

Commercial Electric Rates & Line Items

Alignment with Industry Best Practices

Thank you for being an Austin Energy customer. The utility's commercial rate classes align with industry best practices and reflect what it costs to serve each class.

Customer Class

A Customer Class is a grouping of customers with similar energy-use characteristics. This is important because the cost to serve each class can vary substantially depending on customer service needs and electricity consumption.

An industrial customer, for example, may receive electricity through a single high-voltage line extending directly from a substation. A small business, just like a home, typically receives its electricity through a series of lower voltage lines starting from a substation.

Austin Energy's nine rate commercial classes align with industry best practices.

Commercial Rate Classes by Demand	
Commercial	
Secondary Voltage 1	< 10 kW
Secondary Voltage 2	≥ 10 < 300 kW
Secondary Voltage 3	≥ 300 kW
Commercial and Industrial	
Primary Voltage 1	< 3 MW
Primary Voltage 2	≥ 3 < 20 MW
Primary Voltage 3	≥ 20 MW
Primary Voltage 4	≥ 20 MW & ≥ 85% Load Factor
Transmission Voltage 1	
Transmission Voltage 2	≥ 20 MW & ≥ 85% Load Factor

Customer Charge

The Customer Charge recovers the costs of metering, billing, collections, and customer service incurred in managing customer accounts. Austin Energy incurs these costs for all customers, regardless of how much energy is used. Our rates apply a Customer Charge to most customers on a monthly basis.

Customer Charge (\$ per month)		
Commercial		
Secondary Voltage 1	< 10 kW	\$18.00
Secondary Voltage 2	≥ 10 < 300 kW	\$27.50
Secondary Voltage 3	≥ 300 kW	\$71.50
Commercial and Industrial		

Primary Voltage 1	< 3 MW	\$275.00
Primary Voltage 2	$\geq 3 < 20$ MW	\$2,200.00
Primary Voltage 3	≥ 20 MW	\$2,750.00
Primary Voltage 4	≥ 20 MW & $\geq 85\%$ LF	\$11,000.00
Transmission Voltage 1		\$2,750.00
Transmission Voltage 2	≥ 20 MW & $\geq 85\%$ LF	\$21,120.00

Electric Delivery

The Electric Delivery Charge helps to recover the operating, maintenance, and capital costs of our distribution system including poles, wires, transformers, and Smart Grid technology. This charge only applies to customers who are charged for demand.

Electric Delivery (\$ per kW billed)		
Commercial		
Secondary Voltage 1	< 10 kW	n/a
Secondary Voltage 2	$\geq 10 < 300$ kW	\$4.50
Secondary Voltage 3	≥ 300 kW	\$4.50
Commercial and Industrial		
Primary Voltage 1	< 3 MW	\$4.50
Primary Voltage 2	$\geq 3 < 20$ MW	\$4.50
Primary Voltage 3	≥ 20 MW	\$4.50
Primary Voltage 4	≥ 20 MW & $\geq 85\%$ LF	\$4.50
Transmission Voltage 1		n/a
Transmission Voltage 2	≥ 20 MW & $\geq 85\%$ LF	n/a

Demand Charge

"Demand" is the maximum flow of power a customer uses at any one time. It is measured in kilowatts by an electric demand meter. Demand charges are a significant part of a business's utility bill.

The Demand Charge recovers fixed production costs related to building and maintaining Austin Energy's electric system. A Demand Charge is applied to all commercial customers with an average summer — June through September — peak demand of 10 kW and higher.

Using a Demand Charge best reflects the way in which costs on the Austin Energy system are incurred and provides an incentive for our customers to decrease their load by making energy efficiency improvements or by leveling their demand.

Demand Charge (\$ per kW billed)		
Commercial		
Secondary Voltage 1	< 10 kW	n/a
Secondary Voltage 2	$\geq 10 < 300$ kW	\$4.19

Secondary Voltage 3	≥ 300 kW	\$6.40
Commercial and Industrial		
Primary Voltage 1	< 3 MW	\$7.00
Primary Voltage 2	≥ 3 < 20 MW	\$9.17
Primary Voltage 3	≥ 20 MW	\$10.37
Primary Voltage 4	≥ 20 MW & ≥ 85% LF	\$10.20
Transmission Voltage 1		\$12.00
Transmission Voltage 2	≥ 20 MW & ≥ 85% LF	\$11.15

Energy Charge

The Energy Charge is generally designed to recover the variable costs of running the utility. It is billed on a cents per kilowatt-hour basis and varies by rate class. The Energy Charge for commercial customers outside the City of Austin is less than or equal to the Energy Charge for comparable commercial customers inside the City of Austin.

Energy Charge (¢ per kWh billed)			
		Inside	Outside
Commercial			
Secondary Voltage 1	< 10 kW	4.802¢	4.802¢
Secondary Voltage 2	≥ 10 < 300 kW	2.421¢	2.356¢
Secondary Voltage 3	≥ 300 kW	1.955¢	1.902¢
Commercial and Industrial			
Primary Voltage 1	< 3 MW	0.053¢	0.052¢
Primary Voltage 2	≥ 3 < 20 MW	0.052¢	0.051¢
Primary Voltage 3	≥ 20 MW	0.152¢	0.152¢
Primary Voltage 4	≥ 20 MW & ≥ 85% LF	0.0¢	0.0¢
Transmission Voltage 1		0.500¢	0.500¢
Transmission Voltage 2	≥ 20 MW & ≥ 85% LF	0.0¢	0.0¢

Power Supply Adjustment

The Power Supply Adjustment recovers dollar-for-dollar the net costs of the kilowatt-hours used by customers. Austin Energy makes no profit on this dollar-for-dollar pass-through charge. It covers fuel for our power plants, the cost of electricity purchased from the grid and any net revenues (or losses) experienced as Austin Energy produces and sells power to the grid.

The Power Supply Adjustment is adjusted to reflect the current price of fuel and projected Austin Energy power purchases.

[Download the Power Supply Adjustment Schedule \(pdf\)](#)

Power Supply Adjustment (¢ per kWh)

Commercial		
Secondary Voltage 1	< 10 kW	3.078c
Secondary Voltage 2	≥ 10 < 300 kW	3.078c
Secondary Voltage 3	≥ 300 kW	3.078c
Commercial and Industrial		
Primary Voltage 1	< 3 MW	3.009c
Primary Voltage 2	≥ 3 < 20 MW	3.009c
Primary Voltage 3	≥ 20 MW	3.009c
Primary Voltage 4	≥ 20 MW & ≥ 85% LF	3.009c
Transmission Voltage 1		2.970c
Transmission Voltage 2	≥ 20 MW & ≥ 85% LF	2.970c

Regulatory Charge

The Regulatory Charge recovers dollar-for-dollar Austin Energy's share of the statewide costs of managing, using, and maintaining the transmission grid, as well as other regulatory fees and penalties.

Transmission charges and fees are based on Austin Energy's share of the summer ERCOT-wide peak demand — about 4% of the ERCOT-wide total.

These costs are reviewed, approved, and apportioned by the Public Utility Commission of Texas.

Regulatory Charge			
		(¢ per kWh)	(\$ per kW billed)
Commercial			
Secondary Voltage 1	< 10 kW	1.009c	0
Secondary Voltage 2	≥ 10 < 300 kW	0	\$2.81
Secondary Voltage 3	≥ 300 kW	0	\$2.81
Commercial and Industrial			
Primary Voltage 1	< 3 MW	0	\$2.75
Primary Voltage 2	≥ 3 < 20 MW	0	\$2.75
Primary Voltage 3	≥ 20 MW	0	\$2.75
Primary Voltage 4	≥ 20 MW & ≥ 85% LF	0	\$2.75
Transmission Voltage 1		0	\$2.72
Transmission Voltage 2	≥ 20 MW & ≥ 85% LF	0	\$2.72

Learn More

- [Learn more about Power Factor Adjustment for commercial customers](#)
- [View all approved electric rates for the City of Austin](#)

Date last reviewed or modified: 11/2/20