

# AUSTIN WATER UTILITY 2007 COS STUDY MEETING SUMMARY

**Meeting:** Public Involvement Committee (PIC)  
Workshop 5: Customer Classifications

**Date:** 2-19-08      **Time:** 6 PM      **Location:** Waller Creek Center

## **PIC Attendees:**

<b><u>Name</u></b>	<b><u>Customer Class Representation</u></b>
Angela Rubottom	Residential
Lanetta Cooper	Residential
Tom Graves	Multifamily
Doris Williams	Commercial
Nguyen Stanton	Commercial
Dan Wilcox	Industrial
Jeff Covington	Industrial
Joy Smith	Wholesale
Myra Salas	Wholesale

## **I. Agenda Items:**

The following items were covered at the PIC meeting:

1. Welcome
2. Decisions by Executive Team
3. PIC comments from last meeting
4. Presentation on customer classifications
5. PIC member comments and discussion
6. Summary of decisions and agreements
7. Public comment period

## **II. Decisions by Executive Team**

The AWU Executive Team met after the January 22 PIC meeting and made the following decisions:

- a) *Water Cost Allocation Issue 1* – Base/extra-capacity method will be used
- b) *Water Cost Allocation Issue 2* – Peak day and peak hour will be used to allocate extra capacity costs
- c) *Water Cost Allocation Issue 3* – a separate charge will not be developed for private fire connections
- d) *Water Cost Allocation Issue 4* – deferred (public fire charges)

## **III. Key Interests and Issues:**

PIC comments and questions focused on:

1. Should the large-volume customer class be disaggregated? The AWU's current methodology maintains a single large-volume customer class (made up of seven industrial customers). The consultants are recommending that the utility disaggregate the large-volume class, citing improved intraclass equity and a potential increase in water conservation as important factors.
2. Should the threshold for inclusion in the large-volume class be adjusted? The consultants are recommending that AWU maintains the current threshold of 85 MG per year.

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3. Should an irrigation customer class be created? AWU does not currently have an irrigation class and the consultants are recommending that no irrigation class be implemented at this time.
4. **PARKING LOT ITEM** – The following question was tabled for later consideration by AWU: How to charge customers who have other sources of water but who use AWU water during peak times and/or as an additional source of water?

#### **IV. Agreements and Action Needed:**

In response to requests from PIC members, AWU and consultants will provide calculations of three-year peaking history, the potential differences in costs among industrial users if the large-volume class is disaggregated, and the water conservation report developed by the AWU task force. They will also report back to the PIC on the question of whether it is feasible to disaggregate the commercial customer class and if so, the logical subcategories within the commercial class.

Written comments on this meeting are due to Mike Castillo on February 26.

The Rate Design issue paper will be forwarded to the PIC on February 25.

The next PIC workshop is scheduled for Monday, March 3.

#### **V. Public Comment:**

Randy Chapman, Texas Legal Services Center, offered public comment. He thanked AWU staff for assisting him in collecting information and spoke of the importance of developing a cost of service rate structure that responds to the needs of the most economically vulnerable.

#### **VI. Meeting Sign-In Sheet:** Attached

**Prepared by:** Rhonda Price, Group Solutions RJW