NXP 1-6R: Please refer to page 15, line 4 through 11, of the rebuttal testimony of AE witness Mr. Burnham. When AE's rebuttal testimony was filed in PUC Docket No. 40627, how many months had the ERCOT nodal market been in effect and explain why it took AE longer than that to recognize "that an effective capacity hedge was a key benefit to AE's customers 'and' that the benefit of the hedge was year-round and not just during the summer peak demand months."

ANSWER: Rebuttal testimony for PUC Docket No. 40627 was filed on February 23, 2013, which was based on a 2009 test year (test year ending September 30, 2009). The ERCOT Nodal Market in Texas was implemented on December 1, 2010. The ERCOT Nodal Market had been in effect for 27 months at the time rebuttal testimony was filed, but as stated above, the rebuttal testimony was based on a 2009 test year. Austin Energy recognized the effective capacity hedge was a key benefit to its customers and that the hedge was year-round and not just during the summer months. This recognition was effectuated by changing the production cost allocation factor to 12CP in the subsequent Base Rate Review completed in August 2016.

Prepared by: SB

Sponsored by: Scott Burnham

NXP 1-7R: Regarding AE's distribution infrastructure planning, identify each "localized maximum demand" that is based on a forecasted or actual peak demand occurring in a non-summer month and provide a copy of the analysis that determined the localized maximum demand.

ANSWER: See Attachment NXP 1-7R.

Prepared by: ME

Sponsored by: Thomas Pierpoint

Attachment NXP1-7R
(provided in Native Excel Format)