

FY 2023-2024 BUDGET QUESTION
Response to Request for Information

DEPARTMENT(S): Austin Energy

CBQ NO.: 008

REQUESTED BY: Alter (D10)

DATE REQUESTED: 05/23/2023

DATE POSTED: 07/17/2023

REQUEST: Please confirm if any revenue that exceeded the established revenue requirements and costs of Austin Energy has been allocated to the General Fund to fulfill the General Fund Transfer 12% policy.

RESPONSE:

No, Austin Energy's revenues have not exceeded the established revenue requirements for FY 2022-23. As of April 30, 2023, actual billed base revenues are \$343.4 million compared to forecasted base revenues of \$359.1 million, an unfavorable variance of \$15.7 million, or 4.4%. This can be attributed to the delay in applying the base rate increase from January 1, 2023, to March 1, 2023.

For the period ending April 30, 2023, Austin Energy's Deficiency of Revenues over Expenses is \$88.8 million versus a forecasted deficiency of \$44.8 million, an unfavorable variance of \$44 million, or 98.5%. This increase in the deficiency is attributed to the loss in billed rate revenues and the \$19 million in expenses associated with Winter Storm Mara in February 2023.

Austin Energy's actual General Fund Transfer (GFT) through April 30, 2023, is \$67.0 million versus the forecasted GFT of \$67.0 million.

The GFT for FY 2022-23 is based on 12.0% of the 3-year average (FY 2022 current year estimate as of May 2022 and actual revenues for FY 2021 and 2020) of Austin Energy's revenues, less power supply and district cooling revenues. The base rate increase and the application of an 11.6% GFT multiplier will not impact the GFT calculation until FY 2024 budget.