



Recommendation for Action

File #: 22-3756, **Agenda Item #:** 4.

12/8/2022

Posting Language:

Approve an ordinance establishing revised electric rates and charges for Austin Energy customers.

Lead Department:

Austin Energy

Fiscal Note:

This item has no fiscal impact.

For More Information:

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Additional Backup Information:

The City of Austin is examining Austin Energy's base electric rates through a cost-of-service study and independent public base rate review process. This process updates the utility's base rates, so they more closely recover the costs the utility incurs in the current operating environment. At the end of this process, Austin Energy's customers should have rates that equitably recover costs and reflect the community's priorities.

The proposed public hearings represent the culmination of an eight-month public process adopted by the City Council to review Austin Energy's cost-of-service study and proposed base rate design. By regularly reviewing Austin Energy's cost structure through a cost-of-service study, Council gains a better idea of how much it costs to serve different types of customers.

The formal process enabled 14 participants representing residential, commercial, and industrial customers to file more than 250 documents, all of which are publicly available on the Austin City Clerk's website and afforded over 24 hours of in-person testimony in front of the Impartial Hearing Examiner. The public hearings provide constituents and ratepayers with the opportunity to express their views on the base rate proposal directly to City Council. Any rate changes approved by Council this year are anticipated to take effect in February 2023.

The City Council designated an Impartial Hearing Examiner to review information from the electric utility, stakeholders, and customer groups. The Impartial Hearing Examiner, Travis Vickery of McGinnis Lochridge, assisted Council in establishing fair and balanced rates through the independent and impartial review of Austin Energy's recommendations and deliberated on the concerns and positions of the utility's customers. An Independent Consumer Advocate was selected to represent the interests of residential and small commercial customers. Members of the Electric Utility Commission have received and will summarize input from the community.

BASE RATE REVIEW TIMELINE:

- April 18 File Rate Filing Package, Schedules, Narrative

- April 18 Discovery Begins
- April 19 - May 12 Public Outreach Meeting (Residential and Commercial)
- May 5 - 12 Technical Conference No 1 & 2
- May 18 Deadline for Requests to Participate
- June 8 Discovery Deadline
- June 22 Participant Position Statements
- June 22 - July 1 Discovery on Participant Position Statements
- July 1 - 7 Participant Cross Rebuttal
- July 7 - 8 Austin Energy (AE) Rebuttal
- July 11 Settlement Discussion
- July 13 -15 Final Conference
- July 28 Participant Closing Briefs
- August 9 AE Closing Brief
- September 9 Impartial Hearing Examiner (IHE) Recommendation
- September 26 Response to IHE Recommendation ("Exceptions")
- November 1 Council Work Session
- November 9 Special Called Austin Energy Utility Oversight Committee Meeting
- November 14 Electric Utility Commission Meeting
- November 15 Council Public Hearing
- November 29 Council Work Session and AE Utility Oversight Committee Meeting
- December 1 Council Regular Meeting, Public Hearing, and Vote on Base Rates

Strategic Outcome(s):

Government that Works for All.