

September 13, 2022

Dear HURF supporters,

The Austin Energy (AE) rate case continues to proceed through the required steps for approval. There are a number of intervenors in the case (including HURF) attempting to protect their specific financial interest in the electric rates (residential, commercial, industrial, public interest, renewables/climate, etc). A summary of the more significant items are:

- All sides have had the opportunity to offer both written and oral testimony on the details of the base rates proposed.
- AE held a required settlement conference with all parties but has not so far resulted in a resolution of any material matters.
- Austin City Council's "independent" hearing examiner addressed the testimony of all parties and offered comments and recommendations. This report was issued on September 9. The examiner did not take a position on the HURF matters but deferred to city council to address it as a "policy issue". The examiner did say that the burden of proof on whether the outside the city resident benefit for other city services was on AE. A direct contradiction of AE's position in the proceedings.
- The intervenors (as a group) were able to develop and propose a settlement offer to AE on September 28, 2022. Thus far, there has been no significant change in position in the response from AE.
- Austin City Council has received a second rate increase request from AE related to the "power cost adjustment". There is a separate process for approving these costs. HURF does not plan to participate in this proceeding and these costs are likely to be approved prior to the base rate case. The combination of two rate increases has certainly caught the attention of the media and pressure in mounting on all parties.
- The base rate increase is currently schedule for discussion by the Austin City Council meeting in early December.

Outside of the rate case itself, HURF was able to develop a rate calculator to better see the impact on our rates. The model confirms that, at the average monthly consumption level of 860 kWh, a homeowner will contribute \$192 per year to the General Fund Transfer (GFT) of the city for use in non- electric city services. There can be different costs and/or benefits at higher and lower than average consumption levels. Nonetheless, HURF continues focus on reducing and/or eliminating the GFT applicable to outside the city users, irrespective of the consumption level.

We anticipate activity in the case will accelerate in the coming weeks. We continue to believe a settlement is in the interest of all parties and we have designed our fundraising around that outcome. Should city council decide to move forward with the outright approval, we would need to file an appeal with the Public Utilities Commission which can prove costly to everyone.

The HURF Board would like to, once again, thank you and your organizations for your contribution to our efforts to fight the Austin Energy base rate increases.

On behalf of the HURF Board