



BOARD/COMMISSION RECOMMENDATION

Electric Utility Commission

Recommendation No. 20221114-11B

Resolution on Austin Energy's Base Rate Proposal

RESOLVED, the Electric Utility Commission urges the Austin City Council to:

1. Reject the Austin Energy proposed base rate revenue increase of \$35.7 million and the IHE recommendation of \$31.3 million increase to Austin Energy's base rates;
2. Adopt a Revenue Requirement of at least \$6.5 million as recommended by the ICA but no more than \$15 million, roughly half of the IHE's proposal;
3. Adopt a Revenue Distribution that would not increase the rates on any customer class more than 7.5%, such as the attached table (WorkPaper H-3.1.1) produced by Austin Energy for the EUC \$15 million scenario which limits the rate increase to 7.5% on any customer class. The table is illustrative of a possible cost allocation by rate class with a revenue increase of \$15 million limited to a maximum of 7.5 percent, but is not meant to be a specific recommendation from the EUC on cost allocation.
4. Consider adopting the Independent Consumer Advocates proposed residential rate design with the following scope:
 - a. Increase In-City Residential Monthly Customer Charges by no more than 20% or \$2,
 - b. Change the current 5 tier structure to 4 tiers as follows: Tier 1 (0 – 500); Tier 2 (501 – 1300); Tier 3 (1301 – 2500); Tier 4 (Over 2500).
 - c. Adopt tier rates similar to that proposed by the ICA, or such as (Tier 1 – 4) those attached in the scenario "WorkPaper H-3.1.1":
 - 0.03061 per Kwh
 - 0.06200 per Kwh
 - 0.09176 per Kwh
 - 0.11317 per Kwh
 - d. The rates above can be scaled up or scaled down proportionally to achieve the residential target revenue requirement target adjusted for any higher customer charge.

Vote: 6-3

For: Vice Chair Dave Tuttle; Commissioner Randy Chapman; Commissioner Karen Hadden; Commissioner Makenna Jonker; Commissioner Cyrus Reed; Commissioner Kay Trostle

Against: Chair Marty Hopkins; Commissioner Marshall Bowen; Commissioner Cary Ferchill

Abstentions: None

Off Dais: None

Absences: None

Vacancies: District 2, District 3

Attest: 
Robin Otto, Staff Liaison

Austin Energy
2022 Rate Review
Class Base Revenue Changes

EUC Scenario
Proposal, \$15
Million increase,
7.5% maximum,
\$12 Customer
Charge, 4 steep
tiers

Description	Austin Energy Filing				Change	% Change	
	At Current Rates	Proposed Rebuttal	Change	% Change			
Residential	\$ 298,139,951	\$ 344,341,212	\$ 46,201,261	15.5%	\$ 320,518,499	\$ 22,378,548	7.5%
Secondary Voltage < 10 kW	22,062,516	23,367,720	1,305,204	5.9%	23,716,141.52	1,653,625	7.5%
Secondary Voltage ≥ 10 < 300 kW	146,379,682	134,757,836	(11,621,847)	-7.9%	136,681,467.68	(9,698,215)	-6.6%
Secondary Voltage ≥ 300 kW	97,431,981	92,199,799	(5,232,182)	-5.4%	93,857,623.88	(3,574,357)	-3.7%
Primary Voltage < 3 MW	8,571,888	9,087,842	515,953	6.0%	9,090,722.78	518,834	6.1%
Primary Voltage ≥ 3 < 20 MW	24,590,380	25,248,506	658,125	2.7%	25,150,271.00	559,891	2.3%
Primary Voltage ≥ 20 MW @ 85% aLF	33,906,126	37,071,165	3,165,039	9.3%	36,449,727.05	2,543,601	7.5%
Transmission	801,058	830,992	29,934	3.7%	834,059.59	33,002	4.1%
Transmission Voltage ≥ 20 MW @ 85% aLF	4,236,381	3,943,613	(292,768)	-6.9%	4,166,558.37	(69,823)	-1.6%
Total Excluding Lighting	\$ 636,119,964	\$ 670,848,685	\$ 34,728,721	5.5%	\$ 650,465,071	\$ 14,345,107	4.8%
City-Owned Private Outdoor Lighting	\$ 2,141,558	\$ 3,013,212	\$ 871,653	40.7%	\$ 2,952,790	\$ 811,232	37.9%
Customer-Owned Non-Metered Lighting	45,878	52,484	\$ 6,606	14.4%	51,145	5,268	11.5%
Customer-Owned Metered Lighting	316,344	405,757	\$ 89,412	28.3%	395,004	78,660	24.9%
Grand Total	\$ 638,623,744	\$ 674,320,137	\$ 35,696,393	5.6%	\$ 653,864,010	\$ 15,240,266	4.9%

