



Austin Energy

Financial Update

2nd Quarter ended March 31, 2010

Austin Energy – 2010 Revenue

Total Revenue: \$1,242.3M

- Estimate \$1,188.6M
 - \$53.7 million lower than budget
 - Service Area Revenue - Base
 - \$4.4 million higher than budget
 - Actual revenue as of March & revenue from normal weather estimates
 - Service Area Revenue - Fuel
 - Fuel cost is passed onto customer with no profit
 - Fuel cost fluctuations impact fuel revenue in a similar manner
 - Reduced \$43.3 million due to lower natural gas prices than expected
 - Other Revenue
 - \$14.8 million lower driven by reduced wholesale electric sales in current market conditions

Austin Energy – 2010 Revenue CYE

<i>(\$ millions)</i>	<i>Amended Budget 2009-10</i>	<i>Estimated 2009-10</i>	<i>Actual Q2 2009-10</i>	<i>Difference Budget to Estimate</i>
<i>Service Area Revenue</i>	\$1,083.9	\$1,045.0	\$440.7	(\$38.9)
<i>Other Revenue</i>	158.4	143.6	58.7	(14.8)
<i>Total Revenue</i>	<i>\$1,242.3</i>	<i>\$1,188.6</i>	<i>\$499.4</i>	<i>(\$53.7)</i>
<i>Transfers In</i>	2.0	2.0	0.0	0.0
<i>Total Available Funds</i>	<i>\$1,244.3</i>	<i>\$1,190.6</i>	<i>\$499.4</i>	<i>(\$53.7)</i>

Austin Energy – 2010 Requirements

Total Requirements: \$1,312.4M

- Estimate \$1,267.4M
 - \$45.0 million lower than budget
 - Fuel costs \$42.6 million lower due to commodity pricing
 - Non-fuel requirements \$2.4 million lower than budget
 - Lower expenditures for Customer Care, plant & software maintenance
 - Higher expenditures for unplanned nuclear outage, bad debt expense
 - Slower spending for capital improvements
 - Issue less commercial paper, but cash funding remains unchanged
 - \$44.0 million Revenue Bond Retirement Reserve

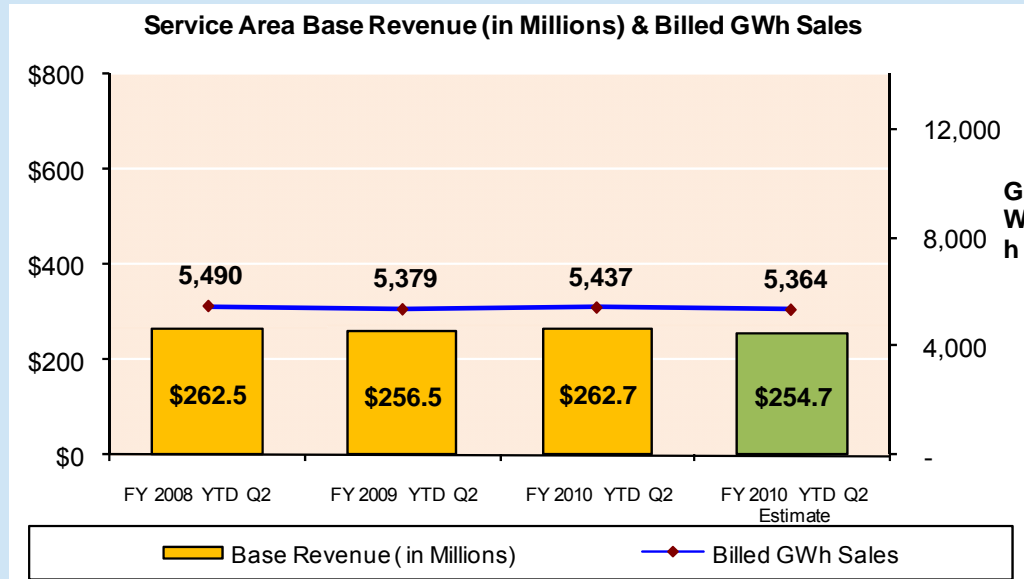
Austin Energy – 2010 Requirements CYE

<i>(\$ millions)</i>	<i>Amended Budget 2009-10</i>	<i>Estimated 2009-10</i>	<i>Actual Q2 2009-10</i>	<i>Difference Budget to Estimate</i>
<i>Operations and Maintenance</i>	\$817.2	\$770.5	\$342.7	(\$46.7)
<i>Conservation</i>	26.8	26.8	11.5	0.0
<i>Other Requirements</i>	66.5	67.4	32.3	0.9
<i>Total Operating & Other Requirements</i>	<i>\$910.5</i>	<i>\$864.7</i>	<i>\$386.5</i>	<i>(\$45.8)</i>
<i>Debt Service Transfer</i>	178.3	179.1	62.2	0.8
<i>Electric Capital Improvement Program Transfer</i>	59.7	59.7	30.0	0.0
<i>General Fund Transfer</i>	101.0	101.0	50.5	0.0
<i>Other Transfers</i>	62.9	62.9	52.9	0.0
<i>Total Transfers</i>	<i>\$401.9</i>	<i>\$402.7</i>	<i>\$195.6</i>	<i>\$0.8</i>
<i>Total Requirements</i>	<i>\$1,312.4</i>	<i>\$1,267.4</i>	<i>\$582.1</i>	<i>(\$45.0)</i>

Austin Energy – 2010 Q2 Results

- Q2 results for six months ended March 31
- Revenue: \$499.4M
 - Base revenue \$262.7M
 - \$8.0 million higher than current year allotment
 - \$6.2 million higher than Q2 prior year
 - Fuel revenue lower due to reduced fuel cost
 - Wholesale electric sales lower due to market conditions
- Requirements: \$582.1M
 - Fuel cost lower due to natural gas pricing
 - \$44 million Revenue Bond Retirement Reserve

Austin Energy – 2010 Q2 Revenue Highlights



Service Area Base or Non-fuel Revenue

- 87% of total revenue or \$603.6 million annual budget
 - Current Year Estimate \$608.0 million, positive variance of \$4.4 million
- \$262.7 million Q2 exceeds budget allotment by \$8.0 million

Billed sales at 5,437.3 gigawatt hours (GWh)

- 58.5 GWh higher than FY 2009 Q2 actual of 5,378.8

Austin Energy – 2010 Q2 Financial Results

<i>(\$ millions)</i>	<i>Amended Budget 2009-10</i>	<i>Estimated 2009-10</i>	<i>Actual Q2 2009-10</i>	<i>Difference Budget to Estimate</i>
<i>Beginning Balance</i>	<i>\$174.8</i>	<i>\$237.1</i>		<i>\$62.3</i>
<i>Revenue</i>	\$1,242.3	\$1,188.6	\$499.4	(\$53.7)
<i>Transfers In</i>	2.0	2.0	0.0	0.0
<i>Total Available Funds</i>	<i>\$1,244.3</i>	<i>\$1,190.6</i>	<i>\$499.4</i>	<i>(\$53.7)</i>
<i>Expenditures</i>	910.5	864.7	386.5	(45.8)
<i>Transfers Out/Other</i>	401.9	402.7	195.6	0.8
<i>Total Requirements</i>	<i>\$1,312.4</i>	<i>\$1,267.4</i>	<i>\$582.1</i>	<i>(\$45.0)</i>
<i>Excess(Deficiency)</i>	(68.1)	(76.8)	(82.7)	(8.7)
<i>Adjustment to GAAP</i>	0.0	0.0	0.0	0.0
<i>Ending Balance</i>	<i>\$106.7</i>	<i>\$160.3</i>		<i>\$53.6</i>

Additional Quarterly Report Deliverables

(DRAFT for consideration and discussion)

Clean

- Conservation peak demand savings
- Updates on Generation/Resource Plan additions

Affordable

- Customer count
- MWH sales by customer class
- Revenue by customer class
- Residential bill comparison

Reliable

- Outages per customer (SAIFI)
- Average duration of outages (SAIDI)
- Transmission outages (SATLPI)
- Capacity factor of generating units

Additional Quarterly Report Deliverables

(DRAFT for consideration and discussion)

Excellent Customer Service

- Average speed of answering calls
- Bill payments percent received electronically
- Number of deferred payment agreements per month and total dollars
- Number of customers requesting emergency utility bill assistance
- Number of customers provided emergency utility bill assistance and total dollars provided