

	AE	ICA	TIEC	NXP	Data Foundry	HURF	CCARE	2WR	P. Robbins	SC/PC/SUN	SSC	IHE
I. REVENUE REQUIREMENT												
Cash Flow Methodology (CFM)	CFM + depreciation & amortization	N/A	N/A	Inclusion of depreciation & amortization is in error	N/A	N/A	N/A	N/A	N/A	N/A	N/A	CFM + depreciation & amortization
311 Call Center Staffing	\$13,754,724	\$10,874,101	N/A	N/A	N/A	N/A	N/A	311 Call Center cost is unreasonable; exclude 311 Call Center surcharge	N/A	N/A	N/A	\$13,754,724
Uncollectible Expense	\$5,994,177	\$4,574,000	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$5,994,177
Heavy Equipment Lease	\$7,421,233	\$5,338,896 is K&M, which is \$7,344,072 less than AE's projected 3-year average of \$12,682,969 for FYs 2023–2025	N/A	N/A	N/A	N/A	N/A	Supports ICA's adjustment	N/A	N/A	N/A	\$7,421,233
Non-Nuclear Decommissioning (NND)	\$8,000,000	\$2,000,000	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$8,000,000; AE should update NND study in 2023	N/A	\$8,000,000
Winter Storm Uri and COVID Expenses	\$6,800,000	\$1,360,000	N/A	N/A	N/A	N/A	N/A	\$2,204,612	N/A	N/A	N/A	\$6,800,000
Rate Case Expense	\$1,791,000; Three-year amortization period	\$358,200 per year, a 5-year average, which is \$238,000 less than AE's 3-year average	N/A	N/A	N/A	N/A	N/A	\$238,800; Five-year amortization period	N/A	N/A	N/A	\$1,791,000; Three-year amortization period
Town Lake Center	No adjustment	N/A	N/A	N/A	N/A	N/A	N/A	Amortize \$30.5 million as offset to rev. req.	N/A	N/A	N/A	No adjustment
Other Expenses: FPP	Allow costs	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	Disallow all costs	N/A	Allow costs
Other Expenses: NAC	N/A: Not included in base rates; in PSA	N/A	N/A	N/A	N/A	N/A	N/A	N/A	Lower costs; lengthen amortization period	N/A	N/A	Rejected P. Robbins' proposal as not ripe
Internally Generated Funds for Construction	50%	N/A	40%	35%	N/A	N/A	40%	N/A	N/A	N/A	N/A	50%
General Fund Transfer (GFT)	\$120,000,000; Outside-city customers pay GFT	\$114,997,021	\$114,000,000 to \$115,000,000	\$114,000,000	N/A	Outside-city customers do not pay GFT	\$110,000,000	\$114,000,000	N/A	N/A	N/A	\$114,000,000 to \$115,000,000; Outside-city customers pay GFT
Debt Service coverage Ratio (DSCR)	2.32x DSCR	N/A	2.30x DSCR	N/A	N/A	N/A	N/A	Requests adjustment to rev. req. to remove non-utility subsidy	N/A	N/A	N/A	2.32x DSCR
Revenue Requirement Offsets: Late Payment Fees	No adjustment	Upward adjustment of \$2.2 million	N/A	N/A	N/A	N/A	N/A	Requests adjustment similar to ICA's	N/A	N/A	N/A	No adjustment
Other Revenue: Facilities Rentals	\$1,836,826	AE's adjustment of \$1,836,826 should be eliminated	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$1,836,826
Pass-Through Items	No adjustment, but COS Study includes pass-through costs in analysis; cost of street lighting service collected through CBC	N/A	Pass-through costs, with exception of area street lighting, should be removed from COS Study	AE should charge the City for cost of street lighting service	N/A	N/A	N/A	N/A	N/A	N/A	N/A	No adjustment to COS Study analysis for pass-through costs; cost of street lighting service collected through CBC
Present Revenues and Billing Determinants	2021 is appropriate as historical TY in preparing cost of service, including sales & base revenues	N/A	AE's 2021 TY data should be adjusted to account for impacts of Uri; recommends reducing AE's claimed revenue deficiency by \$24.3 million	AE's proposed rev. req. fails to adjust TY revenues, energy sales, demand levels & billing determinants for Uri; would result in AE over-recovering its rev. req.	N/A	N/A	AE did not adjust TY sales & base revenues to account for outages during Uri	TY was impacted by COVID-19 & Uri without consideration of financial impacts as reason to recommend dramatic change to rate design	N/A	N/A	N/A	AE should better explain Winter Storm Uri's impact on TY sales, revenues, & billing determinants
II. COST ALLOCATION												
Functionalization: Customer Service Function – 311 Call Center	Proposes costs & expenses be functionalized according to customers & costs be allocated to each rate class based on number of customers in class	N/A	N/A	N/A	N/A	N/A	N/A	These costs should be allocated on a per kWh basis	N/A	N/A	N/A	Adopted AE's proposal – Functionalized to customer service
Functionalization: Customer Service Function – Bad Debt	Proposes uncollectible expenses be functionalized as customer service; uses direct assignment to allocate uncollectible expense (or bad debt) to customer classes	Proposes that instead of using a direct assignment, AE should use revenue as the basis for the allocation	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	Adopted AE's proposal – Functionalized to customer service
Functionalization: Customer Service Function – Services & Meters	Proposes to functionalize meters & related services as distribution to align with functionalization of costs; AE acknowledges & agrees with ICA's recommendation that new service connection revenues be functionalized to customer, rather than demand	Recommends fees for electric meter damage, broken seals, after-hours connections, & new service connections be functionalized as customer-service functions; proposes services be functionalized as customer-related	N/A	Opposes ICA's proposed cost allocation of meter-related costs	N/A	N/A	N/A	N/A	N/A	N/A	N/A	Adopted AE's proposal – Services functionalized to customer service (AE's rebuttal concession based on ICA recommendation); meters functionalized to customer within distribution function
Classification: Energy-Related Costs	Proposes production non-fuel O&M expense be classified as demand-related	Proposes production non-fuel O&M expense classified as energy-related	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	Adopted AE's proposal – Production non-fuel O&M expense classified as demand-related

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II. COST ALLOCATION, CONT.												
Classification: Customer-Related Costs	Proposes cost of meters, meter reading, meter maintenance, & billing be classified as customer-related costs; allocated services to customer classes based on sum of maximum demand (SMD)	Recommends fees for electric meter damage, broken seals, after-hours connections, & new service connections be functionalized to customer; allocates services to customer classes based 12 NCP	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	Adopted AE's proposal – Recommended that ICA's proposal to increase amount of fees classified as customer-related by \$2.8 million is unnecessary & should be rejected; recommended SMD method to allocate services
Classification: A&G Expense and Indirect Costs	Proposes to functionalize expenses that were not directly assigned to production function based on labor	Disagrees with AE's classification of A&G expenses related to FERC Account 920 (A&G Salaries), & FERC Account 930 (Miscellaneous General Expenses)	N/A	Opposes ICA's proposal	N/A	N/A	N/A	N/A	N/A	N/A	N/A	Adopted AE's proposal – AE's classification of FERC Accounts 920 & 930 is reasonable & should be adopted
Class Allocation: Demand-Related Costs: Production-Demand	ERCOT 12 Coincident Peak (12CP) methodology	Baseload-Intermediate-Peak (BIP) methodology	Average & Excess (A&E) with 4CP demand methodology	Average & Excess (A&E) with 4CP demand methodology	N/A	N/A	Average & Excess (A&E) with 4CP demand methodology	N/A	N/A	N/A	N/A	Adopted AE's proposal – Recommended ERCOT 12CP allocation method
Class Allocation: Demand-Related Costs: Distribution-Demand	12NCP allocator; proposes to allocate load dispatch expense to customer classes based on 12NCP demand	Supports AE's 12NCP allocator; recommends allocating load dispatch expense on basis of average demand	1NCP methodology	1NCP methodology	N/A	N/A	1NCP methodology	N/A	N/A	N/A	N/A	Adopted AE's proposals - Recommended 12NCP allocation method – Recommended 12NCP for Load Dispatch Expense
Class Allocation: Demand-Related Costs: Primary Substation Issue	Opposes NXP & TIEC's proposal to create a new rate class that allocates primary distribution costs to customers near or adjacent to substations	Opposes NXP & TIEC's proposal to create a new rate class that allocates primary distribution costs to customers near or adjacent to substations	Primary ≥ 20 MW HLF customers take service directly from an AE-owned substation through dedicated radial feeder lines & should not be allocated any portion of costs of downstream primary distribution plant & related expenses	Primary ≥ 20 MW HLF customers take service directly from an AE-owned substation through dedicated radial feeder lines & should not be allocated any portion of costs of downstream primary distribution plant & related expenses	N/A	N/A	Primary voltage customers should be exempt from paying load ratio share-based rate for use of distribution system in certain instances	N/A	N/A	N/A	N/A	Adopted TIEC and NXP's proposals – Recommended that a separate substation rate be developed for Primary Substation customers
Class Allocation: Customer-Related Costs	Proposes that meter expense be allocated using a weighted customer allocator; proposes to allocate FERC Accounts 911-917 on basis of number of customers in each customer class	Proposes that 51% of meter cost should be allocated based on revenue requirement; recommends an alternative allocation of customer expenses in FERC Accounts 911-917	N/A	Opposes ICA's proposal	N/A	N/A	N/A	N/A	N/A	N/A	N/A	Adopted AE's proposal – AE's meter cost allocation and allocation of FERC Accounts 911-917 should be adopted
Class Allocation: Service Area Street Lighting	Proposes no change to collection of street lighting service costs	N/A	Revenue requirement should be derived from an approved class cost-of-service study	Revenue requirement should be derived from an approved class cost-of-service study	N/A	N/A	N/A	N/A	N/A	N/A	N/A	Adopted AE's proposal – No change to collection of street lighting service costs
Class Allocation: Direct Assignments	Proposes direct assignment for uncollectible expense based on proportion occurring within residential & non-residential classes during prior three-year period	Recommends that AE use revenue as the basis for allocation	Dedicated feeder lines should serve Primary Substation customers	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	Adopted AE's proposal – Recommended use of direct assignment to allocate costs attributable to a particular customer class
Class Allocation: Energy and Demand Line Loss Factors	Relied on System Loss Study for FY 2018 to adjust normalized energy sales & demands at meter for each customer class to generation level to adjust for the percent energy losses at each applicable voltage level.	N/A	AE's demand loss adjustment using energy loss factors was done incorrectly; proposes different loss factors that should be used	AE's demand loss adjustment using energy loss factors was done incorrectly; proposes that AE develop & use demand loss factors in future	N/A	N/A	N/A	N/A	N/A	N/A	N/A	No decision – Recommended AE revisit issue, make accommodation for industrials if possible
III. CLASS REVENUE DISTRIBUTION												
Class Revenue Distribution	Proposes "halfway to cost" approach where all classes receive system average increase or decrease in step one, & then each class moves halfway toward cost of service in step two	Proposes alternative two-step approach where step one applies a percentage increase of one-half the system average to customer classes and step two distributes remainder of increase on equal percentage basis to remaining customer classes	Does not object in theory to AE's move halfway to cost approach; this should include the Primary ≥ 20 MW HLF customers class receiving 50% of the rate decrease that it would receive under a proper CCOSS	AE's approach is unprecedented; proposes moving classes that are currently below or above COS 1/3 closer to COS, then allocate remaining customer class subsidies to other customer classes by proportionately spreading net over-recovery to other classes based on COS	N/A	N/A	N/A	N/A	N/A	N/A	N/A	Adopted AE's proposal – Recommended AE's "halfway to cost" approach

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IV. RATE DESIGN												
Residential Rate Design	Proposes to: (1) reduce number of residential rate tiers for inside-city customers from five to three; (2) flatten tiers; (3) increase customer charge; & (4) eliminate base rate differential between inside- & outside-city customers	Raises concerns that AE's rate design proposal would significantly raise costs for low usage customers, including economically vulnerable customers; proposes rate design with four tiers & fixed charge of \$10, or no higher than \$13	N/A	N/A	N/A	N/A	N/A	Believes current residential rate design, adjusted for "anomalies," provides stable revenues	Does not help low-income customers; AE used faulty analysis to justify radical rate restructuring	Retain AE's existing residential base rate schedule; reallocation of costs to residential customers is not justified	N/A	No decision – Concerned about rate shock; validated that AE must recover its revenue requirement; City Council should direct AE to develop alternatives
Customer Charge	Proposes to increase customer charge from \$10 to \$25 to reflect fixed customer costs that do not vary with consumption	Suggests that customer charge should not increase more than proportionate increase of revenue to be collected from residential class & proposes a maximum customer charge of \$13	N/A	N/A	N/A	N/A	N/A	No change to customer charge; or be increased no higher than rate increase	Inappropriately high; AE used misleading benchmarks	Proposed increase is against public policy & antithetical to goals of conservation, price signals, energy efficiency, & affordability	N/A	No decision – 150% increase may result in rate shock for some; but, AE's concerns re: financial stability are well founded; policy considerations should be observed
Tiers	Proposes number of tiers be reduced from five to three & tier breakpoints be adjusted downward (Tier 1 from 0 to 300 kWh; Tier 2 from 301 to 1,200 kWh; Tier 3 above 1,200 kWh)	Proposes alternative which includes intermediate four tier design, with tiers at 0-500 kWh, 500-1300 kWh, 1300-2500 kWh, & >2500 kWh; proposes marginal energy cost design that resembles current tier pricing steepness	N/A	N/A	N/A	N/A	N/A	Five-tier inverted block rate is reasonable & provides stable revenues	AE is eliminating progressive residential rate structure	Elimination of steep, five-tiered rate blocks will end price signals that encourage conservation & energy efficiency; will cause extreme disparate impact	N/A	No decision – Flattened tiers may result in rate shock for some; tier structure may dampen conservation signals; AE should work with participants to develop new tier structure, or, AE should calculate proposed kWh hour rates for each tier of residential customers
Outside-City Customers	Proposes to eliminate base rate distinction between inside- & outside-city customers with single rate structure for both	Recommends leaving the outside city residential tariff unchanged	N/A	N/A	N/A	GFT should be removed from rev. req. to be charged to outside-city customers	N/A	N/A	N/A	N/A	N/A	Adopted ICA's proposal – Recommended different rates for outside-city customers
CAP Program Benefits	Base rate design will significantly increase benefits under CAP program; total value of CAP benefits will increase from \$8.3 million to \$14.4 million	N/A	N/A	N/A	N/A	N/A	N/A	N/A	CAP is mis-managed; auto enrollment process allows some rich people to be in CAP	N/A	Expand CAP; consider automatic enrollment in certain geographic areas	Recommended AE should expand program or create another targeted program
PRI-2 High Load Factor Tariff	Proposes new tariff for customers who take service at primary voltage at a load level greater than or equal to 3 MW but less than 20 MW, & whose monthly average load factor during year meets or exceeds 85%	N/A	N/A	N/A	Supports approval of PRI-2 High Load Factor tariff without SC/PC/SUN rec re: EE charge & reporting mandate	N/A	N/A	N/A	N/A	N/A	N/A	Adopted AE's proposal – Proposed tariff should be adopted creating PRI-2 HLF class
V. VALUE OF SOLAR (VoS)												
Proposed Changes to Approach	Proposes (1) breaking down VoS into three pillars of avoided costs, societal benefits, & policy-driven incentives; (2) funding VoS through PSA & EES component of CBC; & (3) using a backward-looking methodology to determine VoS	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	AE's proposal departs from best practices & is discriminatory & unreasonable; should maintain current tariff through 2023; need transparent stakeholder process; should retain new qualified consultant; VoS should not be paid for through EES	Proposed VoS calculation methods can lead to volatility in VoS rate year-to-year	Adopted AE's proposal – VoS to be calculated consistent with AE's proposal; Caveats – AE should (1) evaluate opportunities for stakeholder input and (2) clarify what comprises "rates, methodology, and inputs" to be assessed with VoS tariff
Other Programmatic Recommendations	N/A; Outside of scope	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	Solar + storage; microgrids & multifamily; new rebates; service leases for solar; standard offer for Community Solar/Storage; billing system updates; 24X7 carbon free rates; guardrails	N/A
VI. OTHER ISSUES												
Proposed Power Supply Adjustment Factor Adjustment for Primary Substation Customers	Opposes TIEC's recommendation that proposed PSA be revised to include a separate Primary Substation Adjustment Factor	N/A	PSA should be revised to include a separate Primary Substation Adjustment Factor	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	Recommended AE revisit PSA to ensure consistency with IHE's recommendation
Energy Efficiency Service (EES)	PRI-2 HLF class should be exempted from EE programs & EE charges	N/A	Industrial customers should not be subject to EES fee; mandatory reporting should not be required	N/A	PRI-2 HLF class should be exempted from EE programs & EE charges; mandatory reporting should not be required	N/A	N/A	N/A	N/A	High energy industrial customers should contribute to EES fees; would leave \$1.4 million unrecovered; if exempted – impose reporting requirement	N/A	Adopted AE's proposal – PRI-2 HLF class exempted from EE programs and charges; mandatory reporting not required