

Colleagues,

As Chair of the Austin Energy Utility Oversight Committee, I want to comment on the Austin Energy rate case and express my hopes for moving this process forward to resolution.

There were several revenue requirements daylighted during Tuesday's work session discussion. AE has sent a memo regarding these items and the document can be found here:

<http://assets.austintexas.gov/austincou ... 154453.pdf>

The memo includes answers to the questions and further clarifies the revenue needed by the utility.

I support AE in their revenue request of \$31.3 million that caps the General Fund Transfer amount at \$115 million. These revenue requirements were vetted by the Impartial Hearing Examiner, an industry expert. I want to make sure that any proposals we put forth do not kick the can down the road on Austin Energy's revenue gap issue, leaving it for future councils to deal with. We are responsible for ensuring that our public utility, a non-profit, is financially stable for years to come.

My thanks to Mayor pro tem Alter for identifying the two scenarios that AE shared yesterday. I feel that these proposals are headed in the right direction by capturing the average ratepayer and rewarding conservation.

I have asked AE to run the scenario shown below. These proposed changes capture the greatest number of average ratepayers and ensures that these customers come closer to paying the actual cost of service. The difference between my scenario below and MPT Alter's, is approximately \$1.3 million – my revenue requirement is maintained at the \$31.3 million.

The tables below capture a gradual increase over 3 years to help avoid rate shock.

Residential Inside City/Non-Cap

Gradual Customer Charge	Price per kWh	Proposed Tiers
\$14 FY 23	\$0.04002	Tier 1: 0-300 kWh
	\$0.05002	Tier 2: 301-900 kWh
	\$0.06502	Tier 3: 901-2000 kWh
	\$0.08502	Tier 4: 2001 + kWh

Gradual Customer Charge	Price per kWh	Proposed Tiers
\$15 FY 24	\$0.03887	Tier 1: 0-300 kWh
	\$0.04887	Tier 2: 301-900 kWh
	\$0.06387	Tier 3: 901-2000 kWh
	\$0.08387	Tier 4: 2001 + kWh

Gradual Customer Charge	Price per kWh	Proposed Tiers
\$16 FY 25	\$0.03771	Tier 1: 0-300 kWh
	\$0.04771	Tier 2: 301-900 kWh
	\$0.06271	Tier 3: 901-2000 kWh
	\$0.08271	Tier 4: 2001 + kWh

I hope you will consider this option as we move towards a vote.

Best,
Leslie