



**Mission:** *Deliver clean, affordable, reliable energy and excellent customer service.*

## ***Electric Utility Commission - Residential Rates September 19, 2011***

**Posted to web September 15, 2011**



# Table of Contents

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- Residential Rates Overview
- Optional Residential Rates
- Energy Efficiency Charge
- Customer Assistance Program
- Residential Rate Structure - Decision Point List Issues
- Return to EUC Agenda



# Residential Rates





## Residential Rate Recommendations

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- Improve alignment of fixed cost with fixed charges
- Improve transparency while maintaining simplicity
- Encourage and promote energy efficiency
- Improve seasonal (summer/non-summer) rate alignment
- Expand funding for Customer Assistance Program
- Provide rate options for GreenChoice<sup>®</sup>, residential solar generation, and new pilot rates



## Residential Bill Components

Proposed Structure		Cost Recovery	
<b>Customer Charge (\$/month)</b>		Billing, Call Centers, Meters, Customer Service	
<b>Electric Delivery (\$/month)</b>		Poles, Wires, Transformers, Technology	
<b>Energy Charge (¢/kWh)</b>		Power Plants costs and Net Electric Reliability Council of Texas (ERCOT) settlement costs	
<b>Energy Adjustment (¢/kWh)</b>		Change in Energy Cost-Initially set at zero	
<b>Customer Assistance Program (¢/kWh)</b> <i>Community Benefit</i>		Funding for qualified Residential customers	
<b>Service Area Street Lighting (¢/kWh)</b> <i>Community Benefit</i>		Electricity for local communities' street lighting within Austin Energy's service area	
<b>Energy Efficiency (¢/kWh)</b> <i>Community Benefit</i>		Energy Efficiency Services, Green Building, Rebates and Incentives	
<b>Regulatory (¢/kWh)</b>		Transmission Access Charges and Regulatory Fees	





## Components of Customer Charge

Component	Allocator	Cost Per Month
Customer – Accounting	Number of Customer Months	\$6.78
Customer – Service	Number of Customer Months	\$6.76
Meter – Reading	Number of Customer Months Metered	\$4.25
Uncollectible Accounts	Actual Uncollectible Accounts	\$1.09
Key Accounts	Key Accounts Support	\$0.00
Meters	Weighted Customers – Meters	\$2.81
<b>Total Cost of Service</b>		<b>\$21.69</b>

**Note:** Any customer-related costs not recovered through the Customer Charge would be recovered through the Energy Charge.



## Components of Electric Delivery Charge

Component	Allocator	Cost Per Month
Primary Substations, Poles and Conductors	12 Non-Coincident Peak Primary	\$7.87
Secondary Poles and Conductors	12 Non-Coincident Peak Secondary	\$3.82
Transformers	Sum of Maximum Demands Excluding Primary and Transmission	\$2.17
Services	Sum of Maximum Demands Excluding Primary and Transmission	\$(0.17)
Load Dispatch	12 Non-Coincident Peak Primary	\$0.44
<b>Total Cost of Service</b>		<b>\$14.13</b>

**Note:** Any distribution (electric delivery) costs not recovered through the Customer Charge would be recovered through the Energy Charge.



## Four Residential Rate Options

Residential Rate Option Characteristics	Option Supported by Rate Analysis & Recommendation Report	Staff Options		
	Option A Moderate Tiers	Option B Steep Tiers	Option C Status Quo	Option D Bundled Charge
Fixed Charge Cost Recovery	70%	56%	45%	84%
Number of Energy Tiers	5	5	2	5
Transparency	Closest to Unbundled COS			Services Bundled in Basic Charge
Promotes Energy Efficiency (EE)	Moderate Tiers	Steep Tiers	Status Quo	Moderate Tiers
Impact to 300 kWh customer	Highest Bill			Lowest Bill
Impact to 1,000 kWh customer		Lowest Bill	Increase Over \$20	
Impact to 2,500 kWh customer		Highest Bill	Lowest Bill	



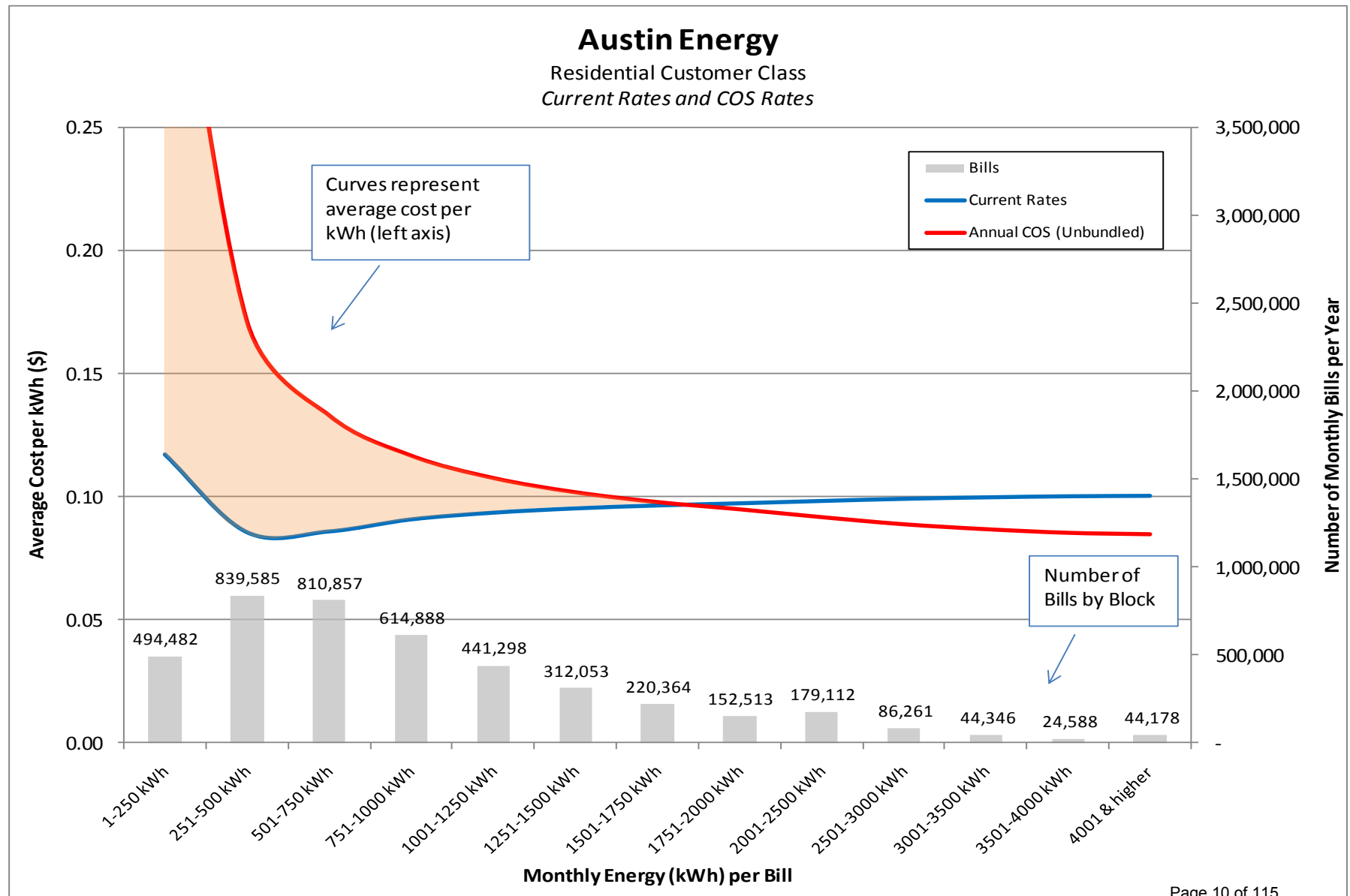


# Residential Rate Options

Bill Components	Existing Rate	Cost of Service	Option Supported by Rate Analysis & Recommendations Report	Staff Options		
	Includes Fuel	- - - - -	Option A Moderate Tiers	Option B Steep Tiers	Option C Status Quo	Option D Bundled Charge
Customer Charge (\$/month)	\$6.00	\$21.69	\$15.00	\$10.00	\$10.00	\$30.00
Electric Delivery (\$/month)	Inc. Below	\$14.13	\$10.00	\$10.00	\$6.24	N/A
Energy Charge (¢/kWh) – Summer Period (June-Sept)						
< 500 kWh (15% of bills)	6.948 ¢	7.504 ¢	5.514 ¢	5.514 ¢	6.948 ¢	0-300 (Cust.Chg.)
501 – 1000 kWh (26% of bills)	11.218 ¢		9.514 ¢	9.514 ¢	11.218 ¢	300-1000 @ 10.00¢
1001 - 1500 kWh (25% of bills)	11.218 ¢		12.014 ¢	13.503 ¢	11.218 ¢	12.188 ¢
1501 – 2500 kWh (25% of bills)	11.218 ¢		13.514 ¢	16.003 ¢	11.218 ¢	13.712 ¢
> 2500 kWh (9% of bills)	11.218 ¢		14.514 ¢	17.503 ¢	11.218 ¢	14.728 ¢
Energy Charge (¢/kWh) – Non-Summer Period (Oct-May)						
< 500 kWh (40% of bills)	6.948 ¢	6.968 ¢	4.411 ¢	4.411 ¢	6.948 ¢	0-300 (Cust.Chg.)
501 – 1000 kWh (37% of bills)	9.418 ¢		7.611 ¢	7.611 ¢	9.418 ¢	300-1000 @ 8.00¢
1001 - 1500 kWh (14% of bills)	9.418 ¢		9.611 ¢	10.802 ¢	9.418 ¢	9.750 ¢
1501 – 2500 kWh (7% of bills)	9.418 ¢		10.811 ¢	12.802 ¢	9.418 ¢	10.970 ¢
> 2500 kWh (2% of bills)	9.418 ¢		11.611 ¢	14.002 ¢	9.418 ¢	13.782 ¢
Energy Adjustment (¢/kWh)	Inc. Above		-	-	-	-
Community Benefit (¢/kWh)						
Customer Assistance Program	Inc. Above	0.065 ¢	0.065 ¢	0.065 ¢	0.065 ¢	0.065 ¢
Service Area Street Lighting	Inc. Above	0.114 ¢	0.114 ¢	0.114 ¢	0.114 ¢	0.114 ¢
Energy Efficiency Charge	Inc. Above	0.301 ¢	0.301 ¢	0.301 ¢	0.301 ¢	0.301 ¢
Regulatory Charge (¢/kWh)		0.729 ¢	0.729 ¢	0.729 ¢	0.729 ¢	0.729 ¢

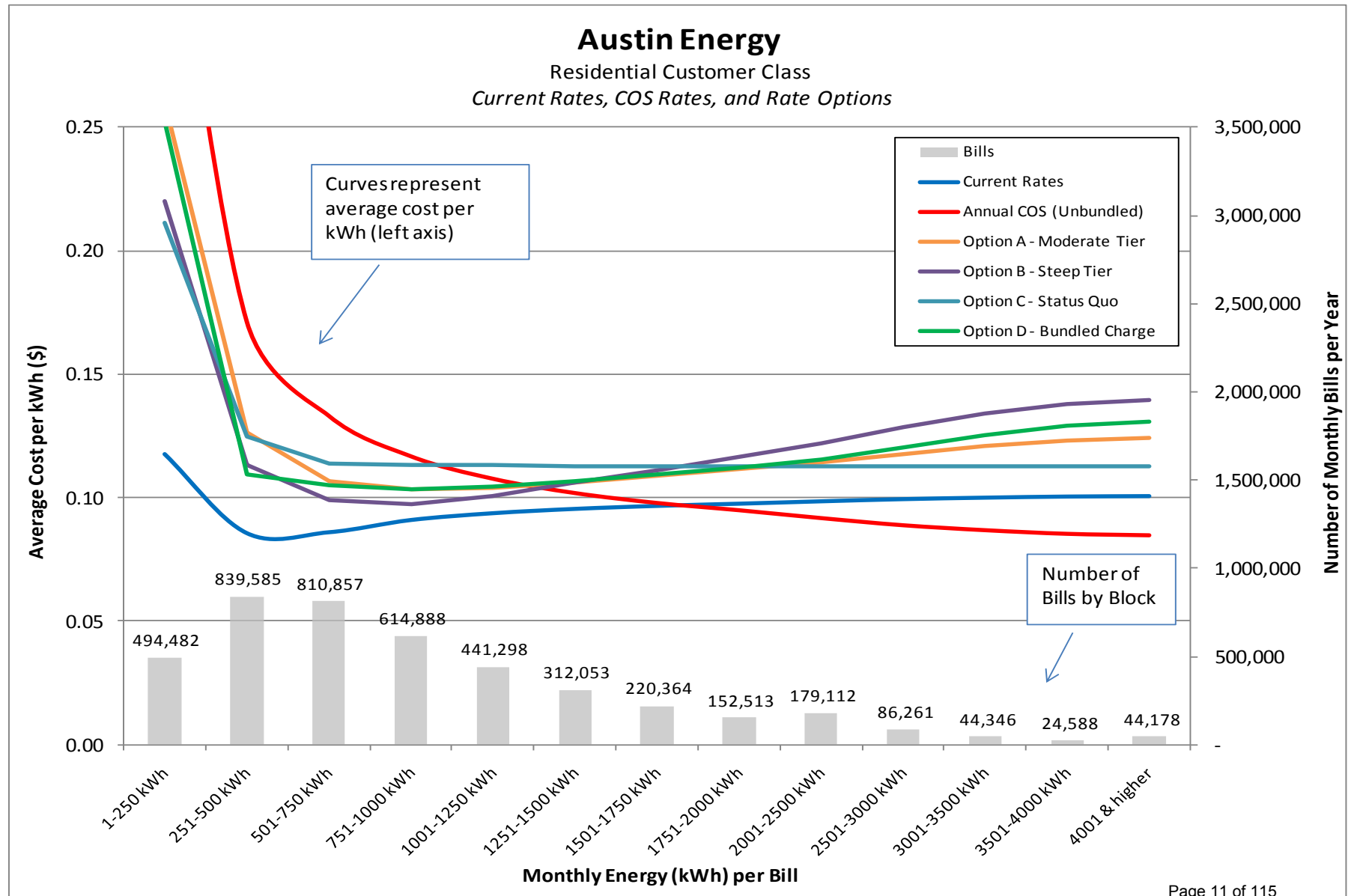


# Cost of Service Gap with Current Rates



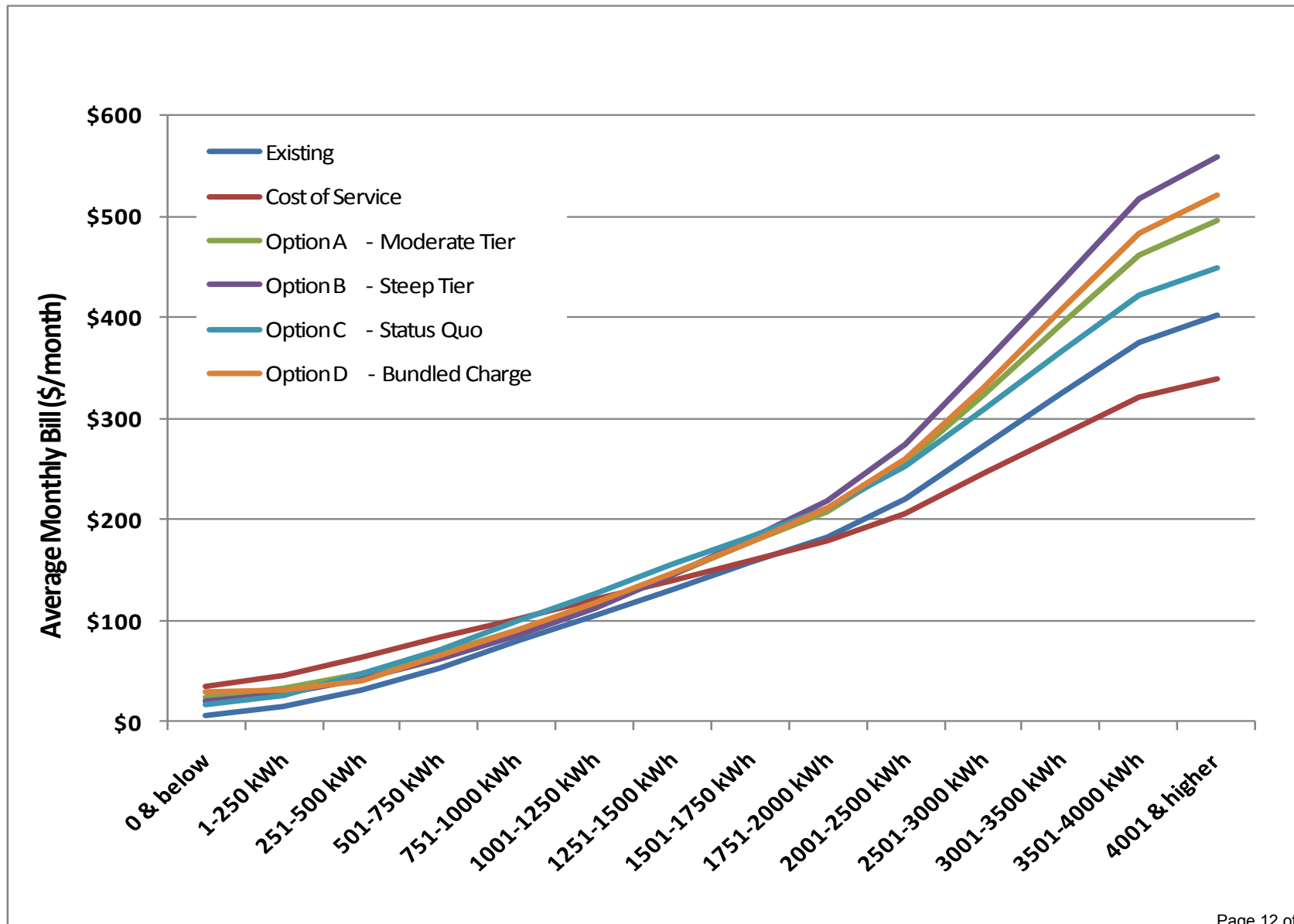


# Costs per kWh – Residential Rate Design Options



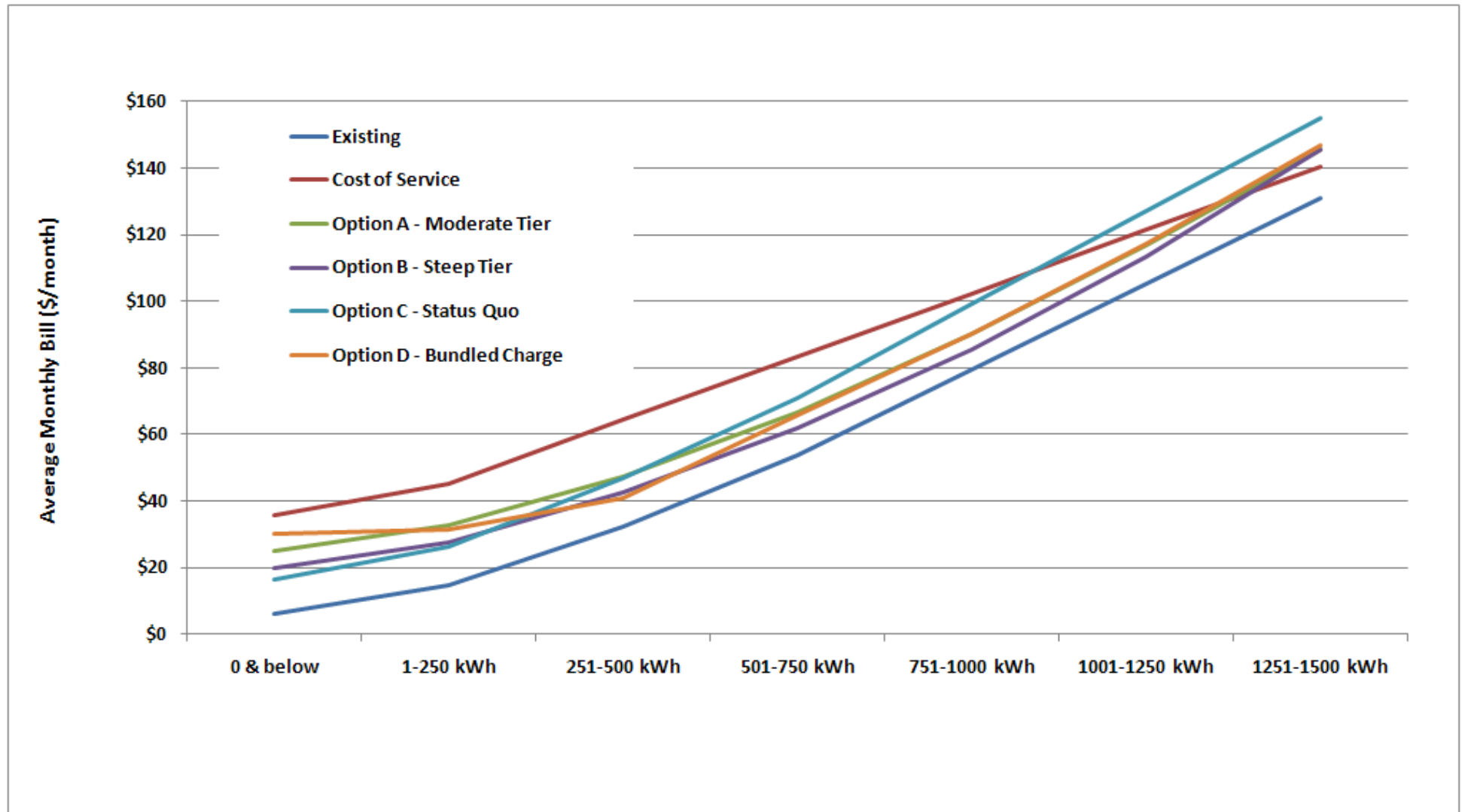


# Residential Monthly Bill By Rate Design Option





# Residential Monthly Bill At Low Usage By Rate Design Option





# Optional Residential Rates







## GreenChoice® Rate

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- GreenChoice Rate is included in the rate schedule
- Customers will be offered a long-term contract at a set GreenChoice rate
- Customers receive credit for fuel and energy production costs
- First offer not expected until new supply comes on line (early 2013)



## GreenChoice® Rate

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Same rate structure as last 10 years, except:

1. Supply will be sourced from a portfolio and priced based on average costs
2. Total payment (or credit) on bill will be for GreenChoice quantity NET of system renewable energy percentage (avoids “double sale” of green power)



## GreenChoice® Rate Determination (Cost in cents per kilowatt-hour)

HYPOTHETICAL EXAMPLE

**GreenChoice Fixed  
Price:**

**\$0.055**

**GreenChoice  
contract price**

**Minus Calculated Fuel  
(Net Settlement) Cost:**

**(\$0.033)**

**Effective GreenChoice  
subscription price –  
used to calculate  
GreenChoice adder on  
monthly bill:**

**\$0.022**



## GreenChoice® Rate Determination System Renewable Supply Adjustment

HYPOTHETICAL EXAMPLE – ASSUMES MONTHLY USE OF 1000 kWh

Total System Renewable %:	12%
Subtract Renewable % Allocated to GreenChoice Customers:	<u>(7%)</u>
Remainder – “System Renewables”:	5%
Net GreenChoice Purchase % (=100%-System Renewables):	95%
System Renewable Supply Adjustment:	$0.95 \times 1000 \text{ kWh}$
GreenChoice kWh purchased to bring customer to 100% renewable energy times effective GreenChoice subscription price:	$950 \text{ kWh} \times \$0.022$
<b>GreenChoice Adjustment Amount Added to Monthly Bill:</b>	<b>= \$20.09</b>

**Includes ALL renewable energy interconnected with Austin Energy distribution system**

**All customers share this, so it is subtracted from GreenChoice subscription level to avoid double sale of green power**



## Residential Solar Rate

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- ***Customer pays*** for total gross energy consumption at residential rates applicable to their consumption level
- ***Austin Energy pays*** customer for total solar production at ***Value of Solar Rate***
  - Value updated annually
  - Reflects value of locally generated solar energy that avoids fuel costs, transmission and distribution losses, and environmental value
  - 2011 is \$0.128 per kWh
- Improves incentives and more fairly rewards solar system operators for their energy



# Residential Time-of-Use Rate

Designed to compliment Option A only (Redesign required for Options B-D)

Name of Charge	Non-Summer Rate	Summer Rate	Non-Summer Rate	Summer Rate	Non-Summer Rate	Summer Rate
	(Oct-May)	(Jun-Sep)	(Oct-May)	(Jun-Sep)	(Oct-May)	(Jun-Sep)
Customer Charge (\$/month)	\$18	\$18	\$18	\$18	\$18	\$18
Electric Delivery Charge (\$/month)	\$10	\$10	\$10	\$10	\$10	\$10
Energy Charge (¢/kWh)	On-Peak Hours (Summer 2-8 p.m. only)		Mid-Peak Hours		Off-Peak Hours (10p.m.-6 a.m)	
< 500 kWh	n/a	10.500	3.200	7.500	2.200	3.800
501-1000 kWh	n/a	11.750	4.892	8.685	2.700	4.500
1001-1500 kWh	n/a	12.764	7.100	9.500	3.290	5.500
1501-2500 kWh	n/a	13.500	8.536	10.000	4.000	6.000
>2500 kWh	n/a	17.500	12.000	12.000	7.500	9.500
Energy Adjustment (¢/kWh)	0.000	0.000	0.000	0.000	0.000	0.000
Community Benefit Charge:						
Customer Assistance Program (¢/kWh)	0.065	0.065	0.065	0.065	0.065	0.065
Service Area Street Lighting (¢/kWh)	0.114	0.114	0.114	0.114	0.114	0.114
Energy Efficiency Charge (¢/kWh)	0.301	0.301	0.301	0.301	0.301	0.301
Regulatory Charge (¢/kWh)	0.729	0.729	0.729	0.729	0.729	0.729

Page 20 of 115





# Energy Efficiency Charge





## Energy Efficiency Charge

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- Included in Customer Benefit category
- Collected on a \$/kWh basis
- Energy Efficiency Services, Green Building, rebates and incentives
- Removes costs from base rate calculation
- About \$28 million in test year
- Annual reconciliation, budget amendments and fee changes as needed
- Establishes solid foundation for additional improvements



# Customer Assistance Program





# **Austin Energy Programs for Low-Income Customers**

- Customer Assistance Discount Program
- Free Weatherization Program
- Financial Support Program (Plus 1)
- Medically Vulnerable Population (MVP)
- Deferred Payment Arrangement (DPA)
- Budget Bill Program



## Customer Assistance Discount Program

- Rate redesign provides a dedicated funding mechanism for expansion of Customer Assistance Discount Program
- Work sessions with Customer Advocacy Group (CAG)
- Program redesign after rates are approved and funding amount is certain



## CAG Prioritization of Population in Need of Assistance

	Program	Percent of Federal Poverty Income Level (FPIL)*			Potential Unduplicated Volume
Tier 1	Parents with TANF Children (Types: 1, 4, 7, 11, 20, 29, 37, 47, 61, 71 & 72)	12%			1,280
	Medicaid Medically Needy (Type: 55)	18%			107
	Medicaid SSI/Aged/Disabled (Types: 3, 11, 12, 13, 14, 18, 19, 22, 23, 24, 25, 30, & 87)		74%		6,536
	SSI		74%		5,078
Tier 2	MAP			100%	10,899
	Medicaid Children Ages 6-18 (Type: 44)			100%	11,778
	CEAP			125%	3,467
Tier 3	SNAP			125-130%*	50,684
	Medicaid Children Ages 1-5 (Type: 48)			125-133%*	9,809
	Medicaid Pregnant Women/Infants (Type: 40, 42 & WHP)			125-185%*	844
	Medicaid Infants/Newborns (Type: 43 & 45)			125-185%*	2,396
	CHIP			125-200%*	4,782
	Total				107,660

**CAG = Customer Advocacy Group**

**\*The FPIL for a family of four is currently \$22,350 a year.**





## Funding for Customer Assistance Discount Program

Customer Assistance Program (CAP) Funding	Annual Estimated Revenue Generated
Current Program Test Year	\$ 3,100,000
<b>Austin Energy Staff Recommendation</b> All customers @ \$0.00065/kWh (includes voluntary contributions from contract customers)	\$ 7,658,446
<b>Residential Rate Advisor Recommendation</b> \$1/Residential class and \$0.00065/kWh for all other classes (includes voluntary contributions from contract customers)	\$ 9,520,837

**Note:** Contract customers would not be obligated to contribute to the program until their contracts expire May 2015. The estimated annual funding that would be generated by contract customers is \$1,650,977 at \$0.00065/kWh.



# Residential Rate Structure

## Decision Point List Issues





## Residential Rate Structure – DPL Issues

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- DPL Issue # 7: Update Residential Rate Structure
- DPL Issue # 9: Fuel and Energy Market Costs Recovery
- DPL Issue #10: Apply Regulatory Charge
- DPL Issue #11: Apply Community Benefit Charge
- DPL Issue #12: Update Summer Rate Period
- DPL Issue #13: Apply Customer Charge
- DPL Issue #14: Apply Electric Delivery Charge
- DPL Issue #15: Inclining Block Tiered Structure



## DPL Issue #7: Update Residential Rate Structure

Austin Energy Recommendation	Basis of Recommendation
<p>Unbundle rates and apply the following charges:</p> <ul style="list-style-type: none"><li>•Customer Charge</li><li>•Electric Delivery Charge</li><li>•Energy Charge</li><li>•Regulatory Charge</li><li>•Community Benefit Charge</li><li>•Energy Adjustment</li></ul>	<ul style="list-style-type: none"><li>•Supports Austin Energy's strategic objectives</li><li>•Energy efficiency and conservation</li><li>•Customer-owned generation (e.g., solar PV)</li><li>•Electric vehicle ownership</li><li>•Improves pricing transparency</li><li>•Improves fairness of rates by minimizing intra-class subsidization</li><li>•Improves fixed cost recovery</li><li>•Improves flexibility of future rate design</li></ul>

**Note:** Austin Energy has developed four residential rate design options for public input and feedback. Each option is an unbundled rate design, but the amount for each charge and the impact to different customers based on energy consumption varies.



## DPL Issue #9: Fuel and Energy Market Costs Recovery

Austin Energy Recommendation	Basis of Recommendation
Recover Test Year fuel-related costs in the energy charge and apply an energy adjustment in future years to account for future fluctuations in fuel-related and energy market costs.	<ul style="list-style-type: none"><li>• Cost recovery mechanism aligns better with current ERCOT wholesale market and recognizes the accounting of energy market costs</li><li>• Energy adjustment minimizes risks to the utility associated with variable fuel costs while maintaining the transparency of these costs.</li></ul>

**Note:** Independent Residential Rate Advisor disagreed with this recommendation and recommended that fuel and energy costs be shown as discrete line items on the electric bill.



## DPL Issue #10: Apply Regulatory Charge

Austin Energy Recommendation	Basis of Recommendation
<p>Apply a regulatory charge to recover costs associated with transmission and ERCOT fees and remove these costs from the energy charge.</p>	<ul style="list-style-type: none"><li>• Helps pass-through costs predominantly outside of Austin Energy's control</li><li>• Improves transparency of these costs</li></ul>

**Note:** Supported by the Independent Residential Rate Advisor.





## DPL Issue #11: Apply Community Benefit Charge

Austin Energy Recommendation	Basis of Recommendation
<p>Apply a community benefit charge to recover costs associated with the following items:</p> <ul style="list-style-type: none"><li>• Customer Assistance Program</li><li>• Service area street lighting</li><li>• Energy efficiency-related programs (energy efficiency, Green Building, and solar rebate program)</li></ul>	<ul style="list-style-type: none"><li>• Improves transparency of these costs</li></ul>

**Note:** Supported by the Independent Residential Rate Advisor.



## DPL Issue #12: Update Summer Rate Period

Austin Energy Recommendation	Basis of Recommendation
<b>Shorten summer rate period from six (May – October) to four months (June – September) so that stronger pricing signals can be provided during the summer time period and to align with ERCOT.</b>	<ul style="list-style-type: none"><li>• <b>Allows for stronger pricing signals in the summer to incentivize customers to reduce summer peak demand through energy efficiency, conservation, load shifting, or customer-owned generation</b></li><li>• <b>Aligns with ERCOT summer and non-summer rate periods</b></li></ul>

**Note:** Recommended to Austin Energy by the Independent Residential Rate Advisor.



## DPL Issue #13: Apply Customer Charge

Austin Energy Recommendation (Option A*)	Basis of Recommendation
<b>Raise the current Residential Customer Charge from \$6 to \$15 and remove this portion of residential customer-related costs from the variable energy charge.</b>	<ul style="list-style-type: none"><li>• Moves closer to cost to serve customers to support customer service function (\$21.69)</li><li>• Improves fixed cost recovery</li><li>• Supports AE's strategic objectives</li><li>• Improves fairness of rates by minimizing intra-class subsidization</li></ul>

**Note:** \*This recommendation varies by option. Any customer-related costs not recovered through the Customer Charge would be recovered through the Energy Charge.

**Note:** Supported by the Independent Residential Rate Advisor.



## DPL Issue #14: Apply Electric Delivery Charge

Austin Energy Recommendation (Option A*)	Basis of Recommendation
<b>Move distribution costs from the energy charge to an electric delivery charge for residential customers set at \$10 and remove this portion of residential distribution costs from the variable energy charge.</b>	<ul style="list-style-type: none"><li>• Moves closer to cost to serve customers to support distribution (electric delivery) function (\$14.13)</li><li>• Improves fixed cost recovery</li><li>• Supports AE's strategic objectives</li><li>• Improves fairness of rates by minimizing intra-class subsidization</li></ul>

**Note:** \*This recommendation varies by option. Any distribution costs not recovered through the Electric Delivery Charge would be recovered through the Energy Charge.

**Note:** Supported by the Independent Residential Rate Advisor with recommendation to add a second electric delivery charge for variable electric delivery costs and remove all electric delivery charges from the energy charge.



## DPL Issue #15: Inclining Block Tiered Structure

Austin Energy Recommendation	Basis of Recommendation
<b>Expand existing residential inclining block rate structure from two tiers to five tiers to provide stronger conservation and energy efficiency pricing signals to the highest users in the residential customer class.</b>	<ul style="list-style-type: none"><li>• <b>Provides stronger conservation and energy efficiency pricing signals to the highest users in the Residential customer class</b></li><li>• <b>Helps account for higher costs to serve customers with greater energy use</b></li></ul>

**Note:** Austin Energy has developed four residential rate design options for public input and feedback. Three of the four residential rate design options move from a 2-tier to a 5-tier rate structure. One option maintains the 2-tier rate structure.

**Note:** Supported by the Independent Residential Rate Advisor.



## DPL Issue #16: Customer Assistance Program Funding

Austin Energy Recommendation	Basis of Recommendation
<b>Fund the Customer Assistance Program with a Community Benefit Charge sub-component of \$0.00065/kWh to all customers, including residential customers.</b>	<ul style="list-style-type: none"><li>• <b>Consistent with funding mechanism used in the competitive markets in Texas</b></li><li>• <b>Provides economic assistance to a greater number of low-income customers in need of assistance</b></li><li>• <b>Allows flexibility to administer funds to best meet the needs of Customer Assistance Program participants</b></li></ul>

**Note:** Independent Residential Rate Advisor recommended a flat fee to residential customers of \$1 per month.





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***Mission***  
***To provide clean, affordable, reliable energy  
and excellent customer service***



***Return to EUC Agenda***

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# **Rate Review Responses to Requests for Information and Questions**

**For Questions Received at the Electric Utility Commission Meeting on  
September 1, 2011 and following the meeting through September 9, 2011**  
(Questions received on September 12 will be provided prior to the September 19 EUC Meeting)

**Released: September 14, 2011**

## Rate Review - Responses to Questions and Requests for Information

**REQUEST NO.: EUCMtg1**

**REQUESTED in EUC Meeting #1 on 9/1/2011**

**DATE REQUESTED: 9/1/2011**

**RESPONSE FILED: 9/14/2011**

### **CUSTOMER DATA**

**EUCMtg1.1** Does Austin Energy have data on the income levels of residential low users of electricity or other characteristics of low users? (Michael Webber, EUC Commissioner)

**Response:** Austin Energy does not have income data for individual customers. Austin Energy can identify customers using less than 500 kWh in a month, the electric rate billed, whether or not the premise is inside or outside the City of Austin city limits, and estimate whether the customer account is a single-family or multi-family residence (based on a field in the customer billing system that has not been verified, and so is of questionable reliability).

Austin Energy's residential customer data does show relationships between energy use and (1) weather and (2) the type of residence (i.e., single-family or multi-family). The number of residential customers using less than 500 kWh tends to follow weather patterns with use typically going down in November, March, and April. In August, residential consumption tends to peak. However, in August 2009 there were 48,000 customers using less than 500 kWh in that month. Geographically, low users are spread over Austin Energy's service area, with larger concentrations of low users in zip codes with a relatively higher number of apartment complexes.

The following is information on residential customers using 500 kWh or less (identified for the purposes of this analysis as low users) in the months of August 2009 and March 2009. The percentages shown represent the population of residential customers using 500 kWh or less during that month.

	<b>August 2009</b>	<b>March 2009</b>
<b># Residential Customers with Less Than 500 kWh</b>	48,461	172,145
<b>% with Less Than 500 kWh</b>		
E01 Residential	14%	48%
E01A Customer Assistance Program Participants	6%	61%
Residential GreenChoice®	5%	47%
Inside City of Austin Limits	94%	93%
Single-family*	3%	37%
Multi-family*	21%	58%
Note: * Estimated		

**EUCMtg1.2** How many residential meters at any time are unoccupied? (Michael Webber, EUC Commissioner)

**Response:** Austin Energy does not have specific data on vacancy status of residential customers. Estimates of vacancy can be made based on monthly electricity consumption customer data. The table below shows residential customer accounts billed for 50 kWh or less in a month.

**Residential Accounts with 50 kWh or Less of Consumption by Month (FY 2009)**

FY	Month	Residential				
		Unfiltered Bill	Active Acct Using 0 kWh or Less	% of 0 kWh or Less	Active Account Using 50 kWh or Less	% of 50 kWh or Less
2009	Oct-08	359,284	1,963	0.5%	6,203	1.7%
2009	Nov-08	357,493	2,241	0.6%	8,398	2.3%
2009	Dec-08	359,236	2,332	0.6%	9,149	2.5%
2009	Jan-09	360,253	2,263	0.6%	8,838	2.5%
2009	Feb-09	360,335	2,128	0.6%	10,633	3.0%
2009	Mar-09	360,754	2,197	0.6%	10,284	2.9%
2009	Apr-09	362,392	2,365	0.7%	10,223	2.8%
2009	May-09	363,087	2,215	0.6%	8,520	2.3%
2009	Jun-09	365,118	2,288	0.6%	6,879	1.9%
2009	Jul-09	366,890	1,924	0.5%	5,535	1.5%
2009	Aug-09	370,258	1,728	0.5%	5,390	1.5%
2009	Sep-09	366,137	1,616	0.4%	5,273	1.4%
<b>Average</b>		<b>362,603</b>	<b>2,105</b>	<b>0.6%</b>	<b>7,944</b>	<b>2.2%</b>

**EUCMtg1.3** What percent of residential customers live in apartments? (Phillip Schmandt, EUC Chair)

**Response:** Based on the data in Austin Energy's Customer Information System, which is unverified and of questionable reliability, Austin Energy estimates that 47 percent of all Austin Energy residential customers live in single-family homes and 53 percent of all Austin Energy residential customers live in multi-family dwellings as shown in the table below. Census data does confirm the overall 47% / 53% numbers below.

Type of Residential Customer	% Single-Family	% Multi-Family
E01 Residential Customers	46	54
E01A Customer Assistance Program Participants	47	53
GreenChoice Residential Customers	80	20
<b>All Residential Customers</b>	<b>47</b>	<b>53</b>

**ELECTRIC DELIVERY CHARGE**

**EUCMtg1.4** Why is the proposed Electric Delivery Charge not a production cost? (Shudde Fath, EUC Commissioner)

**Response:** The Electric Delivery Charge recovers the operating and capital costs for distribution substations, poles, wires, conductors, and transformers required to deliver power to customer as discussed on page 109, Section 5 of the full-length Rate Analysis and Recommendations Report. Production costs include fuel and purchased power expenses, and certain operation and maintenance and capital costs related to the financing and repair and replacement of Austin Energy's power generation resources as discussed on page 67, Section 4 of the full-length Rate Analysis and Recommendations Report. Austin Energy is proposing to recover production costs through kWh and kW charges depending on the customer class and electric delivery costs through either a kW charge or a \$/month charge depending on the customer class.

**REVENUE REQUIREMENT/COST OF SERVICE**

**EUCMtg1.5** Why use 50 percent cash funding for capital projects? Norm is 20 percent equity funding? (Barbara Day, EUC Commissioner)

**Response:** Austin Energy assumes 50 percent debt to equity financing on all capital projects for the Test Year. This ratio is consistent with its current capital structure, financial policies, and industry best practices, and was used and approved for Austin Energy by the Public Utility Commission of Texas in Austin Energy's most recent Transmission Cost of Service filing. Since deregulation in 1999, electric utilities have generally targeted 50 percent debt to equity ratios.

**EUCMtg1.6** Why are lighting electric rates so much higher per kWh than other electric rates? (Michael Webber, EUC Commissioner)

**Response:** There are several factors that contribute to the comparably higher cost of service per kWh for the lighting customer classes, as compared with the other customer classes.

1. **Low Energy Use** – Together, the lighting customer classes represent only 0.4 percent of kWh sold in the Test Year. Lights use very little energy compared to the infrastructure required to serve them. Thus, the denominator in the calculation of cost of service per kWh is small given the cost of service, resulting in a comparably higher cost of service per kWh.
2. **Direct Assignments** – The lighting customer classes have significant distribution-related fixed costs that are directly attributable to lighting. Some of these costs include poles, fixtures, and lamps. The direct assignment of distribution costs to the lighting classes represents a significant cost to be recovered over a relatively small amount of energy use.
3. **Production Allocation** – The use of the Average and Excess Demand (AED) production allocation method impacts the cost of service identified for the lighting customer classes. This is due to the fact that the AED method assigns a portion of production function demand-related costs to each customer class based on the class' excess demand, which is calculated using the class non-coincident peak (NCP). Although the lighting class' NCP occurs in the evening, the AED method assumes that production demand provides value

to all customer classes regardless of the class contribution to the system peak. The use of the AED method causes the cost of service for the lighting classes to be higher than it would be under some other production allocation methods (e.g., the 4 Coincident Peak method).

**EUCMtg1.7** What is the cost difference between keeping a 2.0 debt service coverage ratio and a 1.25 debt service coverage ratio? (Shudde Fath, EUC Commissioner)

**Response:** The difference between a debt service coverage ratio of 2.0x and a 1.25x coverage ratio for Austin Energy is \$125,785,093. 1.25x debt service coverage does not comply with Austin Energy's financial policy targets and does not support the criteria for credit ratings. Changing the debt service coverage amount would not impact Austin Energy's revenue requirement as debt service coverage is not a driver of the utility's revenue requirement. Austin Energy's rates are based on the cash flow methodology.

**EUCMtg1.8** What are the line extension policies (fees) of other utilities? (Steve Smaha, EUC Commissioner)

**Response:** This data is not available. Austin Energy has not compiled specific utility comparison data on line extension policies.

**EUCMtg1.9** What transfers to and from the City of Austin are included in the Test Year revenue requirement? Was Holly Good Neighbor Program included? (Steve Smaha, EUC Commissioner)

**Response:** Please see Work Paper (WP) 7, Appendix D, page D-204 and D-205 of the full-length Rate Analysis and Recommendations Report. In addition to WP 7 there are also transfers to the City of Austin of \$3,959,063 for vehicle fuel and maintenance and reimbursements of \$15,251,464 to Austin Energy from the City for Customer Care-related expenses.

The Holly Good Neighbor Program was not included in transfers to the City. Austin Energy provided funding for this program, in the amount of \$397,761, directly to recipients. These program costs are included in the TY revenues.

**EUCMtg1.10** What is the cost of service for contract customers and the amount that would not be collected from these customers until their contracts expired? Table 12 in the summary report is not clear on this. (Steve Smaha, EUC Commissioner)

**Response:** Slide 18 of Austin Energy's presentation to the Electric Utility Commission on September 1, 2011 shows a \$20,751,131 needed increase in revenues from contract customers under Austin Energy's revenue requirement request. This is the amount needed to meet the adjusted cost of service satisfying the policy metric of all rates being within 5 percent of the cost

September 14, 2011

4 | Page

of service as shown in slide 20 of that presentation. Under the Average and Excess Demand (AED) cost allocation methodology (Austin Energy's recommended production demand cost allocation methodology), contract customers are under cost of service by approximately \$11.8 million.

**EUCMtg1.11** Will contract customers be subsidized by other customers? (Steve Smaha, EUC Commissioner)

**Response:** No, the revenue shortfall from contract customers will not be subsidized by other customers.

**EUCMtg1.12** Is there a difference in cost of service for apartment owners and homeowners in the residential customer class? (Phillip Schmandt, EUC Chair)

**Response:** Austin Energy does not have validated single-family and multi-family data and has not evaluated the cost of service for apartment owners and homeowners separately in the cost of service study. All residential customers were grouped into one Residential customer class for the cost of service study.

**EUCMtg1.13** It appears that current rates are close to cost of service, particularly for the residential customer example #3. Why go through a rate case at this time if the current rates are tracking cost of service well? (Phillip Schmandt, EUC Chair)

**Response:** While current rates are tracking close to cost of service for some residential customers, they are not tracking close to cost of service for many residential customers. In particular, low users (those under 500 kWh of usage in a month) are currently paying significantly under their cost of service. This is shown in the Residential Customer Example #1 in which a customer who averages 427 kWh a month is currently paying only about half of their cost of service. Residential Customer Example #2 (771 average monthly consumption) is also paying well under cost of service in most months. Figure 6.2 on page 125 of the full-length Rate Analysis and Recommendations Report shows the cost of service curve (price per kWh at different levels of monthly consumption) compared to current rates and Option A for the new residential rate design. This chart demonstrates that current rates are not currently tracking cost of service well for most residential customers. Customers consuming less than about 1,500 kWh are currently paying below cost of service (with the lowest users paying significantly under cost of service) and customers consuming more than about 1,500 kWh are paying greater than cost of service under current rates.

## **ENERGY CHARGE/ADJUSTMENT/FUEL**

**EUCMtg1.14** How is fuel hedging accounted for in the cost of service study? (Gary "Bernie" Bernfeld, EUC Commissioner)

**Response:** Hedging costs are included in the normalized cost of fuel. For more detail, please refer to the response to ComDay1.7.

## **COST ALLOCATION**

**EUCMtg1.15** Why not use the Baseload Intermediate Peak (BIP) Method if it aligns the closest with the nodal market? (Gary “Bernie” Bernfeld, EUC Commissioner)

**Response:** See response to EUCMtg 1.16 below.

**EUCMtg1.16** What was the decision process for choosing the AED method over the BIP method? (Steve Smaha, EUC Commissioner)

**Response:** In the February 23, 2011 Austin Energy Rate Review White Paper #3: Revenue Requirement and Cost of Service prepared for Austin Energy Rate Review Public Involvement Committee (PIC #3), SAIC (formerly R. W. Beck) described in detail the following four cost allocation methods:

1. Coincident Peak (CP) - Peak Demand Method: Allocates production costs to customer classes based on the class contribution to the system peak between 1 and 12 months of the year (known as 1CP, 12CP, etc.) depending on the length of the peak demand period of the year. This method recognizes that from a utility’s perspective, it is primarily concerned with having adequate production capacity to meet its system peak demand requirement. System demand is the utility’s primary cost driver for making capital investments in production assets.
2. Average and Excess Demand (AED) – Energy Weighting Method: Allocates production costs to customer classes based on a combination of both demand and energy measures. This method recognizes that a typical portfolio of generation resources is designed to serve peak demand and energy needs as well as the energy needs and load characteristics of the customers the utility serves. A utility’s generation portfolio is allocated to each customer class using a ratio of maximum demand and energy requirements for each customer class and thus better reflecting customer class electricity usage characteristics.
3. Probability of Dispatch (POD) – Time-Differentiated Method: Allocates production costs to customer classes based on the probability generation resources will be needed to serve the customer classes. Each customer class is allocated production costs in proportion to their use of power generation resources. Depending on how resources are dispatched, production costs can be classified as both demand-related and energy-related. The POD method requires the utility to develop hourly load curves for the system as a whole and for each customer class during a test year period to show how demand is used at each hour of the day during the test year period. The utility then analyzes dispatch of power production resources to meet system load to determine how the costs of each resource should be allocated to customer classes based on the timing of dispatch of the



resources compared to each customer class' requirements. Under this method, each customer class is responsible for the costs of the production resources based its hourly usage requirements throughout the year rather than only during peak demand hours.

4. Baseload, Intermediate and Peaking (BIP) – Time-Differentiated Method: Allocates demand-related production costs to customer classes based on each customer class' requirements for energy and demand during baseload, intermediate, and peak time periods. The generation investments are bifurcated and allocated differently to each customer class using either energy or demand, with generating units placed into these categories based on both unit design and operational factors. The BIP method is concerned with the use of generation assets over the course of a test year period: base load units (i.e., those that operate most hours of the year) are allocated to customer classes based on energy; intermediate and peaking units (i.e., those that operate less frequently during the year) are allocated to customer classes based on class contributions to peak demands. As a result of this bifurcation, a significant portion of generation fixed costs are allocated to customer classes based on energy requirements.

The evaluation of generation demand related costs was conducted with an understanding that:

- 1) All four allocation methods are reasonable. As stated in Public Involvement Committee (PIC) #3, page 20, "demand allocation methods can vary by utility due to differences in the utility's business and cost structure, customer base, customer characteristics, and rate design philosophy; and
- 2) In 1997 the Austin City Council adopted a policy endorsing the POD method for future COS studies (see PIC #3, page 26). Given this prior policy, particular focus was given to time-differentiated allocation methods for consistency purposes even though these methods are not commonly used in Texas

An in-depth discussion of each of the four methods is provided in PIC #3, pages 20-34. As discussed in this paper on page 32, SAIC recommended the BIP method be used in lieu of the POD method: "R. W. Beck is recommending the BIP method in lieu of the Probability of Dispatch (POD) method due to changes in the ERCOT market making the POD method inadequate for production cost allocation. Given this recommendation, R. W. Beck believes that a transition to the BIP method for production cost allocation warrants further discussion." This recommendation was preliminary and presented to Austin Energy for further consideration as stated on the bottom of PIC #3, page 21: "This paper includes an initial recommendation from R. W. Beck for the approach that AE should use considering the current electricity market in which it operates. These approaches will be discussed further at PIC Meeting #3 and PIC members will have the opportunity to provide input on which method AE should use in its COS study."

Subsequent feedback received from PIC participants included support of BIP, AED and 4CP methods. Commercial and large industrial customers tended to support the AED and 4 CP methods, presumably because they produced a lower cost of service result for their respective customer classes. Residential customer's preferred the BIP method, again presumably because

the method resulted in a lower cost of service result for the residential customer class. Preference appeared to be heavily influenced by cost of service results rather than the underlying cost allocation philosophy and there was no consensus for any of the presented methods by the PIC members. In order to facilitate rate design discussions in the final three PIC meetings, all rates were designed using the BIP cost of service results.

Upon completion of the PIC process, Austin Energy re-evaluated each demand allocation alternative. This evaluation included an assessment of industry practice, Public Utility Commission of Texas (PUCT) precedent, feedback received from the PIC process, and alignment with Austin Energy's programs and strategic objectives. During this evaluation, it was affirmed that the AED method was widely used across the industry and accepted by the PUCT. Additionally, the AED method allocates generation costs using both customer class demand and energy requirements, considers customer class maximum non-coincident demand and energy requirements (class load factor), and reflects a strong demand-side perspective consistent with AE's policy and strategic objectives. The AED method is consistent with the fact that customers receive value from both system capacity available to meet peak demand requirements and energy available to meet customer needs during all other times of the day.

Alternatively, the 4CP method that was reviewed with the PIC reflects an even stronger demand-side perspective as this method focuses exclusively on class coincident demand but does not take into consideration customer energy requirements. Both the AED and 4CP methods differ significantly in philosophy compared with the time-differentiated allocation methods: time-differentiated methods (such as BIP) focus on generation supply and the use of various units in the generation portfolio in serving load but in the process these methods understate the value of generation to meet the peak demands of customers.

Given these distinctions, AE believes that the AED method strikes a proper balance when allocating generation fixed costs to customer classes by recognizing the value of generation resources to meet both demand and energy requirements. Further, the method recognizes the relationship between customer classes' demand and energy levels (i.e., class load factors) and aligns well with AE demand-side policies and proposed rate structures that charge customers based on maximum monthly demands and energy use. The methodology rewards customers and in aggregate customer classes that use power in a highly efficient manner. As such, the AED method supports desired pricing signals that incentivize customers to reduce peak demand and associated energy consumption.

**EUCMtg1.17** Wants to see similar results to those shown in slide 20 for the Baseload, Intermediate, Peak (BIP) method. (Steve Smaha, EUC Commissioner)  
Assigned to: Chris Smith

**Response:** On the following page is the cost of service results by customer class under the BIP method compared to the AED and the 4CP methods. The increase needed to meet the policy metric of within 5 percent of cost of service is not shown in the table below as this requires a manual adjustment by Austin Energy based upon consideration of the increase for each particular customer class while ensuring that overall rates recover the utility's revenue requirement.

### Comparison of Results of Cost Allocation Methods

			Average and Excess Demand		Base Intermediate Peak		4 CP	
			Deficiency at Cost of Service	Increase to Equal Cost of Service	Deficiency at Cost of Service	Increase to Equal Cost of Service	Deficiency at Cost of Service	Increase to Equal Cost of Service
		<b>Test Year 2009 Revenue</b>						
Residential		\$ 373,304,903	\$ 107,030,692	28.7%	\$ 81,226,870	21.8%	\$ 100,845,018	27.0%
Secondary Voltage < 10 kW		36,421,201	10,017,555	27.5%	9,768,218	26.8%	10,265,502	28.2%
Secondary Voltage 10 - 49.9 kW		91,141,558	3,285,259	3.6%	1,933,907	2.1%	4,652,436	5.1%
Secondary Voltage ≥ 50 kW		349,970,012	2,248,936	0.6%	10,692,717	3.1%	7,530,836	2.2%
Primary Voltage < 3 MW		30,377,964	(1,188,058)	-3.9%	958,233	3.2%	(909,171)	-3.0%
Primary Voltage 3 - 19.9 MW		47,083,898	4,620,389	9.8%	10,756,141	22.8%	4,364,467	9.3%
Primary Voltage ≥ 20 MW		57,555,036	5,067,301	8.8%	13,918,552	24.2%	5,187,227	9.0%
Transmission Voltage		15,816,915	(1,622,040)	-10.3%	846,844	5.4%	(1,463,972)	-9.3%
Lighting Classes <sup>1</sup>		2,462,410	2,426,871	98.6%	1,785,423	72.5%	1,414,561	57.4%
		\$ 1,004,133,897	\$ 131,886,905	13.1%	\$ 131,886,905	13.1%	\$ 131,886,905	13.1%
Notes:								
<sup>1</sup> Lighting Classes excludes Service Area Street Lighting, as the cost for this class has been allocated to all other customer classes as a community benefit								

**CUSTOMER ASSISTANCE PROGRAM/LOW-INCOME**

**EUCMtg1.18** How many customers can be served under the Customer Assistance Program with increased funding as proposed by Austin Energy? (Gary “Bernie” Bernfeld, EUC Commissioner)

**Response:** The number of customers provided an electric utility bill discount under the Customer Assistance Program is dependent on the amount of funding for the program and the structure of the discount. Currently, about 10,000 customers are provided the Customer Assistance Program discount with about \$3.1 million in discounts and waivers. \$7,658,446 is the proposed funding (assuming voluntary contribution by long-term contract customers) at \$0.00065 per kWh as shown in Table 4.20, page 94 of the full-length Rate Analysis and Recommendations Report.

**ALTERNATIVE RATES**

**EUCMtg1.19** Is Austin Energy considering daily rate adjustments, like time-of-use pricing? (Michael Webber, EUC Commissioner)

**Response:** Austin Energy is proposing to offer a time-of-use pricing alternative rate option for all residential, commercial, and industrial customers with an initial enrollment cap of 2,000 residential customers and the higher of 10 percent of the customers in each commercial and industrial customer class or 10 customers for each commercial or industrial customer class. Detailed information on time-of-use rates for residential customers is provided on pages 137-142 of the full-length Rate Analysis and Recommendations Report and on pages 194-202 of the report for commercial and industrial customers.

**EUCMtg1.20** Is Austin Energy offering a buyback rate for solar PV customers? (Michael Webber, EUC Commissioner)

**Response:** Yes, Austin Energy is proposing to maintain a net metering rate for customers with distributed generation, such as solar PV, and to apply a credit at the annual value of solar rate for excess energy generated on a monthly basis with the intent to move to a separate solar rate when meter data management capabilities are achieved. The net metering rate proposal, including information on how the value of solar rate is determined, for residential customers is described on pages 136-137 of the full-length Rate Analysis and Recommendations Report and on pages 193-194 of the report for commercial and industrial customers.

**AUSTIN ENERGY’S GENERATION PLAN**

**EUCMtg1.21** What is the status of Austin Energy’s study on divesting in the Fayette Power Project power plant? (Cyrus Reed, Sierra Club)

**Response:** This question is outside the scope of the rate review.

**EUCMtg1.22** What is the status on Austin Energy's 800 MW by 2020 energy efficiency goal? Is the current budget insufficient to meet this goal? (Cyrus Reed, Sierra Club)

**Response:** This question is outside the scope of the rate review.

**EUCMtg1.23** What is the status of Austin Energy's 200 MW by 2020 solar goal? How does the rate proposal support solar PV? (Cyrus Reed, Sierra Club)

**Response:** Through the end of Fiscal Year 2010, Austin Energy had 6 megawatts (MW) of installed solar generation capacity (solar for schools, municipal entities, and provided rebates). A 30 MW solar plant (Webberville plant) owned by Austin Energy is expected to come on-line by the end of 2011, and is included in the proposed rates as a Known and Measurable Adjustment. This rate proposal supports solar PV in two ways: 1) by continuing Austin Energy's support of its solar rebate program in the amount of approximately \$4 million a year and 2) by proposing to maintain a net metering rate for customers with distributed generation such as solar PV customers and to apply a credit at the annual value of solar rate for excess energy generated on a monthly basis with the intent to move to a separate solar rate when meter data management capabilities are achieved. The net metering rate proposal, including information on how the value of solar rate is determined, for residential customers is described on pages 136-137 of the full-length Rate Analysis and Recommendations Report and on pages 193-194 of the report for commercial and industrial customers.

## **Rate Review - Responses to Questions and Requests for Information**

**REQUEST NO.: CmDay1**

**REQUESTED BY: Commissioner Barbara Day**

**DATE REQUESTED: 9/6/2011**

**RESPONSE FILED: 9/14/2011**

Please provide the following information, or documents. For voluminous information it is satisfactory to make the documents available for review at the offices of Austin Energy. If made available on-site, please make available the ability to copy certain pages from the documents.

### **GENERAL QUESTIONS**

**CmDay1.1** Please make available for review at Austin Energy offices, audits of the utility for Fiscal Year (FY) and/or calendar years 2008, 2009, 2010. If this information is instead available on a calendar year basis, that is acceptable.

**Response:** Audited Comprehensive Annual Financial Report (CAFR) financial statements for Austin Energy are available on: <http://www.ci.austin.tx.us/controller/>

**CmDay1.2** Make available for review at Austin Energy offices Austin Energy's monthly variance reports for FY and/or calendar years 2008, 2009, 2010.

**Response:** This information is attached as Attachment CmDay1.2. The original documents have been provided. Please note that some documents are marked as confidential as they were confidential at the time of the release of the document. These documents are no longer considered confidential.

**CmDay1.3** Make available for review Austin Energy's bond instruments from bonds issued in 2008, 2009, 2010, 2011.

**Response:** Austin Energy bond prospectus information is available at: <http://www.ci.austin.tx.us/financeonline/finance/official.cfm>

**CmDay1.4** Please provide me with a copy of the Federal Energy Regulatory Commission (FERC) Uniform System of Accounts for Electric, along with the instructions. [I was unsuccessful in accessing this online.]

**Response:** The FERC Uniform System of Accounts for Electric can be found at this web address: <http://ecfr.gpoaccess.gov/cgi/t/text/text-idx?c=ecfr&sid=a1c36a909490a7f1508137221b50c2c6&rgn=div5&view=text&node=18:1.0.1.3.34&idno=18>

**CmDay1.5** Make available for review at Austin Energy's office the American Public Power Association (APPA) study/report referenced on pg. 49 of Section 3 of the rate request.

**Response:** This report has been provided directly to Commissioner Day and can be provided to other Commissioners.

### **OFF-SYSTEM SALES REVENUES**

**CmDay1.6** Provide gross and net level of off-system sales revenues for 2008, 2009, 2010 broken down by month, and show the FERC account to which booked.

**Response:** Please see Table CmDay1.6 attached.

**CmDay1.7** Show and explain Austin Energy's calculation to "normalize" off-system sales revenues in the revenue requirement calculation. The explanation on page 54 of Section 3 is insufficient and unclear so reference to that is not sufficient to respond to this question.

**Response:** Test Year energy and demand [kilowatt-hour (kWh) and kilowatt (kW) sales] are adjusted to reflect normal weather and the effect of having consumption based on year-end customer count for a 12 month period. In the nodal market, Austin Energy purchases energy sufficient to meet its customer load while its generation fleet is bid into the market for sale and economically dispatched. The generation requirements for the normalized load are simulated using UPLAN software which models the nodal market. The UPLAN simulations include not only Austin Energy's nodal market purchases but also the dispatch of its generation fleet into the nodal market. Revenue from dispatched generation benefits Austin Energy's customers by netting against nodal market purchases and reducing the cost of purchased power reflected in FERC 555. In the test year, Austin Energy's generation acts as a hedge and reduces power costs. Please see Work Paper (WP) 44 in Appendix D, page D-293 in the full-length Rate Analysis and Recommendations Report for actual adjustments to the Test Year power costs.

**CmDay1.8** Identify by dollar amount and FERC account all off-system sales revenues in each month of 2011.

**Response:** In the nodal market, Austin Energy can no longer distinguish off-system sales. Austin Energy purchases all its generation requirements from the nodal market while its generation fleet is dispatched into the market on an economic basis. Consequently, Austin Energy's load and generation are not specifically matched. All revenues from generation are netted to the benefit of customers. Please see Table CmDay1.8 attached. Once the nodal market



began, Austin Energy revised its definition of off-system sales to include bilateral sales to other entities, sales of capacity to ERCOT, a small amount of energy to ERCOT, Congestion Revenue Rights auction proceeds, and ancillary services.

### **CUSTOMER CHARGE**

**CmDay1.9** Identify all items included in the Customer Charge in 2009. Briefly describe each item, and identify what FERC account each is normally booked to.

**Response:** This response assumes the question refers to the current \$6.00 per month residential Customer Charge. The \$6.00 per month Customer Charge is a charge and not a cost and was agreed to as part of a settled agreement for the 1994 rate case. Austin Energy cannot identify discrete cost items for the current \$6 per month residential Customer Charge

**CmDay1.10** Identify each additional item included in the customer charge requested in this rate case. Describe each additional item, identify FERC account booked to, and state the functionalization of said item in the last rate case.

**Response:** The table below provides a breakdown of the various customer-related costs for residential customers based on the cost of service study completed by Austin Energy. The Residential class cost of service for customer-related costs is \$21.69 per month. Note that this is a cost of service result and not Austin Energy's proposed Residential class Customer Charge.

<u>Component</u>	<u>Allocator</u>	<u>Cost Per Month</u>
Customer – Accounting	Number of Customer Months	\$6.78
Customer – Service	Number of Customer Months	\$6.76
Meter – Reading	Number of Customer Months Metered	\$4.25
Uncollectibles	Uncollectibles by Customer Class	\$1.09
Key Accounts	Key Accounts by Customer Class	<u>\$0.00</u>
	Subtotal	-\$18.88
Meters	Weighted Customers- Meters	<u>\$2.81</u>
	Total	-\$21.69

The components and allocators listed above are in Appendix D of the full-length Rate Analysis and Recommendations Report on page D-120. The subtotal above is on page D-134. The FERC account numbers (Column B), test year dollars (Column D), and allocation basis (Column E) associated with each component (Columns F through J) are shown on pages D-113 and D-114 of the Report.

**CmDay1.11** Identify each item requested not previously collected in the \$6 customer charge, and identify the FERC account for that item. For each item state the functionalization of that item in the last rate case.

**Response:** The current \$6.00 per month residential Customer Charge is a charge and it is not comprised of discrete cost items (see response to question CmDay1-9 above). The \$21.69 (see

response to question CmDay1-10 above) is a cost of service result and comprised of the components listed in the response to question CmDay1-10. Austin Energy is not requesting a \$21.69 residential Customer Charge. During the September 1<sup>st</sup> EUC meeting AE presented four residential rate design options. Two of those options (Option B and Option C) included a \$10 per month customer charge, one option included a \$15 per month customer charge (Option C), and one option (Option D) a \$30 per month customer charge (which would include 300 kWh of monthly energy use).

**CmDay1.12** Is Austin Energy proposing in this rate request to recover uncollectibles in the customer charge? State how Austin Energy functionalized uncollectibles in the 1994 rate case. Identify what FERC account uncollectibles are booked to.

**Response:** The cost of service study identifies Uncollectibles as a customer cost component (see response to question CmDay1-10 above). Austin Energy has used the cost of service results as a guide to ratemaking. Austin Energy has presented four residential rate design options. None of these options proposes a customer charge equal to the sum of the costs identified as residential customer costs (see response to question CmDay1-11 above). The Customer Charge in each of the four residential rate design options is a charge and not the sum of any discrete cost items.

In both the 1994 case and the current cost of service study, Uncollectibles were booked to FERC account 904. In the 1994 case, Uncollectibles were functionalized as “Customer Expense.”

**CmDay1.13** Since the proposed Customer Charge for residential customers varies, show the calculation of (a) the cost of service amount \$21.69; (b) option A amount \$15; (c) options B and C \$10; and (d) option D, identify the amount of the \$30 Austin Energy attributes to customer charge. Show which expense items are included or excluded from each differing option.

**Response:** See response to questions CmDay1-10 and CmDay1-12 above. The Customer Charge in each of the four residential rate design options is a charge and not the sum of any discrete cost items. In each of the four options presented any customer costs not recovered through the Customer Charge are recovered through the Energy Charge.

## **ELECTRIC DELIVERY CHARGE**

**CmDay1.14** Show AE's calculation of the \$14.13 cost of service “delivery” charge. Identify all items included, FERC account booked to, and explain the rationale for requested recovery as a fixed charge collected principally from residential customers as opposed to the previous manner of recovery.

**Response:** The table below provides a breakdown of the various distribution costs for residential customers based on the cost of service study completed by Austin Energy. The Residential class cost of service for distribution (electric delivery) costs is \$14.13 per month. Note that this is a cost of service result and not Austin Energy’s proposed Residential class Electric Delivery Charge.

<u>Component</u>	<u>Allocator</u>	<u>Cost</u>
Primary – Substations, poles, and conductors	12 NCP Primary	\$7.87
Secondary – P&C	12 NCP Secondary	\$3.82
Transformers	Sum of Maximum Demands Excl. Pri. & Tran.	\$2.17
Services	Sum of Maximum Demands Excl. Pri. & Tran.	\$(0.17)
Load Dispatch	12 NCP Primary	<u>\$0.44</u>
		Total-\$14.13

The components and allocators listed above are in Appendix D of the full-length Rate Analysis and Recommendations Report on page D-120. The FERC account numbers (column B), test year dollars (Column D), and allocation basis (Column E) associated with each component (Columns F through J) are shown on pages D-99 and D-100 of the Report. The Electric Delivery Charge recovers the cost of distribution substations, poles, wires, conductors, and transformers required to deliver power to customers. It is appropriate to recover these costs on either a fixed dollar per month basis or a per kW basis from customers since these costs do not vary significantly with energy (kWh) usage.

**CmDay1.15** Did Austin Energy consider and evaluate the option of a line extension charge and/or connection charge? If yes, provide all such evaluations, calculations.

**Response:** Austin Energy is not proposing to change its line extension policy or charge, and has not conducted any such evaluation at this time.

**CmDay1.16** For each year 2008, 2009, 2010, and 2011 to date provide all data on line extensions.

**Response:** See response to CmDay1-15. Since Austin Energy is not proposing any change to its line extension policies at this time, Austin Energy has not compiled information responsive to this request. Also, information responsive to this request is not readily available. Line extension work in the field is sometimes a part of a larger project and analyzing, retrieving, and compiling details on each job which may include some line extension work is a time consuming task. Detailed data on all line extensions is voluminous and is not readily aggregated. In the specific case of dual feed service, Austin Energy has line extension revenues which are included in revenues in aid on construction.

**CmDay1.17** For each year 2008, 2009, 2010, and 2011 to date, provide number of new service connections by month or annually. New service connections should include connections never before existing and should not include change of ownership or occupancy at an existing connection.

**Response:** Meter installations at new sites and new service connections are provided in the table below.

**New Service Connections**

2008	13,517
2009	7,836
2010	4,004
2011 Year-to-Date	2,237

**CmDay1.18** Provide information that Austin Energy already has regarding information on the norm for charges in the public power industry for charges for line extensions and for new service connection fees.

**Response:** This data is not available. Austin Energy has not compiled specific utility comparison data on line extension policies.

**CmDay1.19** Refer to Table 3.2 [pg. 61]. For the item “delivery” show the included items by name, \$, and FERC account for each item that comprises the \$9,884,532 increase requested.

**Response:** Please see table below for this information.

Description	FERC Account	Adjusted Labor	Remove Non Electric Expense	Reclassify Costs Meter Reading (Reclass to FERC 902)	Total
Operations Supervision and Engineering	580	(368,021.91)	0.00	0.00	(368,021.91)
Load Dispatching	581	(6,428.67)	0.00	0.00	(6,428.67)
Station Expenses	582	25,751.05	0.00	0.00	25,751.05
Overhead Line Expenses	583	5,162,113.23	0.00	0.00	5,162,113.23
Underground Line Expenses	584	3,803,026.66	(572.65)	0.00	3,802,454.01
Street Lighting	585	284,590.39	0.00	0.00	284,590.39
Meter Expenses	586	463,837.46	0.00	(1,131,022.63)	(667,185.17)
Customer Installation Expenses	587	0.00	0.00	0.00	0.00
Miscellaneous Distribution Expenses	588	864,770.54	0.00	0.00	864,770.54
Rents	589	1,133.86	0.00	0.00	1,133.86
Maintenance Supervision and Engineering	590	10,150.16	0.00	0.00	10,150.16
Maintenance of Structures	591	0.00	0.00	0.00	0.00
Maintenance of Station Equipment	592	372,255.99	0.00	0.00	372,255.99
Maintenance of Overhead Lines	593	113,345.02	0.00	0.00	113,345.02
Maintenance of Underground Lines	594	41,985.31	0.00	0.00	41,985.31
Maintenance of Line Transformers	595	1,571.12	0.00	0.00	1,571.12
Maintenance of Street Lighting and Signal Systems	596	119,180.60	0.00	0.00	119,180.60
Maintenance of Meters	597	11,867.69	0.00	0.00	11,867.69
Maintenance of Miscellaneous Distribution Plant	598	114,999.20	0.00	0.00	114,999.20
		11,016,127.70	(572.65)	(1,131,022.63)	9,884,532.42

**REVENUE REQUIREMENT/COST OF SERVICE**

**CmDay1.20** Refer to Table 3.1 [page 52-53]. For each line item that raises cost of service/revenue requirement, show the dollar and percentage amount of the increase proposed to be collected from the residential class under each of Austin Energy’s proposed options, A-D.

**Response:** This information is not readily available. Staff is developing a response and it will be provided upon completion.

**CmDay1.21** Explain what “key” accounts are. Provide examples of what is included and FERC accounts included.

**Response:** Key Account Customers are assigned a Key Account Manager (KAM) who is the single point of contact for Austin Energy. The KAMs handle all requests from key account customers to Austin Energy. A Key Account Customer must meet at least one of the following qualifying criteria:

- A customer who connects at the primary service connection voltage;
- A commercial customer who spends \$300,000 or more annually for energy;
- A dually fed customer; or
- A customer with less than \$300,000 in energy that requires an assigned KAM due to specific customer needs [e.g., the Electric Reliability Council of Texas (ERCOT)]

Please see WP 36, Appendix D, page D-293 of the full-length Rate Analysis and Recommendations Report for the Key Accounts expenses by FERC. 92 percent of the expenses for Key Accounts are related to labor.

**CmDay1.22** If not already included and identified in the monthly variance reports requested in #2 *supra*. Provide the monthly revenues for 2008, 2009, 2010, 2011 broken down between system and off-system.

**Response:** Please see Table CmDay1.22 attached and see response to CmDay1.8

**CmDay1.23** Refer to Table 3.1 [pg. 52-53]. Define the category “margin” as it is used in this table.

**Response:** “Margin” is defined on page 49 of the full-length Rate Analysis and Recommendations Report and its calculation is in Table 3.3 on page 62 of the report.

**CmDay1.24** Refer to Table 3.1, line 3 “reserve fund contributions”. Where is this booked by FERC account? It does not appear that this was a category in the Test Year. Was a “reserve” expense explicitly recognized in the 1994 rate case? What is AE's justification for a reserve in addition to the reserve created by the 2X debt service coverage?

**Response:** Reserve fund contributions are booked in FERC 124. Reserve fund contributions are further discussed on page 54 of the full-length Rate Analysis and Recommendation Report. Since the 1994 rate case was settled specifics of that revenue requirement are not available. Austin Energy's financial policy stipulates that its revenue requirement be established using the cash flow methodology which accounts for cash requirements including reserve funding. Austin Energy's revenue requirement is not based on debt service coverage.

**CmDay1.25** Refer to Table 3.1, line 8, “normalization of load and resources.” Explain this category and discuss and justify each numeric entry. Show the total cost, amortization period, how much has already been amortized, and how many years of amortization remain. State how much of the total expense was cash; total cost; how much debt. Provide sufficient detail to allow an understanding of the expense in total.

**Response:** Please see response to CmDay1-7. Adjustments to the historic Test Year arise from normalizing historic sales (kW and kWh) for weather and year-end customer count. Consequently, normalized kW and kWh require adjustments to generation to support normalized load (fuel costs) and revenue.

The following summarizes the steps of the Test Year kWh sales adjustment process:

- 1) **Weather Normalization of Revenue Month Sales.** The process of weather normalization adjusts actual monthly sales to “normal” expected levels based on normal weather conditions. Weather normalization is performed only on the Residential Sector and Commercial Sector sales since Austin Energy’s Industrial Sector sales are not significantly sensitive to weather patterns. The estimation process utilizes the same models as the monthly sales forecast models, leveraging the existing modeling and weather cooling degree days/heating degree days (CDD/HDD) data.
- 2) **End-of-Year (EOY) Customer Adjustment of Weather Normalized Sales.** End-of-Year (EOY) Customer Adjustment process restates prior months’ weather adjusted kWh sales by calculating the monthly Weather-adjusted kWh consumption per customer for three sectors (Residential, Commercial, Industrial) and then calculating the monthly sales by Sector assuming EOY customer levels.
- 3) **Estimation of Net to System (NTS) Peak and Monthly Energy Requirements and Hourly Load Requirements.** The estimation of Monthly Generation (peak MW and energy) Requirements utilizes Austin Energy’s Forecast Models infrastructure referencing EOY Customer Count and Weather Adjusted Sales and normal weather conditions. Austin Energy’s Load Forecasting group produced monthly sales by sector adjusted for year-end customer growth and normal weather impacts, as well as adjusted Net to System generation, as detailed above. The Load Research group used this information and adjusted the class load research hourly load profiles so that the class hourly loads sum to the monthly adjusted sales, and sum across hours to the adjusted NTS generation. The Residential hourly loads were increased in equal proportion to total adjusted residential load adjusted for line losses, and the sum of commercial classes were proportionately increased to total adjusted commercial sales adjusted for line losses. Next all adjusted hourly class loads were summed and compared with the NTS generation, and adjusted to equal the adjusted NTS generation. The adjusted hourly class loads were used in Austin Energy’s cost of service study.

The entries in Table 3.1, Line 8 on page 52 of the full-length Rate Analysis and Recommendations Report adjust either the revenue requirement or the comparison to rate

revenue (see Appendix D, pages D-16 and D-17) and are cash adjustments. A summary of the entries are:

- **-42,146,544:** A reduction to the revenue requirement reflected in FERCs 501, 518, 547, 555 and 556. These adjustments reduce power costs as a result of normalized load (please see response to question CmDay1-7). Please see WP 44 in Appendix D, page D-293 in the full-length Rate Analysis and Recommendations Report for actual adjustments to the test year power costs.
- **34,304,635:** This does not impact the revenue requirement but does reduce the comparison to rate revenue and under-recovery. Normalized sales resulted in a reduction in unit sales (kWh and kW) and reduced revenue as follows: \$21,626,212 GreenChoice® and \$12,678,423 base revenue. Please see WP 27 and WP 44 in Appendix D, page D-260 and D-293, respectively, in the full-length Rate Analysis and Recommendations Report for actual adjustments.
- **17,503,790:** This does not impact the revenue requirement but does reduce the comparison to rate revenue and under-recovery. Normalized sales resulted in a reduction in unit sales (kWh and kW) and revenue. This item specifically reduces fuel revenue.
- The Repair & Replacement, Rate Stabilization, and Non-Nuclear Decommissioning funds are currently nearly depleted.

**CmDay1.26** Refer to Table 3.1, line 21 “rate case expense.” Show the total amount; show the amortization period; explain why this is an on-going expense meriting inclusion in rates in perpetuity or until rates are re-set.

**Response:** Rate review expenses are discussed on page 58 and detailed in WP 40 in Appendix D, page D-288 of the full-length Rate Analysis and Recommendations Report. The total cost of \$3,878,720 is amortized over three years and at an annual expense of \$1,292,907 (FERC 928).

Utilities are routinely allowed to recover rate review expenses and Austin Energy financial policy stipulates a rate adequacy review every 5 years, at a minimum, through performing a cost of service study. Considering the City Council approved affordability goal to keep subsequent rate increases to no more than 2 percent per year, rate review expenses are anticipated as an on-going expense, incurred annually.

**CmDay1.27** Refer to Table 3.1, line 17, “power factor revenue”. Explain what this item is and why this revenue is removed as an offset to the requested rate increase.

**Response:** Power factor increases and billed demand are discussed on page 58 of the full-length Rate Analysis and Recommendations Report and reduces Austin Energy’s revenue requirement by \$2.3 million.

**CmDay1-28.** Refer to Table 3.1, line 14, “Service area street lighting revenue”. Explain why



this revenue is removed as an offset to the requested rate increase.

**Response:** Service area street lighting revenue is discussed on page 57 of the full-length Rate Analysis and Recommendations Report. Under Austin Energy's proposal, these costs would be recovered through the Community Benefit Charge and no longer billed to the respective communities. This adjustment does not affect the revenue requirement but does reduce the normalized rate revenue under existing rates.

#### **ENERGY CHARGE/ADJUSTMENT**

**CmDay1.29** Provide fuel balances by category and FERC account for each month 2009, 2010, 2011 to date. Provide annual ending balance for each of those years.

**Response:** Consistent with Austin Energy's annual reporting, Austin Energy does not release monthly fuel balance data. Austin Energy releases annual system-wide historical fuel data.

**FY2009**

Date	Gas (FERC 501 & FERC 547)	Coal (FERC 501)	Oil (FERC 501)	1&2 Nuclear (FERC 501)	Purchased Power (FERC 555)	Renewables (FERC 555)	ERCOT (FERC 556)	Total
Oct-08	20,736,437.20	6,256,950.43	33,901.07	797,928.84	10,103,344.59	2,420,283.06	2,333,862.31	42,682,707.50
Nov-08	13,854,249.03	4,713,044.89	87,132.66	1,384,444.82	6,549,819.09	2,097,402.37	2,682,265.02	31,368,357.88
Dec-08	9,529,879.19	7,882,957.45	95,663.61	1,539,066.25	1,433,592.50	5,139,885.96	2,652,847.02	28,273,891.98
Jan-09	18,377,323.46	7,862,264.77	38,746.48	1,522,472.48	1,353,408.89	4,007,174.36	1,536,714.65	34,698,105.09
Feb-09	13,607,532.74	5,864,601.78	187.65	1,369,659.76	884,266.50	5,240,300.25	2,722,290.61	29,688,839.29
Mar-09	13,042,528.53	6,896,358.43	112,735.68	1,517,739.58	1,109,859.36	5,649,030.77	1,598,459.17	29,926,711.52
Apr-09	13,735,189.72	6,430,185.63	23,961.35	1,436,675.82	2,185,471.88	6,414,429.19	2,620,801.91	32,846,715.50
May-09	16,223,194.01	5,886,259.97	109,705.23	1,489,022.36	6,225,192.61	3,662,263.17	1,810,192.55	35,405,829.90
Jun-09	24,265,949.80	8,259,291.74	31,514.79	1,432,377.72	5,862,934.22	4,301,382.08	1,640,274.47	45,793,724.82
Jul-09	29,698,620.11	8,134,230.19	16,889.53	1,483,842.63	7,734,512.55	3,577,158.34	(925,059.09)	49,720,194.26
Aug-09	25,933,564.03	8,551,306.21	8,265.44	1,484,957.11	6,277,305.72	5,003,733.90	1,889,690.79	49,148,823.20
Sep-09	15,707,516.90	7,897,548.62	8,277.70	1,407,995.55	5,144,287.78	2,963,823.83	417,850.35	33,547,300.73
<b>Total</b>	<b>214,711,984.72</b>	<b>84,635,000.11</b>	<b>566,981.19</b>	<b>16,866,182.92</b>	<b>54,863,995.69</b>	<b>50,476,867.28</b>	<b>20,980,189.76</b>	<b>443,101,201.67</b>

**FY2010**

Date	Gas (FERC 501 & FERC 547)	Coal (FERC 501)	Oil (FERC 501)	1&2 Nuclear (FERC 501)	Purchased Power (FERC 555)	Renewables (FERC 555)	ERCOT (FERC 556)	Total
Oct-09	8,855,416.10	8,238,508.44	7,050.78	789,851.56	4,891,599.42	4,192,203.83	1,170,157.63	28,144,787.76
Nov-09	7,995,799.90	7,267,861.38	38,915.03	1,034,134.67	3,428,164.16	4,041,107.70	1,847,489.57	25,653,472.41
Dec-09	11,135,988.04	8,811,451.45	20,976.10	1,580,216.39	2,085,694.57	3,565,878.06	1,457,072.40	28,657,277.01
Jan-10	16,280,677.79	7,855,022.55	2,008,367.24	1,500,214.20	2,489,662.09	3,592,951.66	465,526.70	34,192,422.23
Feb-10	14,819,226.04	8,295,007.23	17,318.93	1,275,538.76	2,837,071.33	3,308,868.28	(4,196.94)	30,548,833.63
Mar-10	15,444,821.45	6,274,178.26	69,388.93	1,522,785.93	2,258,661.29	5,823,530.42	3,664,711.42	35,058,077.70
Apr-10	8,899,686.73	4,409,743.52	5,479.06	790,471.28	6,388,328.63	5,014,870.47	1,434,367.28	26,942,946.97
May-10	19,829,866.32	6,287,634.43	100,992.09	1,596,878.53	5,299,852.25	4,261,316.74	3,397,437.05	40,773,977.41
Jun-10	23,906,876.10	7,145,573.41	39,970.37	1,634,860.55	5,652,241.80	4,737,544.81	2,382,223.89	45,499,290.93
Jul-10	24,115,843.91	8,546,440.51	46,278.90	1,674,001.49	6,458,341.38	3,474,014.35	2,474,204.17	46,789,124.71
Aug-10	29,959,869.69	9,896,605.72	10,748.75	1,629,707.20	6,475,819.32	3,539,013.27	1,968,306.19	53,480,070.14
Sep-10	22,732,669.39	8,562,679.44	39,679.82	1,627,190.10	5,144,240.74	3,079,816.18	1,359,896.70	42,546,172.37
<b>Total</b>	<b>203,976,741.46</b>	<b>91,590,706.34</b>	<b>2,405,166.00</b>	<b>16,655,850.66</b>	<b>53,409,676.98</b>	<b>48,631,115.77</b>	<b>21,617,196.06</b>	<b>438,286,453.27</b>

**FY2011**

Date	Gas (FERC 501 & FERC 547)	Coal (FERC 501)	Oil (FERC 501)	1&2 Nuclear (FERC 501)	Purchased Power (FERC 555)	Renewables (FERC 555)	ERCOT (FERC 556)	Total
Oct-10	17,427,714.90	4,519,663.57	58,414.77	1,702,966.35	5,374,995.09	4,085,519.03	1,921,270.02	35,090,543.73
Nov-10	14,827,573.01	3,616,698.79	33,022.40	1,003,351.91	4,614,753.60	5,693,970.70	4,494,547.97	34,283,918.38
Dec-10	12,704,155.42	4,761,124.09	(16,206.07)	1,695,541.90	1,976,147.15	8,262,804.90	525.50	29,384,092.89
Jan-11	7,436,200.74	6,483,854.36	377,741.64	1,688,975.22	1,729,298.36	4,091,269.17	5,818,463.75	27,625,803.24
Feb-11	7,020,485.61	7,354,992.47	1,864,660.53	1,533,677.80	246,361.32	1,761,600.90	3,725,033.31	23,506,811.94
Mar-11	5,751,173.76	6,868,762.41	49,904.08	1,691,539.69	198,720.78	3,853,342.82	8,769,817.31	27,183,260.85
Apr-11	13,046,354.73	8,635,908.24	133,161.44	880,470.39	98,712.59	2,915,142.48	8,762,318.89	34,472,068.76
May-11	12,636,380.10	9,657,605.59	62,211.41	1,449,798.07	3,769,689.16	4,826,526.64	8,886,266.84	41,288,477.81
Jun-11	21,536,739.89	7,188,738.07	(26,660.08)	1,645,473.29	5,276,289.37	761,668.68	7,569,551.18	43,951,800.40
Jul-11	28,970,673.56	10,515,054.91	7,108.19	1,700,168.59	4,111,778.59	2,433,563.28	7,293,914.30	55,032,261.42
<b>Total</b>	<b>141,357,451.72</b>	<b>69,602,402.50</b>	<b>2,543,358.31</b>	<b>14,991,963.21</b>	<b>27,396,746.01</b>	<b>38,685,408.60</b>	<b>57,241,709.07</b>	<b>351,819,039.42</b>

**CmDay1.30** Provide purchased power by FERC account for each month 2009, 2010, 2011 to date. Provide annual ending balance.

**Response:** Please refer to table provided in response to Question CmDay1-29.

**CmDay1.31** Provide margins generated from wholesale market by FERC account for each month 2009, 2010, 2011 to date. Provide ending balance.

**Response:** Please refer to table provided in response to Question CmDay1-6.

**CmDay1.32** Provide off-system sales revenues by FERC account for each month 2009, 2010, 2011 to date. Provide annual ending balance or total.

**Response:** Please refer to table provided in response to Question CmDay1-6.

FY2008

	<u>FERC Acct #</u>	<u>Oct</u>	<u>Nov</u>	<u>Dec</u>	<u>Jan</u>	<u>Feb</u>	<u>Mar</u>	<u>Apr</u>	<u>May</u>	<u>Jun</u>	<u>Jul</u>	<u>Aug</u>	<u>Sep</u>	<u>Total</u>
Sales for Resale	447	1,601,147	1,317,751	1,453,940	2,787,549	2,855,492	2,128,722	2,216,348	17,189,151	7,673,990	4,065,840	1,725,285	2,797,280	47,812,494
Other Revenue (ERCOT)	456	1,349,707	557,911	1,817,153	(135,233)	1,135,843	2,097,317	2,389,031	2,578,455	2,437,091	2,554,200	2,357,803	3,541,510	22,680,788
Total Revenue		2,950,854	1,875,662	3,271,093	2,652,316	3,991,335	4,226,039	4,605,379	19,767,605	10,111,081	6,620,040	4,083,088	6,338,790	70,493,282
Fuel Component		642,920	393,166	556,099	2,408,312	2,285,097	1,899,105	1,747,144	8,730,885	4,462,803	2,957,930	1,486,937	1,970,403	29,540,801
Net of Fuel		2,307,933	1,482,496	2,714,994	244,004	1,706,238	2,326,934	2,858,234	11,036,721	5,648,278	3,662,110	2,596,151	4,368,387	40,952,481

FY2009

		<u>Oct</u>	<u>Nov</u>	<u>Dec</u>	<u>Jan</u>	<u>Feb</u>	<u>Mar</u>	<u>Apr</u>	<u>May</u>	<u>Jun</u>	<u>Jul</u>	<u>Aug</u>	<u>Sep</u>	<u>Total</u>
Sales for Resale	447	2,264,208	457,815	2,685,696	2,959,115	2,716,103	4,052,591	3,001,553	725,041	1,228,568	1,031,227	367,390	4,129,576	25,618,883
Other Revenue (ERCOT)	456	2,548,436	2,142,429	1,644,954	2,521,674	3,156,397	2,213,098	2,360,695	1,274,299	1,381,131	733,542	755,695	(2,480,049)	18,252,299
Total Revenue		4,812,643	2,600,244	4,330,650	5,480,789	5,872,499	6,265,689	5,362,247	1,999,340	2,609,699	1,764,769	1,123,085	1,649,527	43,871,182
Fuel Component		1,734,616	460,910	2,205,629	2,335,452	2,219,694	4,859,640	2,456,946	745,575	1,050,753	609,360	376,470	2,319,794	21,374,840
Net of Fuel		3,078,028	2,139,334	2,125,021	3,145,337	3,652,806	1,406,049	2,905,301	1,253,765	1,558,946	1,155,408	746,615	(670,267)	22,496,342

FY2010

		<u>Oct</u>	<u>Nov</u>	<u>Dec</u>	<u>Jan</u>	<u>Feb</u>	<u>Mar</u>	<u>Apr</u>	<u>May</u>	<u>Jun</u>	<u>Jul</u>	<u>Aug</u>	<u>Sep</u>	<u>Total</u>
Sales for Resale	447	565,675	559,045	1,691,917	2,720,906	1,360,553	826,902	330,550	572,701	306,738	1,196,196	1,056,661	1,110,842	12,298,684
Other Revenue (ERCOT)	456	573,960	715,776	1,342,093	1,647,892	1,222,510	3,555,280	447,421	1,279,917	1,133,309	230,397	1,154,781	1,653,896	14,957,232
Total Revenue		1,139,635	1,274,821	3,034,010	4,368,798	2,583,063	4,382,182	777,971	1,852,618	1,440,047	1,426,593	2,211,442	2,764,738	27,255,916
Fuel Component		609,697	529,704	1,529,285	2,539,923	1,284,109	788,338	289,807	524,415	249,377	1,004,754	795,302	897,964	11,042,677
Net of Fuel		529,938	745,117	1,504,725	1,828,874	1,298,954	3,593,843	488,164	1,328,202	1,190,670	421,838	1,416,140	1,866,773	16,213,239

FY2011

	<u>FERC Acct #</u>	<u>Oct</u>	<u>Nov</u>	<u>Dec</u>	<u>Jan</u>	<u>Feb</u>	<u>Mar</u>	<u>Apr</u>	<u>May</u>	<u>Jun</u>	<u>Jul</u>	<u>Aug</u>	<u>Sep</u>	<u>Total</u>
Sales for Resale	447	38,939	88,851	298,002	150,969	4,150	135,792	43,752	-	447,342	3,570	-	-	1,211,366
Other Revenue (ERCOT)	456	377,975	640,948	562,414	717,413	1,646,095	1,696,223	1,851,994	1,602,544	2,916,678	1,937,442	-	-	13,949,725
Total Revenue		416,913	729,799	860,417	868,381	1,650,245	1,832,015	1,895,746	1,602,544	3,364,020	1,941,012	-	-	15,161,091
Fuel Component		307,200	82,421	298,205	145,702	1,600	136,080	33,366	-	409,291	903	-	-	1,414,768
Net Revenue		109,713	647,379	562,211	722,679	1,648,645	1,695,935	1,862,380	1,602,544	2,954,729	1,940,108	-	-	13,746,323

## FY2008

	<u>Oct</u>	<u>Nov</u>	<u>Dec</u>	<u>Jan</u>	<u>Feb</u>	<u>Mar</u>	<u>Apr</u>	<u>May</u>	<u>Jun</u>	<u>Jul</u>	<u>Aug</u>	<u>Sep</u>	<u>Total</u>
System	85,787,796	63,610,999	64,129,491	65,042,760	59,169,731	70,425,729	77,980,729	71,877,972	109,600,963	143,554,307	130,236,593	118,162,378	1,059,579,448
Off-System	2,950,854	1,875,662	3,271,093	2,652,316	3,991,335	4,226,039	4,605,379	19,767,605	10,111,081	6,620,040	4,083,088	6,338,790	70,493,282
Total	88,738,650	65,486,661	67,400,584	67,695,076	63,161,066	74,651,768	82,586,108	91,645,577	119,712,044	150,174,347	134,319,681	124,501,168	1,130,072,730

## FY2009

	<u>Oct</u>	<u>Nov</u>	<u>Dec</u>	<u>Jan</u>	<u>Feb</u>	<u>Mar</u>	<u>Apr</u>	<u>May</u>	<u>Jun</u>	<u>Jul</u>	<u>Aug</u>	<u>Sep</u>	<u>Total</u>
System	95,541,834	68,480,565	65,465,213	77,058,160	65,240,099	62,490,649	67,636,878	83,569,481	104,855,168	127,442,413	117,897,031	97,829,606	1,033,507,095
Off-System	4,812,643	2,600,244	4,330,650	5,480,789	5,872,499	6,265,689	5,362,247	1,999,340	2,609,699	1,764,769	1,123,085	1,649,527	43,871,182
Total	100,354,477	71,080,809	69,795,862	82,538,949	71,112,599	68,756,338	72,999,126	85,568,821	107,464,867	129,207,182	119,020,115	99,479,133	1,077,378,277

## FY2010

	<u>Oct</u>	<u>Nov</u>	<u>Dec</u>	<u>Jan</u>	<u>Feb</u>	<u>Mar</u>	<u>Apr</u>	<u>May</u>	<u>Jun</u>	<u>Jul</u>	<u>Aug</u>	<u>Sep</u>	<u>Total</u>
System	79,978,012	63,284,528	67,125,916	78,506,042	69,748,575	74,818,167	65,072,273	85,066,946	104,993,784	111,210,803	119,832,596	109,520,495	1,029,158,138
Off-System	1,139,635	1,274,821	3,034,010	4,368,798	2,583,063	4,382,182	777,971	1,852,618	1,440,047	1,426,593	2,211,442	2,764,738	27,255,916
Total	81,117,647	64,559,349	70,159,927	82,874,840	72,331,638	79,200,349	65,850,244	86,919,564	106,433,831	112,637,396	122,044,038	112,285,233	1,056,414,054

## FY2011

	<u>Oct</u>	<u>Nov</u>	<u>Dec</u>	<u>Jan</u>	<u>Feb</u>	<u>Mar</u>	<u>Apr</u>	<u>May</u>	<u>Jun</u>	<u>Jul</u>	<u>Aug</u>	<u>Sep</u>	<u>Total</u>
System	89,160,678	71,725,303	74,897,040	71,601,265	71,157,819	68,040,842	76,771,499	99,497,210	108,896,284	125,318,315	-	-	857,066,254
Off-System	416,913	729,799	860,417	868,381	1,650,245	1,832,015	1,895,746	1,602,544	3,364,020	1,941,012	-	-	15,161,091
Total	89,577,591	72,455,102	75,757,456	72,469,646	72,808,064	69,872,856	78,667,245	101,099,754	112,260,304	127,259,326	-	-	872,227,345

**AUSTIN ENERGY**  
**FY 2008 BUDGET TO ACTUAL (Budget Based Statement)**



Unaudited Results

\$ in Thousands

	December 2007 Year to Date Actual	December 2007 Year to Date Budget	Variance	Percent
<b>REVENUES</b>				
Service Area Base Revenue	\$ 138,079	\$ 127,527	\$ 10,552	8.3%
Green Choice Billed Revenue	4,712	4,647	65	1.4%
Bilateral & Ancillary Service Sales	6,505	5,985	520	8.7%
Transmission Service Revenue	14,356	14,356	-	0.0%
Miscellaneous Revenue	10,470	11,062	(592)	-5.4%
Interest Income	7,712	6,105	1,607	26.32%
<b>Total Operating Revenue Without Fuel Revenue</b>	<b>181,834</b>	<b>169,682</b>	<b>12,152</b>	<b>7.2%</b>
Fuel Revenue	72,329	78,518	(6,189)	-7.9%
<b>Total Operating Revenue</b>	<b>254,163</b>	<b>248,200</b>	<b>5,963</b>	<b>2.4%</b>
<b>OPERATING REQUIREMENTS</b>				
Fuel and Green Power Expense	79,030	83,165	4,135	5.0%
<b>Department O&amp;M Without Fuel</b>				
Department O&M	40,050	48,125	8,075	16.8%
Transmission Service Expense	12,357	12,357	-	0.0%
South Texas Project O&M	11,924	12,188	264	2.2%
Fayette Power Project O&M	3,530	4,305	775	18.0%
Call Center	5,431	7,796	2,365	30.3%
Energy Conservation Rebates	2,311	2,293	(18)	-0.8%
Bad Debt Expense	1,138	1,585	447	28.2%
Administrative Support Transfer	3,189	3,189	0	0.0%
<b>Total Operating O&amp;M Without Fuel</b>	<b>79,930</b>	<b>91,838</b>	<b>11,908</b>	<b>13.0%</b>
<b>Total Operating Requirements</b>	<b>158,960</b>	<b>175,003</b>	<b>16,043</b>	<b>9.2%</b>
<b>DEBT SERVICE REQUIREMENTS</b>				
Revenue Bond	38,208	39,722	1,514	3.8%
Other Obligations	1,467	1,329	(138)	-10.4%
<b>Total Debt Service Requirements</b>	<b>39,675</b>	<b>41,051</b>	<b>1,376</b>	<b>3.4%</b>
<b>TRANSFERS/USES OF COVERAGE</b>				
General Fund Transfer	22,750	22,750	0	0.0%
Electric CIP Transfer	18,743	21,029	2,286	10.9%
Repair & Replacement Fund Transfer	-	-	0	0.0%
<b>Total Transfers</b>	<b>41,493</b>	<b>43,779</b>	<b>2,286</b>	<b>5.2%</b>
<b>Total Requirements Without Encumbrances</b>	<b>240,128</b>	<b>259,833</b>	<b>19,705</b>	<b>7.6%</b>
<b>Total Encumbrances</b>	<b>14,907</b>	<b>14,907</b>	<b>0</b>	<b>0.0%</b>
<b>Total Requirements</b>	<b>255,035</b>	<b>274,740</b>	<b>19,705</b>	<b>7.2%</b>
<b>CHANGE TO BEGINNING BALANCE</b>	<b>\$ (872)</b>	<b>\$ (26,540)</b>	<b>\$ 25,668</b>	<b>-96.7%</b>

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**AUSTIN ENERGY**  
**FY 2008 BUDGET TO ACTUAL (Budget Based Statement)**



Unaudited Results

\$ in Thousands

	January 2008 Year to Date Actual	January 2008 Year to Date Budget	Variance	Percent
<b><u>REVENUES</u></b>				
Service Area Base Revenue	\$ 182,212	\$ 168,158	\$ 14,054	8.4%
Green Choice Billed Revenue	6,276	6,171	105	1.7%
Bilateral & Ancillary Service Sales	6,750	7,757	(1,007)	-13.0%
Transmission Service Revenue	19,141	19,331	(190)	-1.0%
Miscellaneous Revenue	13,099	13,658	(559)	-4.1%
Interest Income	10,038	7,237	2,801	38.70%
<b>Total Operating Revenue Without Fuel Revenue</b>	<b>237,516</b>	<b>222,312</b>	<b>15,204</b>	<b>6.8%</b>
Fuel Revenue	94,083	105,251	(11,168)	-10.6%
<b>Total Operating Revenue</b>	<b>331,599</b>	<b>327,563</b>	<b>4,036</b>	<b>1.2%</b>
<b><u>OPERATING REQUIREMENTS</u></b>				
Fuel and Green Power Expense	101,546	111,422	9,876	8.9%
<b><u>Department O&amp;M Without Fuel</u></b>				
Department O&M	52,893	62,297	9,404	15.1%
Transmission Service Expense	16,527	16,615	88	0.5%
South Texas Project O&M	16,322	16,898	576	3.4%
Fayette Power Project O&M	5,087	5,746	659	11.5%
Call Center	6,992	10,058	3,066	30.5%
Energy Conservation Rebates	3,583	3,049	(534)	-17.5%
Bad Debt Expense	1,516	2,102	586	27.9%
Administrative Support Transfer	4,252	4,252	0	0.0%
<b>Total Operating O&amp;M Without Fuel</b>	<b>107,172</b>	<b>121,017</b>	<b>13,845</b>	<b>11.4%</b>
<b>Total Operating Requirements</b>	<b>208,718</b>	<b>232,439</b>	<b>23,721</b>	<b>10.2%</b>
<b><u>DEBT SERVICE REQUIREMENTS</u></b>				
Revenue Bond	45,795	48,317	2,522	5.2%
Other Obligations	2,173	1,865	(308)	-16.5%
<b>Total Debt Service Requirements</b>	<b>47,968</b>	<b>50,182</b>	<b>2,214</b>	<b>4.4%</b>
<b><u>TRANSFERS/USES OF COVERAGE</u></b>				
General Fund Transfer	30,333	30,333	0	0.0%
Electric CIP Transfer	33,090	28,512	(4,578)	-16.1%
<b>Total Transfers</b>	<b>63,423</b>	<b>58,845</b>	<b>(4,578)</b>	<b>-7.8%</b>
<b>Total Requirements Without Encumbrances</b>	<b>320,109</b>	<b>341,466</b>	<b>21,357</b>	<b>6.3%</b>
<b>Total Encumbrances</b>	<b>14,158</b>	<b>14,158</b>	<b>0</b>	<b>0.0%</b>
<b>Total Requirements</b>	<b>334,267</b>	<b>355,624</b>	<b>21,357</b>	<b>6.0%</b>
<b>CHANGE TO BEGINNING BALANCE</b>	<b>\$ (2,668)</b>	<b>\$ (28,061)</b>	<b>\$ 25,393</b>	<b>-90.5%</b>

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**AUSTIN ENERGY**  
**FY 2008 BUDGET TO ACTUAL (Budget Based Statement)**

**Unaudited Results**
**\$ in Thousands**

	<b>February 2008 Year to Date Actual</b>	<b>February 2008 Year to Date Budget</b>	<b>Variance</b>	<b>Percent</b>
<b><u>REVENUES</u></b>				
Service Area Base Revenue	\$ 223,372	\$ 207,951	\$ 15,421	7.4%
Green Choice Billed Revenue	8,075	7,633	442	5.8%
Bilateral & Ancillary Service Sales	8,456	9,529	(1,073)	-11.3%
Transmission Service Revenue	23,927	24,307	(380)	-1.6%
Miscellaneous Revenue	15,164	16,098	(934)	-5.8%
Interest Income	12,002	8,967	3,035	33.85%
<b>Total Operating Revenue Without Fuel Revenue</b>	<b>290,996</b>	<b>274,485</b>	<b>16,511</b>	<b>6.0%</b>
Fuel Revenue	112,579	131,205	(18,626)	-14.2%
<b>Total Operating Revenue</b>	<b>403,575</b>	<b>405,690</b>	<b>(2,115)</b>	<b>-0.5%</b>
<b><u>OPERATING REQUIREMENTS</u></b>				
Fuel and Green Power Expense	121,725	138,838	17,113	12.3%
<b><u>Department O&amp;M Without Fuel</u></b>				
Department O&M	66,808	76,236	9,428	12.4%
Transmission Service Expense	20,656	20,873	217	1.0%
South Texas Project O&M	20,466	22,954	2,488	10.8%
Fayette Power Project O&M	7,106	7,591	485	6.4%
Call Center	8,982	12,320	3,338	27.1%
Energy Conservation Rebates	5,179	4,164	(1,015)	-24.4%
Bad Debt Expense	1,891	2,605	714	27.4%
Administrative Support Transfer	5,315	5,315	0	0.0%
<b>Total Operating O&amp;M Without Fuel</b>	<b>136,403</b>	<b>152,058</b>	<b>15,655</b>	<b>10.3%</b>
<b>Total Operating Requirements</b>	<b>258,128</b>	<b>290,896</b>	<b>32,768</b>	<b>11.3%</b>
<b><u>DEBT SERVICE REQUIREMENTS</u></b>				
Revenue Bond	53,381	56,913	3,532	6.2%
Other Obligations	2,284	2,259	(25)	-1.1%
<b>Total Debt Service Requirements</b>	<b>55,665</b>	<b>59,172</b>	<b>3,507</b>	<b>5.9%</b>
<b><u>TRANSFERS/USES OF COVERAGE</u></b>				
General Fund Transfer	37,917	37,917	0	0.0%
Electric CIP Transfer	44,486	34,800	(9,686)	-27.8%
<b>Total Transfers</b>	<b>82,403</b>	<b>72,717</b>	<b>(9,686)</b>	<b>-13.3%</b>
<b>Total Requirements Without Encumbrances</b>	<b>396,196</b>	<b>422,785</b>	<b>26,589</b>	<b>6.3%</b>
<b>Total Encumbrances</b>	<b>10,231</b>	<b>10,231</b>	<b>0</b>	<b>0.0%</b>
<b>Total Requirements</b>	<b>406,427</b>	<b>433,016</b>	<b>26,589</b>	<b>6.1%</b>
<b>CHANGE TO BEGINNING BALANCE</b>	<b>\$ (2,852)</b>	<b>\$ (27,326)</b>	<b>\$ 24,474</b>	<b>-89.6%</b>

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AUSTIN ENERGY  
FY 2008 BUDGET TO ACTUAL (Budget Based Statement)



Unaudited Results

\$ in Thousands

	March 2008 Year to Date Actual	March 2008 Year to Date Budget	Variance	Percent
<b>REVENUES</b>				
Service Area Base Revenue	\$ 262,479	\$ 246,421	\$ 16,058	6.5%
Green Choice Billed Revenue	9,979	9,097	882	9.7%
Bilateral & Ancillary Service Sales	10,782	11,301	(519)	-4.6%
Transmission Service Revenue	28,712	29,282	(570)	-1.9%
Miscellaneous Revenue	17,215	18,625	(1,410)	-7.6%
Interest Income	14,084	10,631	3,453	32.48%
<b>Total Operating Revenue Without Fuel Revenue</b>	<b>343,251</b>	<b>325,357</b>	<b>17,894</b>	<b>5.5%</b>
Fuel Revenue	143,894	156,342	(12,448)	-8.0%
<b>Total Operating Revenue</b>	<b>487,145</b>	<b>481,699</b>	<b>5,446</b>	<b>1.1%</b>
<b>OPERATING REQUIREMENTS</b>				
Fuel and Green Power Expense	156,801	165,439	8,638	5.2%
<b>Department O&amp;M Without Fuel</b>				
Department O&M	79,596	91,169	11,573	12.7%
Transmission Service Expense	24,769	25,131	362	1.4%
South Texas Project O&M	25,717	28,812	3,095	10.7%
Fayette Power Project O&M	9,343	9,563	220	2.3%
Call Center	10,802	14,571	3,769	25.9%
Energy Conservation Rebates	6,316	5,426	(890)	-16.4%
Bad Debt Expense	2,186	3,093	907	29.3%
Administrative Support Transfer	6,378	6,378	0	0.0%
<b>Total Operating O&amp;M Without Fuel</b>	<b>165,107</b>	<b>184,143</b>	<b>19,036</b>	<b>10.3%</b>
<b>Total Operating Requirements</b>	<b>321,908</b>	<b>349,582</b>	<b>27,674</b>	<b>7.9%</b>
<b>DEBT SERVICE REQUIREMENTS</b>				
Revenue Bond	60,967	65,508	4,541	6.9%
Other Obligations	3,129	2,759	(370)	-13.4%
<b>Total Debt Service Requirements</b>	<b>64,096</b>	<b>68,267</b>	<b>4,171</b>	<b>6.1%</b>
<b>TRANSFERS/USES OF COVERAGE</b>				
General Fund Transfer	45,500	45,500	0	0.0%
Electric CIP Transfer	55,882	43,983	(11,899)	-27.1%
<b>Total Transfers</b>	<b>101,382</b>	<b>89,483</b>	<b>(11,899)</b>	<b>-13.3%</b>
<b>Total Requirements Without Encumbrances</b>	<b>487,386</b>	<b>507,332</b>	<b>19,946</b>	<b>3.9%</b>
<b>Total Encumbrances</b>	<b>12,220</b>	<b>12,220</b>	<b>0</b>	<b>0.0%</b>
<b>Total Requirements</b>	<b>499,606</b>	<b>519,552</b>	<b>19,946</b>	<b>3.8%</b>
<b>CHANGE TO BEGINNING BALANCE</b>	<b>\$ (12,461)</b>	<b>\$ (37,853)</b>	<b>\$ 25,392</b>	<b>-67.1%</b>

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**AUSTIN ENERGY**  
**FY 2008 BUDGET TO ACTUAL (Budget Based Statement)**



Unaudited Results

\$ in Thousands

	April 2008 Year to Date Actual	April 2008 Year to Date Budget	Variance	Percent
<b><u>REVENUES</u></b>				
Service Area Base Revenue	\$ 301,394	\$ 285,433	\$ 15,961	5.6%
Green Choice Billed Revenue	12,018	10,568	1,450	13.7%
Bilateral & Ancillary Service Sales	13,641	13,073	568	4.3%
Transmission Service Revenue	33,497	34,257	(760)	-2.2%
Miscellaneous Revenue	19,491	21,279	(1,788)	-8.4%
Interest Income	16,230	12,245	3,985	32.54%
<b>Total Operating Revenue Without Fuel Revenue</b>	<b>396,271</b>	<b>376,855</b>	<b>19,416</b>	<b>5.2%</b>
Fuel Revenue	182,667	182,204	463	0.3%
<b>Total Operating Revenue</b>	<b>578,938</b>	<b>559,059</b>	<b>19,879</b>	<b>3.6%</b>
<b><u>OPERATING REQUIREMENTS</u></b>				
Fuel and Green Power Expense	197,672	192,772	(4,900)	-2.5%
<b><u>Department O&amp;M Without Fuel</u></b>				
Department O&M	92,122	105,412	13,290	12.6%
Transmission Service Expense	28,889	29,389	500	1.7%
South Texas Project O&M	33,412	34,454	1,042	3.0%
Fayette Power Project O&M	11,879	11,328	(551)	-4.9%
Call Center	12,504	16,834	4,330	25.7%
Energy Conservation Rebates	7,533	6,500	(1,033)	-15.9%
Bad Debt Expense	2,531	3,590	1,059	29.5%
Administrative Support Transfer	7,441	7,441	0	0.0%
<b>Total Operating O&amp;M Without Fuel</b>	<b>196,311</b>	<b>214,948</b>	<b>18,637</b>	<b>8.7%</b>
<b>Total Operating Requirements</b>	<b>393,983</b>	<b>407,720</b>	<b>13,737</b>	<b>3.4%</b>
<b><u>DEBT SERVICE REQUIREMENTS</u></b>				
Revenue Bond	68,554	74,104	5,550	7.5%
Other Obligations	3,719	3,364	(355)	-10.6%
<b>Total Debt Service Requirements</b>	<b>72,273</b>	<b>77,468</b>	<b>5,195</b>	<b>6.7%</b>
<b><u>TRANSFERS/USES OF COVERAGE</u></b>				
General Fund Transfer	68,250	68,250	0	0.0%
Electric CIP Transfer	66,544	52,929	(13,615)	-25.7%
<b>Total Transfers</b>	<b>134,794</b>	<b>121,179</b>	<b>(13,615)</b>	<b>-11.2%</b>
<b>Total Requirements Without Encumbrances</b>	<b>601,050</b>	<b>606,367</b>	<b>5,317</b>	<b>0.9%</b>
<b>Total Encumbrances</b>	<b>13,683</b>	<b>13,683</b>	<b>0</b>	<b>0.0%</b>
<b>Total Requirements</b>	<b>614,733</b>	<b>620,050</b>	<b>5,317</b>	<b>0.9%</b>
<b>CHANGE TO BEGINNING BALANCE</b>	<b>\$ (35,795)</b>	<b>\$ (60,991)</b>	<b>\$ 25,196</b>	<b>-41.3%</b>

**AUSTIN ENERGY**  
**FY 2008 BUDGET TO ACTUAL (Budget Based Statement)**



Unaudited Results

\$ in Thousands

	May 2008 Year to Date Actual	May 2008 Year to Date Budget	Variance	Percent
<b><u>REVENUES</u></b>				
Service Area Base Revenue	\$ 350,109	\$ 337,514	\$ 12,595	3.7%
Green Choice Billed Revenue	14,218	12,100	2,118	17.5%
Bilateral & Ancillary Service Sales	24,677	14,844	9,833	66.2%
Transmission Service Revenue	38,282	39,233	(951)	-2.4%
Miscellaneous Revenue	21,836	24,064	(2,228)	-9.3%
Interest Income	18,187	13,860	4,327	31.22%
<b>Total Operating Revenue Without Fuel Revenue</b>	<b>467,309</b>	<b>441,615</b>	<b>25,694</b>	<b>5.8%</b>
Fuel Revenue	212,361	211,353	1,008	0.5%
<b>Total Operating Revenue</b>	<b>679,670</b>	<b>652,968</b>	<b>26,702</b>	<b>4.1%</b>
<b><u>OPERATING REQUIREMENTS</u></b>				
Fuel and Green Power Expense	232,819	223,453	(9,366)	-4.2%
<b><u>Department O&amp;M Without Fuel</u></b>				
Department O&M	110,646	122,818	12,172	9.9%
Transmission Service Expense	33,039	33,646	607	1.8%
South Texas Project O&M	37,103	39,340	2,237	5.7%
Fayette Power Project O&M	14,291	12,789	(1,502)	-11.7%
Call Center	15,217	19,706	4,489	22.8%
Energy Conservation Rebates	8,605	7,627	(978)	-12.8%
Bad Debt Expense	2,933	4,212	1,279	30.4%
Administrative Support Transfer	8,503	8,503	0	0.0%
<b>Total Operating O&amp;M Without Fuel</b>	<b>230,337</b>	<b>248,641</b>	<b>18,304</b>	<b>7.4%</b>
<b>Total Operating Requirements</b>	<b>463,156</b>	<b>472,094</b>	<b>8,938</b>	<b>1.9%</b>
<b><u>DEBT SERVICE REQUIREMENTS</u></b>				
Revenue Bond	81,933	88,625	6,692	7.6%
Other Obligations	3,792	3,794	2	0.1%
<b>Total Debt Service Requirements</b>	<b>85,725</b>	<b>92,419</b>	<b>6,694</b>	<b>7.2%</b>
<b><u>TRANSFERS/USES OF COVERAGE</u></b>				
General Fund Transfer	68,250	68,250	0	0.0%
Electric CIP Transfer	76,049	60,614	(15,435)	-25.5%
<b>Total Transfers</b>	<b>144,299</b>	<b>128,864</b>	<b>(15,435)</b>	<b>-12.0%</b>
<b>Total Requirements Without Encumbrances</b>	<b>693,180</b>	<b>693,377</b>	<b>197</b>	<b>0.0%</b>
<b>Total Encumbrances</b>	<b>11,904</b>	<b>11,904</b>	<b>0</b>	<b>0.0%</b>
<b>Total Requirements</b>	<b>705,084</b>	<b>705,281</b>	<b>197</b>	<b>0.0%</b>
<b>CHANGE TO BEGINNING BALANCE</b>	<b>\$ (25,414)</b>	<b>\$ (52,313)</b>	<b>\$ 26,899</b>	<b>-51.4%</b>

**AUSTIN ENERGY**  
**FY 2008 BUDGET TO ACTUAL (Budget Based Statement)**

**Unaudited Results**
**\$ in Thousands**

	<b>June 2008 Year to Date Actual</b>	<b>June 2008 Year to Date Budget</b>	<b>Variance</b>	<b>Percent</b>
<b>REVENUES</b>				
Service Area Base Revenue	\$ 412,997	\$ 397,891	\$ 15,106	3.8%
Green Choice Billed Revenue	16,837	13,804	3,033	22.0%
Bilateral & Ancillary Service Sales	30,326	16,616	13,710	82.5%
Transmission Service Revenue	42,122	44,208	(2,086)	-4.7%
Miscellaneous Revenue	24,909	26,832	(1,923)	-7.2%
Interest Income	20,116	15,771	4,345	27.55%
<b>Total Operating Revenue Without Fuel Revenue</b>	<b>547,307</b>	<b>515,122</b>	<b>32,185</b>	<b>6.2%</b>
Fuel Revenue	260,917	245,574	15,343	6.2%
<b>Total Operating Revenue</b>	<b>808,224</b>	<b>760,696</b>	<b>47,528</b>	<b>6.2%</b>
<b>TRANSFERS IN</b>				
General Fund	-	-	-	0.0%
Repair & Replacement Fund	30,000	30,000	-	0.0%
Strategic Reserve Fund	17,985	17,985	-	0.0%
<b>Total Transfers</b>	<b>47,985</b>	<b>47,985</b>	<b>-</b>	<b>0.0%</b>
<b>Total Revenue</b>	<b>856,209</b>	<b>808,681</b>	<b>47,528</b>	<b>5.9%</b>
<b>OPERATING REQUIREMENTS</b>				
Fuel and Green Power Expense	285,546	259,378	(26,168)	-10.1%
<b>Department O&amp;M Without Fuel</b>				
Department O&M	124,629	138,033	13,404	9.7%
Transmission Service Expense	36,871	37,904	1,033	2.7%
South Texas Project O&M	41,747	43,495	1,748	4.0%
Fayette Power Project O&M	16,704	14,405	(2,299)	-16.0%
Call Center	17,085	22,118	5,033	22.8%
Energy Conservation Rebates	9,625	9,470	(155)	-1.6%
Bad Debt Expense	3,450	4,938	1,488	30.1%
Administrative Support Transfer	9,566	9,566	0	0.0%
<b>Total Operating O&amp;M Without Fuel</b>	<b>259,677</b>	<b>279,929</b>	<b>20,252</b>	<b>7.2%</b>
<b>Total Operating Requirements</b>	<b>545,223</b>	<b>539,307</b>	<b>(5,916)</b>	<b>-1.1%</b>
<b>DEBT SERVICE REQUIREMENTS</b>				
Revenue Bond	101,729	108,770	7,041	6.5%
Other Obligations	3,839	4,290	451	10.5%
<b>Total Debt Service Requirements</b>	<b>105,568</b>	<b>113,060</b>	<b>7,492</b>	<b>6.6%</b>
<b>TRANSFERS/USES OF COVERAGE</b>				
General Fund Transfer	68,250	68,250	0	0.0%
Electric CIP Transfer	85,429	69,083	(16,346)	-23.7%
Repair & Replacement Fund Transfer	505	505	0	0.0%
<b>Total Transfers</b>	<b>154,184</b>	<b>137,838</b>	<b>(16,346)</b>	<b>-11.9%</b>
<b>Total Requirements Without Encumbrances</b>	<b>804,975</b>	<b>790,205</b>	<b>(14,770)</b>	<b>-1.9%</b>
<b>Total Encumbrances</b>	<b>16,388</b>	<b>16,388</b>	<b>0</b>	<b>0.0%</b>
<b>Total Requirements</b>	<b>821,363</b>	<b>806,593</b>	<b>(14,770)</b>	<b>-1.8%</b>
<b>CHANGE TO BEGINNING BALANCE</b>	<b>\$ 34,846</b>	<b>\$ 2,088</b>	<b>\$ 32,758</b>	<b>1568.9%</b>

**AUSTIN ENERGY**  
**FY 2008 BUDGET TO ACTUAL (Budget Based Statement)**

**Unaudited Results**
**\$ in Thousands**

	July 2008 Year to Date Actual	July 2008 Year to Date Budget	Variance	Percent
<b>REVENUES</b>				
Service Area Base Revenue	\$ 481,787	\$ 462,165	\$ 19,622	4.2%
Green Choice Billed Revenue	19,605	15,602	4,003	25.7%
Bilateral & Ancillary Service Sales	33,988	18,388	15,600	84.8%
Transmission Service Revenue	46,749	49,184	(2,435)	-5.0%
Miscellaneous Revenue	27,871	29,616	(1,745)	-5.9%
Interest Income	22,033	17,690	4,343	24.55%
<b>Total Operating Revenue Without Fuel Revenue</b>	<b>632,033</b>	<b>592,645</b>	<b>39,388</b>	<b>6.6%</b>
Fuel Revenue	335,872	281,886	53,986	19.2%
<b>Total Operating Revenue</b>	<b>967,905</b>	<b>874,531</b>	<b>93,374</b>	<b>10.7%</b>
<b>TRANSFERS IN</b>				
General Fund	-	-	-	0.0%
Repair & Replacement Fund	30,000	30,000	-	0.0%
Strategic Reserve Fund	17,985	17,985	-	0.0%
<b>Total Transfers</b>	<b>47,985</b>	<b>47,985</b>	<b>-</b>	<b>0.0%</b>
<b>Total Revenue</b>	<b>1,015,890</b>	<b>922,516</b>	<b>93,374</b>	<b>10.1%</b>
<b>OPERATING REQUIREMENTS</b>				
Fuel and Green Power Expense	364,107	297,488	(66,619)	-22.4%
<b>Department O&amp;M Without Fuel</b>				
Department O&M	139,100	153,598	14,498	9.4%
Transmission Service Expense	41,037	42,162	1,125	2.7%
South Texas Project O&M	45,788	47,413	1,625	3.4%
Fayette Power Project O&M	18,012	15,941	(2,071)	-13.0%
Call Center	20,060	24,437	4,377	17.9%
Energy Conservation Rebates	11,203	10,780	(423)	-3.9%
Bad Debt Expense	4,012	5,710	1,698	29.7%
Administrative Support Transfer	10,629	10,629	0	0.0%
<b>Total Operating O&amp;M Without Fuel</b>	<b>289,841</b>	<b>310,670</b>	<b>20,829</b>	<b>6.7%</b>
<b>Total Operating Requirements</b>	<b>653,948</b>	<b>608,158</b>	<b>(45,790)</b>	<b>-7.5%</b>
<b>DEBT SERVICE REQUIREMENTS</b>				
Revenue Bond	121,318	128,915	7,597	5.9%
Other Obligations	4,383	4,763	380	8.0%
<b>Total Debt Service Requirements</b>	<b>125,701</b>	<b>133,678</b>	<b>7,977</b>	<b>6.0%</b>
<b>TRANSFERS/USES OF COVERAGE</b>				
General Fund Transfer	91,000	91,000	0	0.0%
Electric CIP Transfer	97,669	87,720	(9,949)	-11.3%
Repair & Replacement Fund Transfer	505	505	0	0.0%
<b>Total Transfers</b>	<b>189,174</b>	<b>179,225</b>	<b>(9,949)</b>	<b>-5.6%</b>
<b>Total Requirements Without Encumbrances</b>	<b>968,823</b>	<b>921,061</b>	<b>(47,762)</b>	<b>-5.2%</b>
<b>Total Encumbrances</b>	<b>14,522</b>	<b>14,522</b>	<b>0</b>	<b>0.0%</b>
<b>Total Requirements</b>	<b>983,345</b>	<b>935,583</b>	<b>(47,762)</b>	<b>-5.1%</b>
<b>CHANGE TO BEGINNING BALANCE</b>	<b>\$ 32,545</b>	<b>\$ (13,067)</b>	<b>\$ 45,612</b>	<b>-349.1%</b>

**AUSTIN ENERGY**  
**FY 2008 BUDGET TO ACTUAL (Budget Based Statement)**



Unaudited Results

\$ in Thousands

	August 2008 Year to Date Actual	August 2008 Year to Date Budget	Variance	Percent
<b>REVENUES</b>				
Service Area Base Revenue	\$ 550,951	\$ 529,035	\$ 21,916	4.1%
Green Choice Billed Revenue	22,379	17,412	4,967	28.5%
Bilateral & Ancillary Service Sales	36,584	20,160	16,424	81.5%
Transmission Service Revenue	51,377	54,159	(2,782)	-5.1%
Miscellaneous Revenue	30,861	32,441	(1,580)	-4.9%
Interest Income	23,853	19,631	4,222	21.51%
<b>Total Operating Revenue Without Fuel Revenue</b>	<b>716,005</b>	<b>672,838</b>	<b>43,167</b>	<b>6.4%</b>
Fuel Revenue	395,657	319,029	76,628	24.0%
<b>Total Operating Revenue</b>	<b>1,111,662</b>	<b>991,867</b>	<b>119,795</b>	<b>12.1%</b>
<b>TRANSFERS IN</b>				
General Fund	-	-	-	0.0%
Repair & Replacement Fund	30,000	30,000	-	0.0%
Strategic Reserve Fund	17,985	17,985	-	0.0%
<b>Total Transfers</b>	<b>47,985</b>	<b>47,985</b>	<b>-</b>	<b>0.0%</b>
<b>Total Revenue</b>	<b>1,159,647</b>	<b>1,039,852</b>	<b>119,795</b>	<b>11.5%</b>
<b>OPERATING REQUIREMENTS</b>				
Fuel and Green Power Expense	425,746	336,441	(89,305)	-26.5%
<b>Department O&amp;M Without Fuel</b>				
Department O&M	152,963	168,462	15,499	9.2%
Transmission Service Expense	46,290	46,420	130	0.3%
South Texas Project O&M	50,369	51,449	1,080	2.1%
Fayette Power Project O&M	20,150	17,506	(2,644)	-15.1%
Call Center	21,842	26,751	4,909	18.4%
Energy Conservation Rebates	12,499	12,357	(142)	-1.1%
Bad Debt Expense	4,577	6,509	1,932	29.7%
Administrative Support Transfer	11,692	11,692	0	0.0%
<b>Total Operating O&amp;M Without Fuel</b>	<b>320,382</b>	<b>341,146</b>	<b>20,764</b>	<b>6.1%</b>
<b>Total Operating Requirements</b>	<b>746,128</b>	<b>677,587</b>	<b>(68,541)</b>	<b>-10.1%</b>
<b>DEBT SERVICE REQUIREMENTS</b>				
Revenue Bond	141,241	149,059	7,818	5.2%
Other Obligations	4,544	5,189	645	12.4%
<b>Total Debt Service Requirements</b>	<b>145,785</b>	<b>154,248</b>	<b>8,463</b>	<b>5.5%</b>
<b>TRANSFERS/USES OF COVERAGE</b>				
General Fund Transfer	91,000	91,000	0	0.0%
Electric CIP Transfer	105,450	107,202	1,752	1.6%
Repair & Replacement Fund Transfer	505	505	0	0.0%
<b>Total Transfers</b>	<b>196,955</b>	<b>198,707</b>	<b>1,752</b>	<b>0.9%</b>
<b>Total Requirements Without Encumbrances</b>	<b>1,088,868</b>	<b>1,030,542</b>	<b>(58,326)</b>	<b>-5.7%</b>
<b>Total Encumbrances</b>	<b>13,818</b>	<b>13,818</b>	<b>0</b>	<b>0.0%</b>
<b>Total Requirements</b>	<b>1,102,686</b>	<b>1,044,360</b>	<b>(58,326)</b>	<b>-5.6%</b>
<b>CHANGE TO BEGINNING BALANCE</b>	<b>\$ 56,961</b>	<b>\$ (4,508)</b>	<b>\$ 61,469</b>	<b>-1363.6%</b>

**AUSTIN ENERGY**  
**FY 2009 BUDGET TO ACTUAL (Budget Based Statement)**



Unaudited Results

\$ in Thousands

	December 2008 Year to Date Actual	December 2008 Year to Date Budget	Variance	Percent
<b><u>REVENUES</u></b>				
Service Area Base Revenue	\$ 134,173	\$ 134,565	\$ (392)	-0.3%
Bilateral & Ancillary Service Sales	7,343	4,542	2,801	61.7%
Transmission Service Revenue	13,883	13,883	-	0.0%
Miscellaneous Revenue	9,541	10,886	(1,345)	-12.4%
Interest Income	4,602	6,000	(1,398)	-23.30%
<b>Total Operating Revenue Without Fuel Revenue</b>	<b>169,542</b>	<b>169,876</b>	<b>(334)</b>	<b>-0.2%</b>
Fuel & Green Choice Revenue	99,716	117,495	(17,779)	-15.1%
<b>Total Revenue</b>	<b>269,258</b>	<b>287,371</b>	<b>(18,113)</b>	<b>-6.3%</b>
<b><u>OPERATING REQUIREMENTS</u></b>				
Fuel and Green Power Expense	102,325	117,994	15,669	13.3%
<b><u>Department O&amp;M Without Fuel</u></b>				
Department O&M	39,179	54,527	15,348	28.1%
Transmission Service Expense	13,247	13,218	(29)	-0.2%
South Texas Project O&M	16,377	17,681	1,304	7.4%
Fayette Power Project O&M	8,002	5,803	(2,199)	-37.9%
Call Center	7,553	8,501	948	11.2%
Energy Conservation Rebates	2,977	4,273	1,296	30.3%
Bad Debt Expense	1,151	1,106	(45)	-4.1%
Administrative Support Transfer	3,469	3,469	0	0.0%
<b>Total Operating O&amp;M Without Fuel</b>	<b>91,955</b>	<b>108,578</b>	<b>16,623</b>	<b>15.3%</b>
<b>Total Operating Requirements</b>	<b>194,280</b>	<b>226,572</b>	<b>32,292</b>	<b>14.3%</b>
<b><u>DEBT SERVICE REQUIREMENTS</u></b>				
Revenue Bond	43,012	44,604	1,592	3.6%
Other Obligations	197	1,688	1,491	88.3%
<b>Total Debt Service Requirements</b>	<b>43,209</b>	<b>46,292</b>	<b>3,083</b>	<b>6.7%</b>
<b><u>TRANSFERS/USES OF COVERAGE</u></b>				
General Fund Transfer	23,750	23,750	0	0.0%
Electric CIP Transfer	35,869	34,250	(1,619)	-4.7%
Repair & Replacement Fund Transfer	-	-	0	0.0%
<b>Total Transfers</b>	<b>59,619</b>	<b>58,000</b>	<b>(1,619)</b>	<b>-2.8%</b>
<b>Total Requirements Without Encumbrances</b>	<b>297,108</b>	<b>330,864</b>	<b>33,756</b>	<b>10.2%</b>
<b>Total Encumbrances</b>	<b>18,636</b>	<b>18,636</b>	<b>0</b>	<b>0.0%</b>
<b>Total Requirements</b>	<b>315,744</b>	<b>349,500</b>	<b>33,756</b>	<b>9.7%</b>
<b>CHANGE TO BEGINNING BALANCE</b>	<b>\$ (46,486)</b>	<b>\$ (62,129)</b>	<b>\$ 15,643</b>	<b>-25.2%</b>



**AUSTIN ENERGY**  
**FY 2009 BUDGET TO ACTUAL (Budget Based Statement)**



Unaudited Results

\$ in Thousands

	January 2009 Year to Date Actual	January 2009 Year to Date Budget	Variance	Percent
<b><u>REVENUES</u></b>				
Service Area Base Revenue	\$ 179,364	\$ 178,636	\$ 728	0.4%
Bilateral & Ancillary Service Sales	10,487	6,056	4,431	73.2%
Transmission Service Revenue	18,510	18,619	(109)	-0.6%
Miscellaneous Revenue	11,953	13,305	(1,352)	-10.2%
Interest Income	5,830	7,336	(1,506)	-20.53%
<b>Total Operating Revenue Without Fuel Revenue</b>	<b>226,144</b>	<b>223,952</b>	<b>2,192</b>	<b>1.0%</b>
Fuel & Green Choice Revenue	133,918	160,418	(26,500)	-16.5%
<b>Total Revenue</b>	<b>360,062</b>	<b>384,370</b>	<b>(24,308)</b>	<b>-6.3%</b>
<b><u>OPERATING REQUIREMENTS</u></b>				
Fuel and Green Power Expense	137,259	161,126	23,867	14.8%
<b><u>Department O&amp;M Without Fuel</u></b>				
Department O&M	57,786	72,300	14,514	20.1%
Transmission Service Expense	17,686	17,315	(371)	-2.1%
South Texas Project O&M	21,189	22,708	1,519	6.7%
Fayette Power Project O&M	10,513	7,651	(2,862)	-37.4%
Call Center	9,526	10,144	618	6.1%
Energy Conservation Rebates	4,086	3,483	(603)	-17.3%
Bad Debt Expense	1,547	1,488	(59)	-4.0%
Administrative Support Transfer	4,625	4,625	0	0.0%
<b>Total Operating O&amp;M Without Fuel</b>	<b>126,958</b>	<b>139,714</b>	<b>12,756</b>	<b>9.1%</b>
<b>Total Operating Requirements</b>	<b>264,217</b>	<b>300,840</b>	<b>36,623</b>	<b>12.2%</b>
<b><u>DEBT SERVICE REQUIREMENTS</u></b>				
Revenue Bond	51,986	54,656	2,670	4.9%
Other Obligations	339	2,135	1,796	84.1%
<b>Total Debt Service Requirements</b>	<b>52,325</b>	<b>56,791</b>	<b>4,466</b>	<b>7.9%</b>
<b><u>TRANSFERS/USES OF COVERAGE</u></b>				
General Fund Transfer	47,500	47,500	0	0.0%
Electric CIP Transfer	47,105	45,667	(1,438)	-3.1%
Repair & Replacement Fund Transfer	-	-	0	0.0%
<b>Total Transfers</b>	<b>94,605</b>	<b>93,167</b>	<b>(1,438)</b>	<b>-1.5%</b>
<b>Total Requirements Without Encumbrances</b>	<b>411,147</b>	<b>450,798</b>	<b>39,651</b>	<b>8.8%</b>
<b>Total Encumbrances</b>	<b>16,063</b>	<b>16,063</b>	<b>0</b>	<b>0.0%</b>
<b>Total Requirements</b>	<b>427,210</b>	<b>466,861</b>	<b>39,651</b>	<b>8.5%</b>
<b>CHANGE TO BEGINNING BALANCE</b>	<b>\$ (67,148)</b>	<b>\$ (82,491)</b>	<b>\$ 15,343</b>	<b>-18.6%</b>

**AUSTIN ENERGY**  
**FY 2009 BUDGET TO ACTUAL (Budget Based Statement)**



Unaudited Results

\$ in Thousands

	February 2009 Year to Date Actual	February 2009 Year to Date Budget	Variance	Percent
<b><u>REVENUES</u></b>				
Service Area Base Revenue	\$ 218,474	\$ 217,979	\$ 495	0.2%
Bilateral & Ancillary Service Sales	14,141	7,570	6,571	86.8%
Transmission Service Revenue	23,138	23,356	(218)	-0.9%
Miscellaneous Revenue	14,102	15,761	(1,659)	-10.5%
Interest Income	7,834	8,570	(736)	-8.59%
<b>Total Operating Revenue Without Fuel Revenue</b>	<b>277,689</b>	<b>273,236</b>	<b>4,453</b>	<b>1.6%</b>
Fuel & Green Choice Revenue	162,269	198,052	(35,783)	-18.1%
<b>Total Revenue</b>	<b>439,957</b>	<b>471,289</b>	<b>(31,330)</b>	<b>-6.6%</b>
<b><u>OPERATING REQUIREMENTS</u></b>				
Fuel and Green Power Expense	166,712	198,915	32,203	16.2%
<b><u>Department O&amp;M Without Fuel</u></b>				
Department O&M	72,554	89,094	16,540	18.6%
Transmission Service Expense	22,125	21,413	(712)	-3.3%
South Texas Project O&M	25,979	27,477	1,498	5.5%
Fayette Power Project O&M	11,984	9,453	(2,531)	-26.8%
Call Center	11,565	12,751	1,186	9.3%
Energy Conservation Rebates	5,271	4,905	(366)	-7.5%
Bad Debt Expense	1,884	1,825	(59)	-3.2%
Administrative Support Transfer	5,782	5,782	0	0.0%
<b>Total Operating O&amp;M Without Fuel</b>	<b>157,144</b>	<b>172,700</b>	<b>15,556</b>	<b>9.0%</b>
<b>Total Operating Requirements</b>	<b>323,856</b>	<b>371,615</b>	<b>47,759</b>	<b>12.9%</b>
<b><u>DEBT SERVICE REQUIREMENTS</u></b>				
Revenue Bond	60,993	64,708	3,715	5.7%
Other Obligations	347	2,567	2,220	86.5%
<b>Total Debt Service Requirements</b>	<b>61,340</b>	<b>67,275</b>	<b>5,935</b>	<b>8.8%</b>
<b><u>TRANSFERS/USES OF COVERAGE</u></b>				
General Fund Transfer	47,500	47,500	0	0.0%
Electric CIP Transfer	58,342	57,083	(1,259)	-2.2%
Repair & Replacement Fund Transfer	-	-	0	0.0%
<b>Total Transfers</b>	<b>105,842</b>	<b>104,583</b>	<b>(1,259)</b>	<b>-1.2%</b>
<b>Total Requirements Without Encumbrances</b>	<b>491,038</b>	<b>543,473</b>	<b>52,435</b>	<b>9.6%</b>
<b>Total Encumbrances</b>	<b>14,657</b>	<b>14,657</b>	<b>0</b>	<b>0.0%</b>
<b>Total Requirements</b>	<b>505,695</b>	<b>558,130</b>	<b>52,435</b>	<b>9.4%</b>
<b>CHANGE TO BEGINNING BALANCE</b>	<b>\$ (65,738)</b>	<b>\$ (86,841)</b>	<b>\$ 21,103</b>	<b>-24.3%</b>

**AUSTIN ENERGY**  
**FY 2009 BUDGET TO ACTUAL (Budget Based Statement)**



Unaudited Results

\$ in Thousands

	March 2009 Year to Date Actual	March 2009 Year to Date Budget	Variance	Percent
<b>REVENUES</b>				
Service Area Base Revenue	\$ 256,507	\$ 255,529	\$ 978	0.4%
Bilateral & Ancillary Service Sales	15,547	9,084	6,463	71.1%
Transmission Service Revenue	28,256	28,092	164	0.6%
Miscellaneous Revenue	16,002	18,346	(2,344)	-12.8%
Interest Income	8,012	9,684	(1,672)	-17.27%
<b>Total Operating Revenue Without Fuel Revenue</b>	<b>324,324</b>	<b>320,735</b>	<b>3,589</b>	<b>1.1%</b>
Fuel & Green Choice Revenue	191,586	234,616	(43,030)	-18.3%
<b>Total Operating Revenue</b>	<b>515,910</b>	<b>555,352</b>	<b>(39,441)</b>	<b>-7.1%</b>
<b>OPERATING REQUIREMENTS</b>				
Fuel and Green Power Expense	196,639	235,621	38,982	16.5%
<b>Department O&amp;M Without Fuel</b>				
Department O&M	88,110	106,325	18,215	17.1%
Transmission Service Expense	28,123	25,511	(2,612)	-10.2%
South Texas Project O&M	30,008	31,794	1,786	5.6%
Fayette Power Project O&M	13,357	11,210	(2,147)	-19.2%
Call Center	13,863	15,160	1,297	8.6%
Energy Conservation Rebates	6,502	6,327	(175)	-2.8%
Bad Debt Expense	2,217	2,151	(66)	-3.1%
Administrative Support Transfer	6,938	6,938	0	0.0%
<b>Total Operating O&amp;M Without Fuel</b>	<b>189,118</b>	<b>205,416</b>	<b>16,298</b>	<b>7.9%</b>
<b>Total Operating Requirements</b>	<b>385,757</b>	<b>441,037</b>	<b>55,280</b>	<b>12.5%</b>
<b>DEBT SERVICE REQUIREMENTS</b>				
Revenue Bond	69,983	74,760	4,777	6.4%
Other Obligations	353	3,044	2,691	88.4%
<b>Total Debt Service Requirements</b>	<b>70,336</b>	<b>77,804</b>	<b>7,468</b>	<b>9.6%</b>
<b>TRANSFERS/USES OF COVERAGE</b>				
General Fund Transfer	47,500	47,500	0	0.0%
Electric CIP Transfer	69,578	68,500	(1,078)	-1.6%
Repair & Replacement Fund Transfer	-	-	0	0.0%
<b>Total Transfers</b>	<b>117,078</b>	<b>116,000</b>	<b>(1,078)</b>	<b>-0.9%</b>
<b>Total Requirements Without Encumbrances</b>	<b>573,171</b>	<b>634,841</b>	<b>61,670</b>	<b>9.7%</b>
<b>Total Encumbrances</b>	<b>18,135</b>	<b>18,135</b>	<b>0</b>	<b>0.0%</b>
<b>Total Requirements</b>	<b>591,306</b>	<b>652,976</b>	<b>61,670</b>	<b>9.4%</b>
<b>CHANGE TO BEGINNING BALANCE</b>	<b>\$ (75,396)</b>	<b>\$ (97,624)</b>	<b>\$ 22,228</b>	<b>-22.8%</b>

**AUSTIN ENERGY**  
**FY 2009 BUDGET TO ACTUAL (Budget Based Statement)**



Unaudited Results

\$ in Thousands

	April 2009 Year to Date Actual	April 2009 Year to Date Budget	Variance	Percent
<b><u>REVENUES</u></b>				
Service Area Base Revenue	\$ 295,033	\$ 293,711	\$ 1,322	0.5%
Bilateral & Ancillary Service Sales	18,452	11,598	6,854	59.1%
Transmission Service Revenue	33,048	32,828	220	0.7%
Miscellaneous Revenue	18,245	20,972	(2,727)	-13.0%
Interest Income	9,053	10,695	(1,642)	-15.35%
<b>Total Operating Revenue Without Fuel Revenue</b>	<b>373,831</b>	<b>369,804</b>	<b>4,027</b>	<b>1.1%</b>
Fuel & Green Choice Revenue	223,154	272,992	(49,838)	-18.3%
<b>Total Operating Revenue</b>	<b>596,985</b>	<b>642,796</b>	<b>(45,811)</b>	<b>-7.1%</b>
<b><u>OPERATING REQUIREMENTS</u></b>				
Fuel and Green Power Expense	229,485	273,730	44,245	16.2%
<b><u>Department O&amp;M Without Fuel</u></b>				
Department O&M	103,531	123,752	20,221	16.3%
Transmission Service Expense	33,082	29,608	(3,474)	-11.7%
South Texas Project O&M	34,384	36,047	1,663	4.6%
Fayette Power Project O&M	14,624	13,119	(1,505)	-11.5%
Call Center	15,273	17,529	2,256	12.9%
Energy Conservation Rebates	7,141	7,750	609	7.9%
Bad Debt Expense	2,555	2,485	(70)	-2.8%
Administrative Support Transfer	8,095	8,095	0	0.0%
<b>Total Operating O&amp;M Without Fuel</b>	<b>218,685</b>	<b>238,385</b>	<b>19,700</b>	<b>8.3%</b>
<b>Total Operating Requirements</b>	<b>448,170</b>	<b>512,115</b>	<b>63,945</b>	<b>12.5%</b>
<b><u>DEBT SERVICE REQUIREMENTS</u></b>				
Revenue Bond	78,973	84,812	5,839	6.9%
Other Obligations	432	3,516	3,084	87.7%
<b>Total Debt Service Requirements</b>	<b>79,405</b>	<b>88,328</b>	<b>8,923</b>	<b>10.1%</b>
<b><u>TRANSFERS/USES OF COVERAGE</u></b>				
General Fund Transfer	71,250	71,250	0	0.0%
Electric CIP Transfer	80,815	79,917	(898)	-1.1%
Repair & Replacement Fund Transfer	-	-	0	0.0%
<b>Total Transfers</b>	<b>152,065</b>	<b>151,167</b>	<b>(898)</b>	<b>-0.6%</b>
<b>Total Requirements Without Encumbrances</b>	<b>679,640</b>	<b>751,610</b>	<b>71,970</b>	<b>9.6%</b>
<b>Total Encumbrances</b>	<b>15,860</b>	<b>15,860</b>	<b>0</b>	<b>0.0%</b>
<b>Total Requirements</b>	<b>695,500</b>	<b>767,470</b>	<b>71,970</b>	<b>9.4%</b>
<b>CHANGE TO BEGINNING BALANCE</b>	<b>\$ (98,515)</b>	<b>\$ (124,674)</b>	<b>\$ 26,159</b>	<b>-21.0%</b>

AUSTIN ENERGY  
FY 2009 BUDGET TO ACTUAL (Budget Based Statement)



Unaudited Results

\$ in Thousands

	May 2009 Year to Date Actual	May 2009 Year to Date Budget	Variance	Percent
<b><u>REVENUES</u></b>				
Service Area Base Revenue	\$ 343,757	\$ 344,165	\$ (408)	-0.1%
Bilateral & Ancillary Service Sales	19,706	14,112	5,594	39.6%
Transmission Service Revenue	37,839	37,565	274	0.7%
Miscellaneous Revenue	20,694	23,879	(3,185)	-13.3%
Interest Income	10,030	11,554	(1,524)	-13.2%
<b>Total Operating Revenue Without Fuel Revenue</b>	<b>432,026</b>	<b>431,275</b>	<b>751</b>	<b>0.2%</b>
Fuel & Green Choice Revenue	258,744	315,058	(56,314)	-17.9%
<b>Total Operating Revenue</b>	<b>690,770</b>	<b>746,333</b>	<b>(55,563)</b>	<b>-7.4%</b>
<b><u>OPERATING REQUIREMENTS</u></b>				
Fuel and Green Power Expense	264,891	315,566	50,675	16.1%
<b><u>Department O&amp;M Without Fuel</u></b>				
Department O&M	122,627	145,032	22,405	15.4%
Transmission Service Expense	38,041	33,706	(4,335)	-12.9%
South Texas Project O&M	38,819	40,386	1,567	3.9%
Fayette Power Project O&M	15,842	14,927	(915)	-6.1%
Call Center	18,435	20,849	2,414	11.6%
Energy Conservation Rebates	7,778	9,172	1,394	15.2%
Bad Debt Expense	2,874	2,889	15	0.5%
Administrative Support Transfer	9,122	9,251	129	1.4%
<b>Total Operating O&amp;M Without Fuel</b>	<b>253,538</b>	<b>276,212</b>	<b>22,674</b>	<b>8.2%</b>
<b>Total Operating Requirements</b>	<b>518,429</b>	<b>591,778</b>	<b>73,349</b>	<b>12.4%</b>
<b><u>DEBT SERVICE REQUIREMENTS</u></b>				
Revenue Bond	93,815	101,034	7,219	7.1%
Other Obligations	443	3,911	3,468	88.7%
<b>Total Debt Service Requirements</b>	<b>94,258</b>	<b>104,945</b>	<b>10,687</b>	<b>10.2%</b>
<b><u>TRANSFERS/USES OF COVERAGE</u></b>				
General Fund Transfer	71,250	71,250	0	0.0%
Electric CIP Transfer	92,051	91,333	(718)	-0.8%
Repair & Replacement Fund Transfer	-	-	0	0.0%
<b>Total Transfers</b>	<b>163,301</b>	<b>162,583</b>	<b>(718)</b>	<b>-0.4%</b>
<b>Total Requirements Without Encumbrances</b>	<b>775,988</b>	<b>859,306</b>	<b>83,318</b>	<b>9.7%</b>
<b>Total Encumbrances</b>	<b>14,748</b>	<b>14,748</b>	<b>0</b>	<b>0.0%</b>
<b>Total Requirements</b>	<b>790,736</b>	<b>874,054</b>	<b>83,318</b>	<b>9.5%</b>
<b>CHANGE TO BEGINNING BALANCE</b>	<b>\$ (99,966)</b>	<b>\$ (127,721)</b>	<b>\$ 27,755</b>	<b>-21.7%</b>

**AUSTIN ENERGY**  
**FY 2009 BUDGET TO ACTUAL (Budget Based Statement)**

**Unaudited Results**
**\$ in Thousands**

	<b>June 2009 Year to Date Actual</b>	<b>June 2009 Year to Date Budget</b>	<b>Variance</b>	<b>Percent</b>
<b><u>REVENUES</u></b>				
Service Area Base Revenue	\$ 403,097	\$ 406,480	\$ (3,383)	-0.8%
Bilateral & Ancillary Service Sales	21,291	16,626	4,665	28.1%
Transmission Service Revenue	42,630	42,301	329	0.8%
Miscellaneous Revenue	23,508	26,968	(3,460)	-12.8%
Interest Income	10,966	12,903	(1,937)	-15.0%
<b>Total Operating Revenue Without Fuel Revenue</b>	<b>501,492</b>	<b>505,278</b>	<b>(3,786)</b>	<b>-0.7%</b>
Fuel & Green Choice Revenue	305,310	364,322	(59,012)	-16.2%
<b>Total Operating Revenue</b>	<b>806,802</b>	<b>869,600</b>	<b>(62,798)</b>	<b>-7.2%</b>
<b><u>TRANSFERS IN</u></b>				
Repair & Replacement Fund	35,000	35,000	-	0.0%
Strategic Reserve Fund	8,215	8,215	-	0.0%
<b>Total Transfers</b>	<b>43,215</b>	<b>43,215</b>	<b>-</b>	<b>0.0%</b>
<b>Total Revenue</b>	<b>850,017</b>	<b>912,815</b>	<b>(62,798)</b>	<b>-6.9%</b>
<b><u>OPERATING REQUIREMENTS</u></b>				
Fuel and Green Power Expense	308,764	364,669	55,905	15.3%
<b><u>Department O&amp;M Without Fuel</u></b>				
Department O&M	138,936	163,167	24,231	14.9%
Transmission Service Expense	42,999	37,804	(5,195)	-13.7%
South Texas Project O&M	44,118	44,811	693	1.5%
Fayette Power Project O&M	16,725	16,782	57	0.3%
Call Center	20,295	23,371	3,076	13.2%
Energy Conservation Rebates	10,560	10,595	35	0.3%
Bad Debt Expense	3,266	3,377	111	3.3%
Administrative Support Transfer	10,311	10,407	96	0.9%
<b>Total Operating O&amp;M Without Fuel</b>	<b>287,210</b>	<b>310,314</b>	<b>23,104</b>	<b>7.4%</b>
<b>Total Operating Requirements</b>	<b>595,974</b>	<b>674,983</b>	<b>79,009</b>	<b>11.7%</b>
<b><u>DEBT SERVICE REQUIREMENTS</u></b>				
Revenue Bond	114,507	123,106	8,599	7.0%
Other Obligations	592	4,376	3,784	86.5%
<b>Total Debt Service Requirements</b>	<b>115,099</b>	<b>127,482</b>	<b>12,383</b>	<b>9.7%</b>
<b><u>TRANSFERS/USES OF COVERAGE</u></b>				
General Fund Transfer	71,250	71,250	0	0.0%
Electric CIP Transfer	103,288	102,750	(538)	-0.5%
Repair & Replacement Fund Transfer	5,000	5,000	0	0.0%
<b>Total Transfers</b>	<b>179,538</b>	<b>179,000</b>	<b>(538)</b>	<b>-0.3%</b>
<b>Total Requirements Without Encumbrances</b>	<b>890,611</b>	<b>981,465</b>	<b>90,854</b>	<b>9.3%</b>
<b>Total Encumbrances</b>	<b>15,423</b>	<b>15,423</b>	<b>0</b>	<b>0.0%</b>
<b>Total Requirements</b>	<b>906,034</b>	<b>996,888</b>	<b>90,854</b>	<b>9.1%</b>
<b>CHANGE TO BEGINNING BALANCE</b>	<b>\$ (56,017)</b>	<b>\$ (84,073)</b>	<b>\$ 28,056</b>	<b>-33.4%</b>

**AUSTIN ENERGY**  
**FY 2009 BUDGET TO ACTUAL (Budget Based Statement)**

**Unaudited Results**
**\$ in Thousands**

	July 2009 Year to Date Actual	July 2009 Year to Date Budget	Variance	Percent
<b><u>REVENUES</u></b>				
Service Area Base Revenue	\$ 476,135	\$ 475,949	\$ 186	0.0%
Bilateral & Ancillary Service Sales	22,420	19,141	3,279	17.1%
Transmission Service Revenue	47,421	47,037	384	0.8%
Miscellaneous Revenue	26,283	30,168	(3,885)	-12.9%
Interest Income	11,973	14,403	(2,430)	-16.9%
<b>Total Operating Revenue Without Fuel Revenue</b>	<b>584,232</b>	<b>586,698</b>	<b>(2,466)</b>	<b>-0.4%</b>
Fuel & Green Choice Revenue	360,324	418,081	(57,757)	-13.8%
<b>Total Operating Revenue</b>	<b>944,556</b>	<b>1,004,779</b>	<b>(60,223)</b>	<b>-6.0%</b>
<b><u>TRANSFERS IN</u></b>				
Repair & Replacement Fund	35,000	35,000	-	0.0%
Strategic Reserve Fund	8,215	8,215	-	0.0%
<b>Total Transfers</b>	<b>43,215</b>	<b>43,215</b>	<b>-</b>	<b>0.0%</b>
<b>Total Revenue</b>	<b>987,771</b>	<b>1,047,994</b>	<b>(60,223)</b>	<b>-5.7%</b>
<b><u>OPERATING REQUIREMENTS</u></b>				
Fuel and Green Power Expense	360,333	418,311	57,978	13.9%
<b><u>Department O&amp;M Without Fuel</u></b>				
Department O&M	155,724	180,325	24,601	13.6%
Transmission Service Expense	47,936	41,902	(6,034)	-14.4%
South Texas Project O&M	48,739	49,279	540	1.1%
Fayette Power Project O&M	19,197	18,588	(609)	-3.3%
Call Center	22,725	25,953	3,228	12.4%
Energy Conservation Rebates	12,420	12,371	(49)	-0.4%
Bad Debt Expense	3,741	3,916	175	4.5%
Administrative Support Transfer	11,499	11,564	65	0.6%
<b>Total Operating O&amp;M Without Fuel</b>	<b>321,981</b>	<b>343,898</b>	<b>21,917</b>	<b>6.4%</b>
<b>Total Operating Requirements</b>	<b>682,314</b>	<b>762,209</b>	<b>79,895</b>	<b>10.5%</b>
<b><u>DEBT SERVICE REQUIREMENTS</u></b>				
Revenue Bond	135,199	145,178	9,979	6.9%
Other Obligations	771	4,897	4,126	84.3%
<b>Total Debt Service Requirements</b>	<b>135,970</b>	<b>150,075</b>	<b>14,105</b>	<b>9.4%</b>
<b><u>TRANSFERS/USES OF COVERAGE</u></b>				
General Fund Transfer	95,000	95,000	0	0.0%
Electric CIP Transfer	114,524	114,167	(357)	-0.3%
Repair & Replacement Fund Transfer	5,000	5,000	0	0.0%
<b>Total Transfers</b>	<b>214,524</b>	<b>214,167</b>	<b>(357)</b>	<b>-0.2%</b>
<b>Total Requirements Without Encumbrances</b>	<b>1,032,808</b>	<b>1,126,451</b>	<b>93,643</b>	<b>8.3%</b>
<b>Total Encumbrances</b>	<b>14,053</b>	<b>14,053</b>	<b>0</b>	<b>0.0%</b>
<b>Total Requirements</b>	<b>1,046,861</b>	<b>1,140,504</b>	<b>93,643</b>	<b>8.2%</b>
<b>CHANGE TO BEGINNING BALANCE</b>	<b>\$ (59,090)</b>	<b>\$ (92,510)</b>	<b>\$ 33,420</b>	<b>-36.1%</b>

**AUSTIN ENERGY**  
**FY 2009 BUDGET TO ACTUAL (Budget Based Statement)**

**Unaudited Results**
**\$ in Thousands**

	<b>August 2009 Year to Date Actual</b>	<b>August 2009 Year to Date Budget</b>	<b>Variance</b>	<b>Percent</b>
<b><u>REVENUES</u></b>				
Service Area Base Revenue	\$ 547,132	\$ 545,576	\$ 1,556	0.3%
Bilateral & Ancillary Service Sales	23,167	21,655	1,512	7.0%
Transmission Service Revenue	52,193	51,773	420	0.8%
Miscellaneous Revenue	29,472	33,314	(3,842)	-11.5%
Interest Income	12,806	16,058	(3,252)	-20.3%
<b>Total Operating Revenue Without Fuel Revenue</b>	<b>664,770</b>	<b>668,376</b>	<b>(3,606)</b>	<b>-0.5%</b>
Fuel & Green Choice Revenue	407,600	472,179	(64,579)	-13.7%
<b>Total Operating Revenue</b>	<b>1,072,370</b>	<b>1,140,555</b>	<b>(68,185)</b>	<b>-6.0%</b>
<b><u>TRANSFERS IN</u></b>				
Repair & Replacement Fund	35,000	35,000	-	0.0%
Strategic Reserve Fund	8,215	8,215	-	0.0%
<b>Total Transfers</b>	<b>43,215</b>	<b>43,215</b>	<b>-</b>	<b>0.0%</b>
<b>Total Revenue</b>	<b>1,115,585</b>	<b>1,183,770</b>	<b>(68,185)</b>	<b>-5.8%</b>
<b><u>OPERATING REQUIREMENTS</u></b>				
Fuel and Green Power Expense	408,545	472,294	63,749	13.5%
<b><u>Department O&amp;M Without Fuel</u></b>				
Department O&M	170,113	193,296	23,183	12.0%
Transmission Service Expense	53,570	45,999	(7,571)	-16.5%
South Texas Project O&M	53,638	54,271	633	1.2%
Fayette Power Project O&M	20,220	20,484	264	1.3%
Call Center	24,744	28,715	3,971	13.8%
Energy Conservation Rebates	14,175	14,147	(28)	-0.2%
Bad Debt Expense	4,203	4,458	255	5.7%
Administrative Support Transfer	12,688	12,720	32	0.3%
<b>Total Operating O&amp;M Without Fuel</b>	<b>353,351</b>	<b>374,090</b>	<b>20,739</b>	<b>5.5%</b>
<b>Total Operating Requirements</b>	<b>761,896</b>	<b>846,384</b>	<b>84,488</b>	<b>10.0%</b>
<b><u>DEBT SERVICE REQUIREMENTS</u></b>				
Revenue Bond	155,891	167,250	11,359	6.8%
Other Obligations	836	5,378	4,542	84.5%
<b>Total Debt Service Requirements</b>	<b>156,727</b>	<b>172,628</b>	<b>15,901</b>	<b>9.2%</b>
<b><u>TRANSFERS/USES OF COVERAGE</u></b>				
General Fund Transfer	95,000	95,000	0	0.0%
Electric CIP Transfer	125,761	125,583	(178)	-0.1%
Repair & Replacement Fund Transfer	5,000	5,000	0	0.0%
<b>Total Transfers</b>	<b>225,761</b>	<b>225,583</b>	<b>(178)</b>	<b>-0.1%</b>
<b>Total Requirements Without Encumbrances</b>	<b>1,144,384</b>	<b>1,244,595</b>	<b>100,211</b>	<b>8.1%</b>
<b>Total Encumbrances</b>	<b>14,226</b>	<b>14,226</b>	<b>0</b>	<b>0.0%</b>
<b>Total Requirements</b>	<b>1,158,609</b>	<b>1,258,821</b>	<b>100,211</b>	<b>8.0%</b>
<b>CHANGE TO BEGINNING BALANCE</b>	<b>\$ (43,024)</b>	<b>\$ (75,051)</b>	<b>\$ 32,026</b>	<b>-42.7%</b>



**AUSTIN ENERGY**  
**FY 2010 BUDGET TO ACTUAL (Budget Based Statement)**



Unaudited Results

\$ in Thousands

	December 2009 Year to Date Actual	December 2009 Year to Date Budget	Variance	Percent
<b><u>REVENUES</u></b>				
Service Area Base Revenue	\$ 132,202	\$ 132,145	\$ 57	0.0%
Bilateral & Ancillary Service Sales	2,780	7,925	(5,145)	-64.9%
Transmission Service Revenue	14,374	14,374	-	0.0%
Miscellaneous Revenue	10,890	10,798	92	0.9%
Interest Income	2,349	3,763	(1,414)	-37.6%
<b>Total Operating Revenue Without Fuel Revenue</b>	<b>162,595</b>	<b>169,005</b>	<b>(6,410)</b>	<b>-3.8%</b>
Fuel & Green Choice Revenue	80,854	112,833	(31,979)	-28.3%
<b>Total Operating Revenue</b>	<b>243,449</b>	<b>281,838</b>	<b>(38,389)</b>	<b>-13.6%</b>
<b>Total Revenue</b>	<b>243,449</b>	<b>281,838</b>	<b>(38,389)</b>	<b>-13.6%</b>
<b><u>OPERATING REQUIREMENTS</u></b>				
Fuel and Green Power Expense	82,456	112,274	29,818	26.6%
<b><u>Department O&amp;M Without Fuel</u></b>				
Department O&M	44,673	55,149	10,476	19.0%
Transmission Service Expense	15,235	14,896	(339)	-2.3%
South Texas Project O&M	19,386	16,350	(3,036)	-18.6%
Fayette Power Project O&M	4,255	5,210	955	18.3%
Call Center	5,560	6,388	829	13.0%
Energy Conservation Rebates	3,334	2,054	(1,280)	-62.3%
Bad Debt Expense	906	774	(132)	-17.0%
Administrative Support Transfer	3,631	3,631	0	0.0%
<b>Total Operating O&amp;M Without Fuel</b>	<b>96,980</b>	<b>104,452</b>	<b>7,472</b>	<b>7.2%</b>
<b>Total Operating Requirements</b>	<b>179,436</b>	<b>216,726</b>	<b>37,290</b>	<b>17.2%</b>
<b><u>DEBT SERVICE REQUIREMENTS</u></b>				
Revenue Bond	41,275	41,587	312	0.8%
Other Obligations	198	702	504	71.8%
<b>Total Debt Service Requirements</b>	<b>41,473</b>	<b>42,289</b>	<b>816</b>	<b>1.9%</b>
<b><u>TRANSFERS/USES OF COVERAGE</u></b>				
General Fund Transfer	25,250	25,250	0	0.0%
Electric CIP Transfer	14,928	14,928	0	0.0%
<b>Total Transfers</b>	<b>40,178</b>	<b>40,178</b>	<b>0</b>	<b>0.0%</b>
<b>Total Requirements Without Encumbrances</b>	<b>261,087</b>	<b>299,193</b>	<b>38,106</b>	<b>12.7%</b>
<b>Total Encumbrances</b>	<b>14,149</b>	<b>14,149</b>	<b>0</b>	<b>0.0%</b>
<b>Total Requirements</b>	<b>275,236</b>	<b>313,342</b>	<b>38,106</b>	<b>12.2%</b>
<b>CHANGE TO BEGINNING BALANCE</b>	<b>\$ (31,787)</b>	<b>\$ (31,504)</b>	<b>\$ (283)</b>	<b>0.9%</b>

AUSTIN ENERGY  
FY 2010 BUDGET TO ACTUAL (Budget Based Statement)



Unaudited Results

\$ in Thousands

	January 2010 Year to Date Actual	January 2010 Year to Date Budget	Variance	Percent
<b>REVENUES</b>				
Service Area Base Revenue	\$ 179,314	\$ 176,510	\$ 2,804	1.6%
Bilateral & Ancillary Service Sales	4,609	10,567	(5,958)	-56.4%
Transmission Service Revenue	19,165	19,179	(14)	-0.1%
Miscellaneous Revenue	12,653	13,723	(1,070)	-7.8%
Interest Income	2,987	4,805	(1,818)	-37.8%
<b>Total Operating Revenue Without Fuel Revenue</b>	<b>218,728</b>	<b>224,784</b>	<b>(6,056)</b>	<b>-2.7%</b>
Fuel & Green Choice Revenue	114,788	153,602	(38,814)	-25.3%
<b>Total Operating Revenue</b>	<b>333,516</b>	<b>378,386</b>	<b>(44,870)</b>	<b>-11.9%</b>
<b>Total Revenue</b>	<b>333,516</b>	<b>378,386</b>	<b>(44,870)</b>	<b>-11.9%</b>
<b>OPERATING REQUIREMENTS</b>				
Fuel and Green Power Expense	116,647	152,983	36,336	23.8%
<b>Department O&amp;M Without Fuel</b>				
Department O&M	60,067	71,907	11,840	16.5%
Transmission Service Expense	20,282	20,345	63	0.3%
South Texas Project O&M	24,042	21,034	(3,008)	-14.3%
Fayette Power Project O&M	5,366	7,030	1,664	23.7%
Call Center	7,626	8,478	852	10.1%
Energy Conservation Rebates	4,837	3,159	(1,678)	-53.1%
Bad Debt Expense	1,233	1,043	(190)	-18.2%
Administrative Support Transfer	3,631	3,631	0	0.0%
<b>Total Operating O&amp;M Without Fuel</b>	<b>127,084</b>	<b>136,627</b>	<b>9,544</b>	<b>7.0%</b>
<b>Total Operating Requirements</b>	<b>243,731</b>	<b>289,610</b>	<b>45,880</b>	<b>15.8%</b>
<b>DEBT SERVICE REQUIREMENTS</b>				
Revenue Bond	48,099	48,619	520	1.1%
Other Obligations	315	953	638	66.9%
<b>Total Debt Service Requirements</b>	<b>48,414</b>	<b>49,572</b>	<b>1,158</b>	<b>2.3%</b>
<b>TRANSFERS/USES OF COVERAGE</b>				
General Fund Transfer	50,500	50,500	0	0.0%
Electric CIP Transfer	19,903	19,903	0	0.0%
Revenue Bond Retirement Reserve Transfer	44,000	44,000	0	0.0%
<b>Total Transfers</b>	<b>114,403</b>	<b>114,403</b>	<b>0</b>	<b>0.0%</b>
<b>Total Requirements Without Encumbrances</b>	<b>406,548</b>	<b>453,585</b>	<b>47,038</b>	<b>10.4%</b>
<b>Total Encumbrances</b>	<b>13,158</b>	<b>13,158</b>	<b>0</b>	<b>0.0%</b>
<b>Total Requirements</b>	<b>419,706</b>	<b>466,743</b>	<b>47,037</b>	<b>10.1%</b>
<b>CHANGE TO BEGINNING BALANCE</b>	<b>\$ (86,190)</b>	<b>\$ (88,357)</b>	<b>\$ 2,167</b>	<b>-2.5%</b>

**AUSTIN ENERGY**  
**FY 2010 BUDGET TO ACTUAL (Budget Based Statement)**

**Unaudited Results**
**\$ in Thousands**

	February 2010 Year to Date Actual	February 2010 Year to Date Budget	Variance	Percent
<b><u>REVENUES</u></b>				
Service Area Base Revenue	\$ 220,673	\$ 216,824	\$ 3,849	1.8%
Bilateral & Ancillary Service Sales	5,908	13,208	(7,300)	-55.3%
Transmission Service Revenue	23,956	23,984	(28)	-0.1%
Miscellaneous Revenue	14,297	16,347	(2,050)	-12.5%
Interest Income	3,568	5,799	(2,231)	-38.5%
<b>Total Operating Revenue Without Fuel Revenue</b>	<b>268,402</b>	<b>276,162</b>	<b>(7,760)</b>	<b>-2.8%</b>
Fuel & Green Choice Revenue	144,462	189,833	(45,371)	-23.9%
<b>Total Operating Revenue</b>	<b>412,864</b>	<b>465,995</b>	<b>(53,131)</b>	<b>-11.4%</b>
<b>Total Revenue</b>	<b>412,864</b>	<b>465,995</b>	<b>(53,131)</b>	<b>-11.4%</b>
<b><u>OPERATING REQUIREMENTS</u></b>				
Fuel and Green Power Expense	147,197	188,922	41,725	22.1%
<b><u>Department O&amp;M Without Fuel</u></b>				
Department O&M	75,171	88,523	13,352	15.1%
Transmission Service Expense	25,412	25,794	382	1.5%
South Texas Project O&M	29,421	25,658	(3,763)	-14.7%
Fayette Power Project O&M	6,993	9,067	2,074	22.9%
Call Center	9,100	10,471	1,371	13.1%
Energy Conservation Rebates	6,276	4,423	(1,853)	-41.9%
Bad Debt Expense	1,518	1,285	(233)	-18.1%
Administrative Support Transfer	6,051	6,051	0	0.0%
<b>Total Operating O&amp;M Without Fuel</b>	<b>159,942</b>	<b>171,272</b>	<b>11,330</b>	<b>6.6%</b>
<b>Total Operating Requirements</b>	<b>307,139</b>	<b>360,194</b>	<b>53,055</b>	<b>14.7%</b>
<b><u>DEBT SERVICE REQUIREMENTS</u></b>				
Revenue Bond	54,924	55,651	727	1.3%
Other Obligations	321	1,116	795	71.2%
<b>Total Debt Service Requirements</b>	<b>55,245</b>	<b>56,767</b>	<b>1,522</b>	<b>2.7%</b>
<b><u>TRANSFERS/USES OF COVERAGE</u></b>				
General Fund Transfer	50,500	50,500	0	0.0%
Electric CIP Transfer	25,049	24,879	(170)	-0.7%
Revenue Bond Retirement Reserve Transfer	44,000	44,000	0	0.0%
<b>Total Transfers</b>	<b>119,549</b>	<b>119,379</b>	<b>(170)</b>	<b>-0.1%</b>
<b>Total Requirements Without Encumbrances</b>	<b>481,933</b>	<b>536,340</b>	<b>54,407</b>	<b>10.1%</b>
<b>Total Encumbrances</b>	<b>14,309</b>	<b>14,309</b>	<b>0</b>	<b>0.0%</b>
<b>Total Requirements</b>	<b>496,242</b>	<b>550,649</b>	<b>54,407</b>	<b>9.9%</b>
<b>CHANGE TO BEGINNING BALANCE</b>	<b>\$ (83,378)</b>	<b>\$ (84,654)</b>	<b>\$ 1,276</b>	<b>-1.5%</b>

**AUSTIN ENERGY**  
**FY 2010 BUDGET TO ACTUAL (Budget Based Statement)**



Unaudited Results

\$ in Thousands

	March 2010 Year to Date Actual	March 2010 Year to Date Budget	Variance	Percent
<b>REVENUES</b>				
Service Area Base Revenue	\$ 262,740	\$ 254,739	\$ 8,001	3.1%
Bilateral & Ancillary Service Sales	9,501	15,850	(6,349)	-40.1%
Transmission Service Revenue	28,747	28,789	(42)	-0.1%
Miscellaneous Revenue	16,281	19,044	(2,763)	-14.5%
Interest Income	4,201	6,725	(2,524)	-37.5%
<b>Total Operating Revenue Without Fuel Revenue</b>	<b>321,470</b>	<b>325,147</b>	<b>(3,677)</b>	<b>-1.1%</b>
Fuel & Green Choice Revenue	178,002	225,153	(47,151)	-20.9%
<b>Total Operating Revenue</b>	<b>499,472</b>	<b>550,300</b>	<b>(50,828)</b>	<b>-9.2%</b>
<b>Total Revenue</b>	<b>499,472</b>	<b>550,300</b>	<b>(50,828)</b>	<b>-9.2%</b>
<b>OPERATING REQUIREMENTS</b>				
Fuel and Green Power Expense	182,255	223,905	41,650	18.6%
<b>Department O&amp;M Without Fuel</b>				
Department O&M	94,515	107,014	12,499	11.7%
Transmission Service Expense	30,529	31,244	715	2.3%
South Texas Project O&M	36,219	32,282	(3,937)	-12.2%
Fayette Power Project O&M	9,537	11,182	1,645	14.7%
Call Center	11,619	12,446	827	6.6%
Energy Conservation Rebates	7,866	5,687	(2,179)	-38.3%
Bad Debt Expense	1,809	1,516	(293)	-19.3%
Administrative Support Transfer	7,262	7,262	0	0.0%
<b>Total Operating O&amp;M Without Fuel</b>	<b>199,356</b>	<b>208,633</b>	<b>9,277</b>	<b>4.4%</b>
<b>Total Operating Requirements</b>	<b>381,611</b>	<b>432,538</b>	<b>50,927</b>	<b>11.8%</b>
<b>DEBT SERVICE REQUIREMENTS</b>				
Revenue Bond	61,749	62,684	935	1.5%
Other Obligations	436	1,270	834	65.7%
<b>Total Debt Service Requirements</b>	<b>62,185</b>	<b>63,954</b>	<b>1,769</b>	<b>2.8%</b>
<b>TRANSFERS/USES OF COVERAGE</b>				
General Fund Transfer	50,500	50,500	0	0.0%
Electric CIP Transfer	30,025	29,855	(170)	-0.6%
Revenue Bond Retirement Reserve Transfer	44,000	44,000	0	0.0%
<b>Total Transfers</b>	<b>124,525</b>	<b>124,355</b>	<b>(170)</b>	<b>-0.1%</b>
<b>Total Requirements Without Encumbrances</b>	<b>568,321</b>	<b>620,847</b>	<b>52,526</b>	<b>8.5%</b>
<b>Total Encumbrances</b>	<b>13,752</b>	<b>13,752</b>	<b>0</b>	<b>0.0%</b>
<b>Total Requirements</b>	<b>582,073</b>	<b>634,599</b>	<b>52,526</b>	<b>8.3%</b>
<b>CHANGE TO BEGINNING BALANCE</b>	<b>\$ (82,601)</b>	<b>\$ (84,299)</b>	<b>\$ 1,698</b>	<b>2.0%</b>

**AUSTIN ENERGY**  
**FY 2010 BUDGET TO ACTUAL (Budget Based Statement)**

**Unaudited Results**
**\$ in Thousands**

	<b>April 2010 Year to Date Actual</b>	<b>April 2010 Year to Date Budget</b>	<b>Variance</b>	<b>Percent</b>
<b><u>REVENUES</u></b>				
Service Area Base Revenue	\$ 300,295	\$ 294,228	\$ 6,067	2.1%
Bilateral & Ancillary Service Sales	9,990	18,492	(8,502)	-46.0%
Transmission Service Revenue	33,882	33,594	288	0.9%
Miscellaneous Revenue	19,781	21,835	(2,054)	-9.4%
Interest Income	4,784	7,396	(2,612)	-35.3%
<b>Total Operating Revenue Without Fuel Revenue</b>	<b>368,732</b>	<b>375,545</b>	<b>(6,813)</b>	<b>-1.8%</b>
Fuel & Green Choice Revenue	205,810	261,965	(56,155)	-21.4%
<b>Total Operating Revenue</b>	<b>574,542</b>	<b>637,510</b>	<b>(62,968)</b>	<b>-9.9%</b>
<b>Total Revenue</b>	<b>574,542</b>	<b>637,510</b>	<b>(62,968)</b>	<b>-9.9%</b>
<b><u>OPERATING REQUIREMENTS</u></b>				
Fuel and Green Power Expense	209,198	260,456	51,258	19.7%
<b><u>Department O&amp;M Without Fuel</u></b>				
Department O&M	112,544	126,047	13,503	10.7%
Transmission Service Expense	35,711	36,693	982	2.7%
South Texas Project O&M	44,970	37,724	(7,246)	-19.2%
Fayette Power Project O&M	12,541	13,424	883	6.6%
Call Center	14,466	15,226	760	5.0%
Energy Conservation Rebates	9,115	6,950	(2,165)	-31.2%
Bad Debt Expense	2,071	1,756	(315)	-17.9%
Administrative Support Transfer	8,472	8,472	0	0.0%
<b>Total Operating O&amp;M Without Fuel</b>	<b>239,890</b>	<b>246,292</b>	<b>6,402</b>	<b>2.6%</b>
<b>Total Operating Requirements</b>	<b>449,088</b>	<b>506,748</b>	<b>57,660</b>	<b>11.4%</b>
<b><u>DEBT SERVICE REQUIREMENTS</u></b>				
Revenue Bond	68,591	69,716	1,125	1.6%
Other Obligations	516	1,502	986	65.6%
<b>Total Debt Service Requirements</b>	<b>69,107</b>	<b>71,218</b>	<b>2,111</b>	<b>3.0%</b>
<b><u>TRANSFERS/USES OF COVERAGE</u></b>				
General Fund Transfer	75,750	75,750	0	0.0%
Electric CIP Transfer	35,001	34,831	(170)	-0.5%
Revenue Bond Retirement Reserve Transfer	44,000	44,000	0	0.0%
<b>Total Transfers</b>	<b>154,751</b>	<b>154,581</b>	<b>(170)</b>	<b>-0.1%</b>
<b>Total Requirements Without Encumbrances</b>	<b>672,946</b>	<b>732,547</b>	<b>59,601</b>	<b>8.1%</b>
<b>Total Encumbrances</b>	<b>14,429</b>	<b>14,429</b>	<b>0</b>	<b>0.0%</b>
<b>Total Requirements</b>	<b>687,375</b>	<b>746,976</b>	<b>59,601</b>	<b>8.0%</b>
<b>CHANGE TO BEGINNING BALANCE</b>	<b>\$ (112,833)</b>	<b>\$ (109,466)</b>	<b>\$ (3,367)</b>	<b>3.1%</b>

AUSTIN ENERGY  
FY 2010 BUDGET TO ACTUAL (Budget Based Statement)



Unaudited Results

\$ in Thousands

	May 2010 Year to Date Actual	May 2010 Year to Date Budget	Variance	Percent
<b>REVENUES</b>				
Service Area Base Revenue	\$ 346,301	\$ 344,381	\$ 1,920	0.6%
Bilateral & Ancillary Service Sales	11,318	21,133	(9,815)	-46.4%
Transmission Service Revenue	38,759	38,400	359	0.9%
Miscellaneous Revenue	21,494	24,860	(3,366)	-13.5%
Interest Income	5,368	7,999	(2,631)	-32.9%
<b>Total Operating Revenue Without Fuel Revenue</b>	<b>423,240</b>	<b>436,773</b>	<b>(13,533)</b>	<b>-3.1%</b>
Fuel & Green Choice Revenue	245,395	301,777	(56,382)	-18.7%
<b>Total Operating Revenue</b>	<b>668,635</b>	<b>738,550</b>	<b>(69,915)</b>	<b>-9.5%</b>
<b>Total Revenue</b>	<b>668,635</b>	<b>738,550</b>	<b>(69,915)</b>	<b>-9.5%</b>
<b>OPERATING REQUIREMENTS</b>				
Fuel and Green Power Expense	249,972	300,159	50,187	16.7%
<b>Department O&amp;M Without Fuel</b>				
Department O&M	130,067	140,947	10,880	7.7%
Transmission Service Expense	40,936	42,142	1,206	2.9%
South Texas Project O&M	49,816	42,526	(7,290)	-17.1%
Fayette Power Project O&M	16,122	15,659	(463)	-3.0%
Call Center	16,400	18,714	2,314	12.4%
Energy Conservation Rebates	11,423	8,214	(3,209)	-39.1%
Bad Debt Expense	2,372	2,041	(331)	-16.2%
Administrative Support Transfer	9,682	9,682	0	0.0%
<b>Total Operating O&amp;M Without Fuel</b>	<b>276,818</b>	<b>279,925</b>	<b>3,107</b>	<b>1.1%</b>
<b>Total Operating Requirements</b>	<b>526,790</b>	<b>580,084</b>	<b>53,294</b>	<b>9.2%</b>
<b>DEBT SERVICE REQUIREMENTS</b>				
Revenue Bond	83,300	87,709	4,409	5.0%
Other Obligations	516	1,652	1,136	68.8%
<b>Total Debt Service Requirements</b>	<b>83,816</b>	<b>89,361</b>	<b>5,545</b>	<b>6.2%</b>
<b>TRANSFERS/USES OF COVERAGE</b>				
General Fund Transfer	75,750	75,750	0	0.0%
Electric CIP Transfer	39,977	39,807	(170)	-0.4%
Revenue Bond Retirement Reserve Transfer	44,000	44,000	0	0.0%
<b>Total Transfers</b>	<b>159,727</b>	<b>159,557</b>	<b>(170)</b>	<b>-0.1%</b>
<b>Total Requirements Without Encumbrances</b>	<b>770,333</b>	<b>829,002</b>	<b>58,669</b>	<b>7.1%</b>
<b>Total Encumbrances</b>	<b>14,117</b>	<b>14,117</b>	<b>0</b>	<b>0.0%</b>
<b>Total Requirements</b>	<b>784,450</b>	<b>843,119</b>	<b>58,669</b>	<b>7.0%</b>
<b>CHANGE TO BEGINNING BALANCE</b>	<b>\$ (115,815)</b>	<b>\$ (104,569)</b>	<b>\$ (11,246)</b>	<b>-10.8%</b>

**AUSTIN ENERGY**  
**FY 2010 BUDGET TO ACTUAL (Budget Based Statement)**

**Unaudited Results**
**\$ in Thousands**

	<b>June 2010 Year to Date Actual</b>	<b>June 2010 Year to Date Budget</b>	<b>Variance</b>	<b>Percent</b>
<b><u>REVENUES</u></b>				
Service Area Base Revenue	\$ 405,420	\$ 404,616	\$ 804	0.2%
Bilateral & Ancillary Service Sales	12,508	23,775	(11,267)	-47.4%
Transmission Service Revenue	43,637	43,205	432	1.0%
Miscellaneous Revenue	24,445	27,964	(3,519)	-12.6%
Interest Income	5,938	8,578	(2,640)	-30.8%
<b>Total Operating Revenue Without Fuel Revenue</b>	<b>491,948</b>	<b>508,138</b>	<b>(16,190)</b>	<b>-3.2%</b>
Fuel & Green Choice Revenue	291,519	348,687	(57,168)	-16.4%
<b>Total Operating Revenue</b>	<b>783,467</b>	<b>856,825</b>	<b>(73,358)</b>	<b>-8.6%</b>
<b><u>TRANSFERS IN</u></b>				
Repair & Replacement Fund	2,000	2,000	-	0.0%
<b>Total Transfers</b>	<b>2,000</b>	<b>2,000</b>	<b>-</b>	<b>0.0%</b>
<b>Total Revenue</b>	<b>785,467</b>	<b>858,825</b>	<b>(73,358)</b>	<b>-8.5%</b>
<b><u>OPERATING REQUIREMENTS</u></b>				
Fuel and Green Power Expense	295,471	347,322	51,851	14.9%
<b><u>Department O&amp;M Without Fuel</u></b>				
Department O&M	149,132	157,637	8,505	5.4%
Transmission Service Expense	46,104	47,591	1,487	3.1%
South Texas Project O&M	54,805	47,236	(7,569)	-16.0%
Fayette Power Project O&M	18,866	19,154	288	1.5%
Call Center	18,455	22,403	3,949	17.6%
Energy Conservation Rebates	12,745	9,478	(3,267)	-34.5%
Bad Debt Expense	2,761	2,382	(379)	-15.9%
Administrative Support Transfer	10,893	10,893	0	0.0%
<b>Total Operating O&amp;M Without Fuel</b>	<b>313,761</b>	<b>316,774</b>	<b>3,013</b>	<b>1.0%</b>
<b>Total Operating Requirements</b>	<b>609,232</b>	<b>664,096</b>	<b>54,864</b>	<b>8.3%</b>
<b><u>DEBT SERVICE REQUIREMENTS</u></b>				
Revenue Bond	105,887	109,774	3,887	3.5%
Other Obligations	595	1,828	1,233	67.5%
<b>Total Debt Service Requirements</b>	<b>106,482</b>	<b>111,602</b>	<b>5,120</b>	<b>4.6%</b>
<b><u>TRANSFERS/USES OF COVERAGE</u></b>				
General Fund Transfer	75,750	75,750	0	0.0%
Electric CIP Transfer	44,953	44,783	(170)	-0.4%
Revenue Bond Retirement Reserve Transfer	44,000	44,000	0	0.0%
<b>Total Transfers</b>	<b>164,703</b>	<b>164,533</b>	<b>(170)</b>	<b>-0.1%</b>
<b>Total Requirements Without Encumbrances</b>	<b>880,417</b>	<b>940,231</b>	<b>59,814</b>	<b>6.4%</b>
<b>Total Encumbrances</b>	<b>12,626</b>	<b>12,626</b>	<b>0</b>	<b>0.0%</b>
<b>Total Requirements</b>	<b>893,043</b>	<b>952,857</b>	<b>59,814</b>	<b>6.3%</b>
<b>CHANGE TO BEGINNING BALANCE</b>	<b>\$ (107,576)</b>	<b>\$ (94,032)</b>	<b>\$ (13,544)</b>	<b>-14.4%</b>

**AUSTIN ENERGY**  
**FY 2010 BUDGET TO ACTUAL (Budget Based Statement)**



Unaudited Results

\$ in Thousands

	July 2010 Year to Date Actual	July 2010 Year to Date Budget	Variance	Percent
<b>REVENUES</b>				
Service Area Base Revenue	\$ 472,427	\$ 471,002	\$ 1,425	0.3%
Bilateral & Ancillary Service Sales	12,930	26,417	(13,487)	-51.1%
Transmission Service Revenue	48,514	48,010	504	1.0%
Miscellaneous Revenue	28,204	31,258	(3,054)	-9.8%
Interest Income	6,463	9,166	(2,703)	-29.5%
<b>Total Operating Revenue Without Fuel Revenue</b>	<b>568,538</b>	<b>585,853</b>	<b>(17,315)</b>	<b>-3.0%</b>
Fuel & Green Choice Revenue	336,728	399,744	(63,016)	-15.8%
<b>Total Operating Revenue</b>	<b>905,266</b>	<b>985,597</b>	<b>(80,331)</b>	<b>-8.2%</b>
<b>TRANSFERS IN</b>				
Repair & Replacement Fund	2,000	2,000	-	0.0%
<b>Total Transfers</b>	<b>2,000</b>	<b>2,000</b>	<b>-</b>	<b>0.0%</b>
<b>Total Revenue</b>	<b>907,266</b>	<b>987,597</b>	<b>(80,331)</b>	<b>-8.1%</b>
<b>OPERATING REQUIREMENTS</b>				
Fuel and Green Power Expense	342,260	398,844	56,584	14.2%
<b>Department O&amp;M Without Fuel</b>				
Department O&M	163,560	172,569	9,009	5.2%
Transmission Service Expense	51,272	53,040	1,768	3.3%
South Texas Project O&M	59,123	50,854	(8,269)	-16.3%
Fayette Power Project O&M	20,131	20,604	473	2.3%
Call Center	19,820	25,124	5,304	21.1%
Energy Conservation Rebates	14,206	11,058	(3,148)	-28.5%
Bad Debt Expense	3,037	2,755	(282)	-10.2%
Administrative Support Transfer	12,103	12,103	0	0.0%
<b>Total Operating O&amp;M Without Fuel</b>	<b>343,252</b>	<b>348,107</b>	<b>4,855</b>	<b>1.4%</b>
<b>Total Operating Requirements</b>	<b>685,512</b>	<b>746,951</b>	<b>61,439</b>	<b>8.2%</b>
<b>DEBT SERVICE REQUIREMENTS</b>				
Revenue Bond	127,875	131,840	3,965	3.0%
Other Obligations	708	2,078	1,370	65.9%
<b>Total Debt Service Requirements</b>	<b>128,583</b>	<b>133,918</b>	<b>5,335</b>	<b>4.0%</b>
<b>TRANSFERS/USES OF COVERAGE</b>				
General Fund Transfer	101,000	101,000	0	0.0%
Electric CIP Transfer	49,928	49,758	(170)	-0.3%
Revenue Bond Retirement Reserve Transfer	44,000	44,000	0	0.0%
<b>Total Transfers</b>	<b>194,928</b>	<b>194,758</b>	<b>(170)</b>	<b>-0.1%</b>
<b>Total Requirements Without Encumbrances</b>	<b>1,009,023</b>	<b>1,075,627</b>	<b>66,604</b>	<b>6.2%</b>
<b>Total Encumbrances</b>	<b>14,518</b>	<b>14,518</b>	<b>0</b>	<b>0.0%</b>
<b>Total Requirements</b>	<b>1,023,541</b>	<b>1,090,145</b>	<b>66,604</b>	<b>6.1%</b>
<b>CHANGE TO BEGINNING BALANCE</b>	<b>\$ (116,275)</b>	<b>\$ (102,548)</b>	<b>\$ (13,727)</b>	<b>-13.4%</b>



**AUSTIN ENERGY**  
**FY 2010 BUDGET TO ACTUAL (Budget Based Statement)**

**Unaudited Results**
**\$ in Thousands**

	<b>August 2010 Year to Date Actual</b>	<b>August 2010 Year to Date Budget</b>	<b>Variance</b>	<b>Percent</b>
<b><u>REVENUES</u></b>				
Service Area Base Revenue	\$ 540,843	\$ 537,285	\$ 3,558	0.7%
Bilateral & Ancillary Service Sales	14,346	29,058	(14,712)	-50.6%
Transmission Service Revenue	53,391	52,815	576	1.1%
Miscellaneous Revenue	31,442	34,519	(3,077)	-8.9%
Interest Income	6,809	9,766	(2,957)	-30.3%
<b>Total Operating Revenue Without Fuel Revenue</b>	<b>646,831</b>	<b>663,443</b>	<b>(16,612)</b>	<b>-2.5%</b>
Fuel & Green Choice Revenue	388,939	450,479	(61,540)	-13.7%
<b>Total Operating Revenue</b>	<b>1,035,770</b>	<b>1,113,922</b>	<b>(78,152)</b>	<b>-7.0%</b>
<b><u>TRANSFERS IN</u></b>				
Repair & Replacement Fund	2,000	2,000	-	0.0%
<b>Total Transfers</b>	<b>2,000</b>	<b>2,000</b>	<b>-</b>	<b>0.0%</b>
<b>Total Revenue</b>	<b>1,037,770</b>	<b>1,115,922</b>	<b>(78,152)</b>	<b>-7.0%</b>
<b><u>OPERATING REQUIREMENTS</u></b>				
Fuel and Green Power Expense	395,741	450,026	54,285	12.1%
<b><u>Department O&amp;M Without Fuel</u></b>				
Department O&M	179,500	187,568	8,068	4.3%
Transmission Service Expense	56,441	58,490	2,049	3.5%
South Texas Project O&M	63,844	54,189	(9,655)	-17.8%
Fayette Power Project O&M	21,667	22,054	387	1.8%
Call Center	22,596	27,676	5,080	18.4%
Energy Conservation Rebates	15,559	12,637	(2,922)	-23.1%
Bad Debt Expense	3,316	3,127	(189)	-6.0%
Administrative Support Transfer	13,313	13,313	0	0.0%
<b>Total Operating O&amp;M Without Fuel</b>	<b>376,236</b>	<b>379,054</b>	<b>2,818</b>	<b>0.7%</b>
<b>Total Operating Requirements</b>	<b>771,977</b>	<b>829,080</b>	<b>57,103</b>	<b>6.9%</b>
<b><u>DEBT SERVICE REQUIREMENTS</u></b>				
Revenue Bond	150,223	153,906	3,683	2.4%
Other Obligations	713	2,259	1,546	68.4%
<b>Total Debt Service Requirements</b>	<b>150,936</b>	<b>156,165</b>	<b>5,229</b>	<b>3.3%</b>
<b><u>TRANSFERS/USES OF COVERAGE</u></b>				
General Fund Transfer	101,000	101,000	0	0.0%
Electric CIP Transfer	54,734	54,734	0	0.0%
Revenue Bond Retirement Reserve Transfer	44,000	44,000	0	0.0%
<b>Total Transfers</b>	<b>199,734</b>	<b>199,734</b>	<b>0</b>	<b>0.0%</b>
<b>Total Requirements Without Encumbrances</b>	<b>1,122,647</b>	<b>1,184,979</b>	<b>62,332</b>	<b>5.3%</b>
<b>Total Encumbrances</b>	<b>15,316</b>	<b>15,316</b>	<b>0</b>	<b>0.0%</b>
<b>Total Requirements</b>	<b>1,137,963</b>	<b>1,200,295</b>	<b>62,332</b>	<b>5.2%</b>
<b>CHANGE TO BEGINNING BALANCE</b>	<b>\$ (100,193)</b>	<b>\$ (84,373)</b>	<b>\$ (15,820)</b>	<b>-18.7%</b>

AUSTIN ENERGY  
FY 2011 BUDGET TO ACTUAL (Budget Based Statement)



Unaudited Results

\$ in Thousands

	December 2010 Year to Date Actual	December 2010 Year to Date Budget	Variance	Percent
<b><u>REVENUES</u></b>				
Service Area Base Revenue	\$ 134,437	\$ 131,933	\$ 2,504	1.9%
Bilateral & Ancillary Service Sales	1,319	5,625	(4,306)	-76.5%
Transmission Service Revenue	15,252	14,632	620	4.2%
Transmission Rider	2,720	1,806	914	50.6%
Miscellaneous Revenue	11,661	10,769	892	8.3%
Interest Income	2,168	1,741	427	24.5%
<b>Total Operating Revenue Without Fuel Revenue</b>	<b>167,557</b>	<b>166,506</b>	<b>1,051</b>	<b>0.6%</b>
Fuel & Green Choice Revenue	99,313	110,513	(11,200)	-10.1%
<b>Total Operating Revenue</b>	<b>266,870</b>	<b>277,019</b>	<b>(10,149)</b>	<b>-3.7%</b>
<b><u>OPERATING REQUIREMENTS</u></b>				
Fuel and Green Power Expense	98,758	109,883	11,125	10.1%
<b><u>Department O&amp;M Without Fuel</u></b>				
Department O&M	45,797	53,966	8,169	15.1%
Transmission Service Expense	17,139	16,492	(647)	-3.9%
South Texas Project O&M	13,003	14,689	1,686	11.5%
Fayette Power Project O&M	9,278	9,456	178	1.9%
Call Center	7,069	8,458	1,389	16.4%
Energy Conservation Rebates	1,763	1,947	184	9.5%
Bad Debt Expense	788	767	(21)	-2.7%
Administrative Support Transfer	3,797	3,797	0	0.0%
<b>Total Operating O&amp;M Without Fuel</b>	<b>98,634</b>	<b>109,572</b>	<b>10,938</b>	<b>10.0%</b>
<b>Total Operating Requirements</b>	<b>197,392</b>	<b>219,455</b>	<b>22,063</b>	<b>10.1%</b>
<b><u>DEBT SERVICE REQUIREMENTS</u></b>				
Revenue Bond & Other Obligations	42,739	42,802	63	0.1%
<b>Total Debt Service Requirements</b>	<b>42,739</b>	<b>42,802</b>	<b>63</b>	<b>0.1%</b>
<b><u>TRANSFERS/USES OF COVERAGE</u></b>				
General Fund Transfer	25,750	25,750	0	0.0%
Electric CIP Transfer	21,485	21,485	0	0.0%
Economic Incentive Fund Transfer	190	190	0	0.0%
<b>Total Transfers</b>	<b>47,425</b>	<b>47,425</b>	<b>0</b>	<b>0.0%</b>
<b>Total Requirements Without Encumbrances</b>	<b>287,556</b>	<b>309,682</b>	<b>22,126</b>	<b>7.1%</b>
<b>Total Encumbrances</b>	<b>12,359</b>	<b>12,359</b>	<b>0</b>	<b>0.0%</b>
<b>Total Requirements</b>	<b>299,915</b>	<b>322,041</b>	<b>22,126</b>	<b>6.9%</b>
<b>CHANGE TO BEGINNING BALANCE</b>	<b>\$ (33,045)</b>	<b>\$ (45,022)</b>	<b>\$ 11,977</b>	<b>26.6%</b>

## Rate Review – Responses to Questions and Requests for Information

**REQUEST NO.: CmDay2**

**REQUESTED BY: Commissioner Barbara Day**

**DATE REQUESTED: 9/7/2011**

**SME RESPONSES DUE: EOD 9/13/2011**

**RESPONSE FILED: 9/19/2011**

### **SECOND SET OF QUESTIONS TO AE FROM BARBARA DAY FUEL/ENERGY**

Please refer to Austin Energy's draft Annual Performance Report, revised 8-5-11, page 13 showing over and under-recovered fuel at close of FY 2006-2010. The table shows cumulative fuel over-recoveries for the period 2006-2010 in the amount of \$77,579,219; or \$22.7 million for the test year 2009. Please answer the following questions regarding this table, and these over-recoveries.

**CmDay2.1** Since Austin Energy is requesting to combine the fuel charge with the energy charge going forward, and re-set the fuel balance to -0-, how does Austin Energy plan to refund the \$77.6 million in over-recovered fuel to its customers? Where is that request and information in this rate case?

**Response:** Austin Energy has not over-recovered \$77.6 million in fuel revenue. The information in the cited table is not cumulative. Rather, this information is a rolling number. At Test Year-end 2009, Austin Energy had over-recovered \$22.7 dollars in fuel and as of August 2011 has an **under-recovered** balance of nearly \$19 million.

The revenue requirement does not account for any over or under-recovery of fuel costs. At the time in which Austin Energy's rate request is ultimately approved and implemented, any over-recovery of fuel costs will be placed into the Rate Stabilization Fund.

**CmDay2.2** If Austin Energy is planning to keep the over-recoveries and not refund them to customers, what is the basis for that plan?

**Response:** Please see the response to CmDay2.1. The Rate Stabilization Fund is for the customers' benefit and will be used to buffer and/or avoid passing higher fuel costs on in the future.

**CmDay2.3** In what Federal Energy Regulatory Commission (FERC) accounts are the fuel over-recoveries recorded?

**Response:** Fuel over-recovery is recorded to a balance sheet account that is equivalent to FERC

254 (Other Regulatory Liabilities).

**CmDay2.4** Have the fuel over-recoveries been spent or used for other items than fuel?

**Response:** No.

**CmDay2.5** Has Austin Energy ever had a true-up proceeding to return or surcharge fuel over/under-recoveries to customers? If so, when; what amount was refunded or surcharged; and what method was used for the refund/surcharge?

**Response:** Austin Energy reviews the fuel factor monthly in its Risk Oversight Committee meetings. The fuel factor is annually reviewed using the formula provided in the tariff which includes the current balance of fuel over or under-recovery. This in effect returns any over-recovery balance through the fuel factor that is set in January over the forecasted 12 months. The rate is reviewed and approved by the Risk Oversight Committee. Austin Energy undergoes a financial audit annually by independent auditors.

**CmDay2.6** What is the last date Austin Energy changed its fuel charge? At that time, what was the per kWh fuel charge before the change, and after the change? At that time was any money surcharged to customers, or refunded to customers?

**Response:** Austin Energy last changed its fuel charge on January 1, 2011. Before that change, the three retail fuel adjustment factors were: Secondary Voltage, 3.653 ¢/kWh; Primary Voltage, 3.544 ¢/kWh; Transmission Voltage, 3.507 ¢/kWh. After that change the three retail fuel adjustment factors were: Secondary Voltage, 3.105 ¢/kWh; Primary Voltage, 3.012 ¢/kWh; Transmission Voltage, 2.981 ¢/kWh. No money was surcharged or refunded to customers at that time. However, the current balance of fuel over-recovery as of November 2010 was included in the determination of the factor change.

**CmDay2.7** If the cumulative amount of over-recovered fuel [\$77.6 million] is not refunded to customers what is Austin Energy's plan for the money? Is it Austin Energy's position that if its request to re-set fuel balances to -0- in this proceeding is approved that the dollars may be used for purposes other than fuel? If yes, what is the basis for that position?

**Response:** Please see the response to CmDay2.2.

**CmDay2.8** Where in this rate filing is Austin Energy's request to keep fuel over-recoveries and not refund them to customers and the rationale or legal basis therefor?

**Response:** Please see the response to CmDay2.1.

**CmDay2.9** For each month of 2011, show the fuel over/under-recoveries to the latest month for which the information is available.

**Response:** Please see the table on the following page.

<b>AUSTIN ENERGY</b> <b>FUEL REVENUE OVER/UNDER CALCULATION</b> <b>FISCAL YEAR 2011</b>			
	<b>Billed Fuel Revenue</b>	<b>Fuel Cost</b>	<b>Over/(Under) Recovery Monthly</b>
<b>10/31/10</b>	34,930,662	31,625,991	3,304,671
<b>11/30/10</b>	28,405,395	29,750,630	(1,345,236)
<b>12/31/10</b>	29,909,461	30,477,961	(568,500)
<b>01/31/11</b>	27,239,604	23,895,977	3,343,627
<b>02/28/11</b>	26,370,242	22,678,688	3,691,554
<b>03/31/11</b>	24,767,700	23,755,821	1,011,880
<b>04/30/11</b>	26,517,556	32,389,206	(5,871,650)
<b>05/31/11</b>	28,869,376	41,579,648	(12,710,272)
<b>06/30/11</b>	35,490,753	41,652,649	(6,161,896)
<b>07/31/11</b>	39,596,192	49,251,990	(9,655,798)
<b>08/31/11</b>	40,019,749	73,083,733	(33,063,984)
<b>09/30/11</b>	-	-	-
<b>Fiscal Year 2011 YTD</b>	342,116,691 Sum	400,142,294 Sum	(18,794,869) Current Balance

**Rate Review  
Response to Questions and Requests for Information**

**REQUEST NO.: CmDay3**

**REQUESTED BY: Commissioner Barbara Day**

**DATE REQUESTED: 9/12/2011**

**RESPONSE FILED: 9/14/2011**

**THIRD SET OF QUESTIONS TO AUSTIN ENERGY FROM BARBARA DAY**

**GENERAL QUESTIONS**

**CmDay3.1** For each year 2006 through 2010 state the percentage of capital expenditures from debt and percent from cash. To the extent this response conflicts with statements made in audits, bond issuances, or official city documents explain the difference.

**Response:** Please see Attachment CmDay3-1 that is based on data from Work Paper (WP) 14-CIP on page D-219 of Appendix D of the full-length Rate Analysis and Recommendations Report. Austin Energy is not aware of any conflicts between the cash funding of construction and statements made in audits, bond issuances, or official city documents concerning cash funding of construction.

**CmDay3.2** To the extent capital expenditures are made from cash, does Austin Energy also include that portion in depreciation for purposes of rate setting.

**Response:** No. In the cash flow methodology, depreciation expense serves as both a source and use of funds in the revenue requirement and whose net effect is zero. Effectively, depreciation expense is not included in the revenue requirements.

**CmDay3.3** For the amount of depreciation expense Austin Energy has included in this rate case to be recovered from ratepayers, show each component of the total expense by plant, year incurred, source of funding [cash or debt], percent of cash funding.

**Response:** Please see response to CmDay3-2.

**Attachment CmDay3.1**

	Funding	FY 2007		FY2008		FY 2009		FY 2010	
Data Source	Source	Actual		Actual		Actual		Projected	
WP 14, Line 9	Cash	88,672,713	55%	161,869,496	68%	152,670,120	63%	104,228,400	48%
WP 14, Line 18	Debt	73,973,236	45%	76,825,691	32%	89,112,130	37%	112,230,600	52%
		<u>162,645,949</u>	100%	<u>238,695,187</u>	100%	<u>241,782,250</u>	100%	<u>216,459,000</u>	100%

## Rate Review – Response to Request for Information

**REQUEST NO.: CmFath1**

**REQUESTED BY: Commissioner Shudde Fath**

**DATE REQUESTED: 9/6/2011**

**RESPONSE FILED: 9/14/11**

**CmFath1.1 Please prepare a Residential Rate Design schedule, including percentage impacts, from the following proposal:**

Minimum Bill	\$20.00 (pays for about 115 kWh)	
Customer Charge	\$12.00	
Electric Delivery	\$ 0.00	
Energy Charge (includes current fuel charge) for both Summer Period and Non-Summer period		
0-500 kWh	6.948 cents (existing rate)	33.0% of bills
501-1000 kWh	*	33.5% of bills
1001-2000 kWh	*	24.8% of bills
2001-3000 kWh	*	6.1% of bills
3001-plus kWh	*	2.6% of bills

and add the four new charges in AE's four rate options.

\*Using Austin Energy Option B's steep tiers as a guide, calculate rates for these four blocks.

**Response:** At this time, Austin Energy is not prepared to commit resources to running additional residential rate design scenarios. Austin Energy has proposed 4 residential rate design options and will discuss alternative scenarios with the Electric Utility Commission at a later date.



## Rate Review - Responses to Questions and Requests for Information

**REQUEST NO.: CB1**

**REQUESTED BY: Carol Biedrzycki**

**DATE REQUESTED: 9/6/2011**

**RESPONSE FILED: 9/14/2011**

**CB1.1** The report recommends a \$25.00 per month discount for low-income customers. What is the amount of the benefit received today? How many customers are receiving CAP today? How many customers do you estimate will be receiving the rate discount after the rate increase?

**Response:** Austin Energy's rate proposal does not include a specific recommendation on the design of the discount structure or the amount of the discount for Customer Assistance Program (CAP) participants. Rather, the proposal recommends a funding mechanism for the program and includes a metric for the policy goal of improving the Customer Assistance Program. The rate design that is approved by the Austin City Council and the amount of funding that will be generated by the rates for the Customer Assistance Program will be used to determine how best to allocate the use of those funds to provide discounts and other forms of assistance to qualifying customers under the Customer Assistance Program. Recommendations received from the Community Advocacy Group, the Public Involvement Committee, and other stakeholders will also be taken into consideration in the development of the discount structure and the discount amount for Customer Assistance Program participants.

Currently participants in the Customer Assistance Program have their \$6 a month customer charge waived and are applied a 1.7 cents per kWh fuel charge in lieu of the current fuel charge (3.105 cents per kWh). Fiscal Year 2009 data shows that the average monthly consumption for Customer Assistance Program participants is 1,023 kWh. Based on that average consumption amount, the average monthly discount is \$20.37. Under the current discount structure for this program, the average discount amount is dependent on the fuel charge at any given time. For instance, the fuel charge was higher in 2010 and the average discount for Customer Assistance Program participants in 2010 was about \$26 a month.

In 2010, 9,949 customers received a Customer Assistance Program discount.

The number of customers who receive the Customer Assistance Program discount after new rates are implemented is dependent upon the amount of funding that is allocated to support discounts and the discount program structure.

**CB1.2** Under the current rate structure with the current CAP benefit, what is the average amount low-income customers pay per month (and annually) for electricity? Under the proposed rate

structure with the proposed CAP benefit, what is the average estimated amount low-income customers will pay per month and annually for electricity?

**Response:** FY 2009 data shows that the average monthly consumption for Customer Assistance Program participants is 1,023 kWh. At that usage level the average monthly electric bill for Customer Assistance Program participants who receive a monthly discount is currently \$72.17 and the average annual electricity costs are \$866.06. Currently participants in the Customer Assistance Program have their \$6 a month customer charge waived and are applied a 1.7 cents per kWh fuel charge in lieu of the current fuel charge (3.105 cents per kWh).

Austin Energy is not proposing a specific residential rate design at this time as four residential rate design options have been developed for public input and feedback. Under Option A, which is the option supported by the Rate Analysis and Recommendations Report, the average monthly electric bill for a customer consuming 1,023 kWh would be \$104.88. The Customer Assistance Program Discount program structure is yet to be determined.

**CB1.3** How much revenue will be generated by the proposed residential fee of \$1 per month and the proposed [\$0.00065] per kWh charge for other classes of customers?

**Response:** Based on the Test Year Proof of Revenue Analysis (and consistent with the rate design and cost of service analyses), energy sales to non-residential customers (excluding service area street lighting) were equal to 7,917,823,692 kWh in the Test Year. In addition, the Test Year number of residential customers is 364,521 (see Page 39 of the full-length Rate Analysis and Recommendations Report). Therefore, the estimated revenue to fund the Customer Assistance Program generated by a residential fee of \$1 per month is \$4,374,252. The estimated revenue to fund the Customer Assistance Program generated by \$0.00065 per kWh for all other customer classes is \$5,146,585.

Proposed Fee/Charge	Calculation
Residential fee of \$1 per month	364,521 residential customers * 12 months * \$1 = \$4,374,252
\$0.00065 per kWh charge	7,917,823,692 kWh * \$0.00065 = \$5,146,585
Total Funding Under Alternate Scenario	\$9,520,837

The proposed residential fee of \$1 per month would result in \$1,862,391 greater revenue in the Test Year than the result of charging all customers \$0.00065 per kWh (\$7,658,446 as shown in Table 4.20 on page 94 of the full-length Rate Analysis and Recommendations Report for the total funding under the existing proposal).

**CB1.4.** Businesses under term contracts are under no obligation to pay fees for the low-income programs. How much revenue would be contributed by these customers if they were required to pay the fee as are all other customers on the system?

**Response:** The total assumed Customer Assistance Program funding found in Table 4.20 (\$7,658,446) assumes that all customers, including customers currently served under long-term

contracts, would pay the proposed \$0.00065 per kWh charge. Of this amount, \$1,650,977 is associated with customers served under long-term contracts.

**CB1.5** In April 2011, Austin Energy was scheduled to have a new billing system in operation. What is the cost of automatic enrollment as previously envisioned under the new billing system and the enrollment system recommended in the report? What are the estimated enrollment numbers under each of the two options?

**Response:**

Austin Energy is not recommending a different enrollment process for the Customer Assistance Discount Program at this time. The other option being referenced is the automatic eligibility proposal of the residential Rate Review Public Involvement Committee (PIC) members, which would increase administrative costs by an estimated \$83,816 a year. The \$84,000 estimate assumes \$33,000 expenditure for postage and mailing, \$30,000 for printing; and \$20,816 estimated for salary of two coordinators.

**CB1.6** Please provide a list of low-income program options considered by the PIC and all evaluations of the options provided to the PIC prepared by Austin Energy or its Consultants.

**Response:** Options for the funding mechanism of the Customer Assistance Program were not presented to the Rate Review Public Involvement Committee by Austin Energy. Rather, Austin Energy presented data and information on the Customer Assistance Program and feedback from the Customer Advocacy Group. The Independent Residential Rate Advisor presented two options for consideration for the Customer Assistance Program funding structure, a flat discount of \$25 a month and an unspecific percentage discount (based on the customer's monthly electricity bill). The funding mechanism for the Customer Assistance Program presented by the Independent Residential Rate Advisor was to charge all residential and secondary voltage less than 10 kW customers \$1 a month and all other customers \$0.00065 per kWh. Feedback was received from the PIC on the presented funding mechanism and the discount structure. Generally, the PIC supported the \$25 a month flat discount and all PIC members supported the funding mechanism, including a long-term contract customer who stated his support for contributing to the program voluntarily.

## **Alignment and Process for Citizen Panels at the September 19, 2011 Electric Utility Commission (EUC) Meeting**

**This document was created by Phillip Schmandt, Steve Smaha, and Barbara Day, the EUC Working Group formed to organize citizen panels.**

- **Each Panel will have 15 minutes for presentation and 5 minutes for questions and answers (Q&A) from EUC.**
- **Up to two panels may combine their presentations into a single presentation for a 30 minute presentation with 10 minutes of Q&A.**
- **Panels may swap speakers among the panels, provided the panel's overall time will not be extended.**
- **Panels MUST discuss issues relating to residential customers.**
- **The deadline to email or deliver PowerPoint files for panel presentations is 12:00 noon on September 19. PowerPoint or PDF presentations may be emailed to [ratereview@austinenenergy.com](mailto:ratereview@austinenenergy.com) or delivered to 721 Barton Springs Road (Attn: Chris Smith). If a panel has paper handouts, the panel is responsible for making copies.**
- **Panels should NOT repeat what prior panels have said. Panels should present discrete and novel positions of fact or recommendations. In other words, please present to us the information or viewpoints you believe the EUC needs to make informed decisions, rather than questions (which should be submitted via the process provided for doing so) or broad generalities. Panels are encouraged to provide proposed answers to the Decision Point List or alternative/additional questions for the list. Panels are asked to be considerate and if what they want to say has already been expressed, please give time back to allow greater discussion by EUC.**

**Panels will present in the order listed below:**

### **PANEL ON REVENUE REQUIREMENT AND COST OF SERVICE AS IT RELATES TO RESIDENTIAL RATES**

Revenue Requirement Adjustment, Reclassification of Costs, and Cost Allocation – Lanetta Cooper, Attorney, Texas Legal Services Center

Tax Justice – Bee Moorhead, Executive Director, Texas Impact

Tax Justice – Joshua Houston, General Counsel, Texas Impact

## **PANEL ON RESIDENTIAL RATE DESIGN**

The More You Use the More You Should Pay – Tom “Smitty” Smith, Director, Public Citizen Texas Office

Mike Sloan

## **PANEL ON ENVIRONMENTAL ISSUES AS THEY RELATE TO RESIDENTIAL RATES**

Solar Austin Representative

How the Rate Case Can Support the Generation Plan – Cyrus Reed, PhD Conservation Director, Lone Star Chapter, Sierra Club

Karen Hadden, The Sustainable Energy and Economic Development (SEED) Coalition

## **PANEL ON ENERGY EFFICIENCY AND RESIDENTIAL RATES**

Importance of Energy Efficiency and Need for New Residential Programs – Carol Biedrzycki, Executive Director, Texas Ratepayers’ Organization to Save Energy (ROSE)

Energy Efficiency Programs for Renters – David Power, Deputy Director, Public Citizen Texas Office

Weatherization – to be determined

Scott Johnson, Resource Conservation Contractor’s Association (RCCA)

## **PANEL ON LOW-INCOME CUSTOMER PROGRAMS**

Need for Utility Bill Discounts and Re-Evaluation of Eligibility Guidelines – Doris Williams

Plus 1 (Billing Assistance) Austin Energy and Customer Contributions – Ruby Roa

Rate Discount, Increase Benefits – Randall Chapman, Executive Director, Texas Legal Services Center

# Austin Energy 2011 Rate Review Decision Point List

August 29, 2011

Issue	Austin Energy Staff Recommendation <sup>1</sup>	Residential Rate Advisor	Other Parties	EUC
1) Achieve Revenue Requirement	Collect revenues from all customer classes sufficient to fund core functions and the utility's strategic objectives. Increase overall revenues based on the Test Year 2009 results from \$1,004,133,897 to \$1,111,135,775, or an 11.1% increase.	Concur as Austin Energy must collect its revenue requirement.		
2) Align Rates by Customer Class with Cost of Service (minimize subsidies across customer classes)	No customer class should pay greater than 105 percent or less than 95 percent of its cost of service in the implemented new rates, with the condition that the utility achieve its total revenue requirement through implemented rates with the exception of contract customers.	Concur with this metric. However, the selection of the cost of service model upon which the 105 percent and 95 percent are calculated, defines the true impact. The Average and Excess Demand (AED) method places 20% more cost on residential customers than the Baseload, Intermediate, Peak (BIP) method.		
3) Set Policy Bounds on Customer Class Alignment with Cost of Service	Set the Residential, Secondary Voltage <10 kW, and Lighting customer class target revenues at 95 percent of cost of service and set all other customer classes at 104 percent of cost of service.	Concur with this metric. See Issue #2, regarding cost allocation differences between the BIP method and the AED method.		

<sup>1</sup> Preliminary; to be finalized for final proposal to the Austin City Council based on consideration of public input and input from the EUC.

August 29, 2011

1

Issue	Austin Energy Staff Recommendation <sup>1</sup>	Residential Rate Advisor	Other Parties	EUC
4) Mitigate Impacts Within Customer Classes	(a) No residential customer electric bill below 1,500 kWh should increase by more than \$20 a month on average. (b) Transition non-demand secondary commercial customers to demand rates.	(a) Concur with Austin Energy. (b) Concur – Rate shock will be reduced with a transitional plan for non-demand customers, as they are brought up to cost of service.		
5) Select a Production Demand Cost Allocation Method	Apply the Average and Excess Demand Method to 1) recognize that customers benefit from both capacity and energy produced from generation assets; 2) to reward high load factor and energy efficient customers; 3) to be consistent with methodologies commonly used in Texas and around the country.	<b>Disagree</b> - Apply the BIP Method. Consistent with the Public Utility Commission of Texas (PUCT)-ordered nodal market. Recognizes that customers benefit from both capacity and energy produced from generation assets; and is consistent with methodologies used around the country. The BIP method is a simplified version of the Probability of Dispatch method previously approved by PUCT and the City of Austin. The PUCT has not made any determination regarding cost allocations in a nodal market. Furthermore, the BIP method is consistent with the use of Austin Energy's generation resources by the Electric Reliability Council of Texas (ERCOT).		

Issue	Austin Energy Staff Recommendation <sup>1</sup>	Residential Rate Advisor	Other Parties	EUC
6) Consolidate Customer Classes	Consolidate current customer classes from 24 to 9 classes and develop classes based on cost of service differentials, including unique service requirements and electricity usage characteristics.	Concur with the reduction in classes and recommend that AE continue to monitor differences in consumption within the secondary and primary customer classes and seek future reductions in the number of customer classes.		
7) Update Rate Structure for Residential Customers	Unbundle rates and apply a customer charge, electric delivery charge, energy charge, regulatory charge, community benefit charge, and energy adjustment.	Concur with the direction and suggest complete unbundling of the electric delivery charge from the energy charge to be consistent with Austin Energy's transparency principle and the Texas deregulated market.		
8) Update Rate Structure for Commercial and Industrial Customers	Unbundle rates and apply a customer charge, electric delivery charge, energy charge, demand charge, regulatory charge, community benefit charge, and energy adjustment.	Concur with the direction and suggest complete unbundling of the electric delivery charge from the energy charge to be consistent with Austin Energy's transparency principle and the Texas deregulated market.		
9) Update Fuel and Energy Market Costs Recovery Mechanism	Recover Test Year fuel-related costs in the energy charge and apply an energy adjustment in future years to account for future fluctuations in fuel-related and energy market costs.	<b>Disagree</b> – Rates are more transparent and GreenChoice® Program is easier to understand if fuel and energy discrete line items.		



Issue	Austin Energy Staff Recommendation <sup>1</sup>	Residential Rate Advisor	Other Parties	EUC
10) Apply Regulatory Charge	Add a regulatory charge to recover costs associated with transmission and ERCOT fees and remove these costs from the energy charge.	Concur as these charges are beyond Austin Energy's control.		
11) Apply Community Benefit Charge	Add a community benefit charge to recover costs associated with the Customer Assistance Program, service area lighting, and energy efficiency programs and remove these costs from the energy charge.	Concur as the entire community benefits from these programs. Change makes rates more transparent.		
12) Update Summer Rate Period	Shorten summer rate period from six (May – October) to four months (June – September) so that stronger pricing signals can be provided during the summer time period and to align with ERCOT.	Concur as this was one of my recommendations during the Rate Review Public Involvement Committee process.		
13) Apply Residential Customer Charge	Raise the current residential customer charge from \$6 to \$15 and remove this portion of residential customer-related costs from the variable energy charge.	Concur as the need to contact customer service is not a function of electric delivery. During AE's Rate Review Public Involvement committee meeting process, the residential representatives on the PIC recommended a \$12 customer charge.		

Issue	Austin Energy Staff Recommendation <sup>1</sup>	Residential Rate Advisor	Other Parties	EUC
14) Apply Residential Electric Delivery Charge	Move distribution costs from the energy charge to an electric delivery charge for residential customers set at \$10 and remove this portion of residential distribution costs from the variable energy charge.	<p><b>Partly Disagree</b> – There is a cost of meter reading systems, meter drops, tree trimming, etc. that is unrelated to energy consumption. Therefore we agree with the \$10 per month fixed electric delivery charge.</p> <p>However, there are other electric delivery costs that are driven by demand (a measure of consumption). I recommend adding a second electric delivery charge to be consistent with deregulated areas and removing all electric delivery charges from the energy charge. This change is consistent with Austin Energy’s transparency and understandability principles. It also allows comparisons to be made with the deregulated market.</p>		
15) Implement Residential Inclining Block Tiered Rate Structure for Energy Charge	Expand existing residential inclining block rate structure from two tiers to five tiers to provide stronger conservation and energy efficiency pricing signals to the highest users in the residential customer class.	Concur - This will be one of the most complex rate designs in the country and, therefore, does not follow the AE design principle of “simple and understandable” rates. But it does follow Austin Energy’s strategic goal of incentivizing energy efficiency. I believe more weight should be given to goals than principles and, therefore, this change is appropriate.		

Issue	Austin Energy Staff Recommendation <sup>1</sup>	Residential Rate Advisor	Other Parties	EUC
16) Fund Customer Assistance Program	Fund the Customer Assistance Program with a Community Benefit Charge sub-component of \$0.00065/kWh to all customers.	<b>Disagree</b> - Recommend a flat fee consistent with survey results for <u>residential customers</u> of \$1/month. A \$1 fee is simple to understand, and transparent and therefore follows those principles. It will provide a stable funding source throughout the year, and will scale with the number of residential customers served by Austin Energy. Concur - with the proposed funding mechanism for non-residential customers.		
17) Apply Commercial and Industrial Customer Charge	Apply customer charge at or near cost of service for commercial and industrial customers.	Concur		
18) Apply Commercial and Industrial Electric Delivery Charge	Unbundle rates and apply an electric delivery charge on a \$/kW basis at or near cost of service for all commercial and industrial customers.	Concur		
19) Apply Commercial and Industrial Demand Charge	Expand use of demand charges to all commercial and industrial customers and implement a three-year phase- in of demand-related charges (electric delivery and demand charge on a \$/kW basis) for the current non-demand customers.	Concur - This phased-in approach will reduce the rate shock on these customers as they transition to demand rates.		

Issue	Austin Energy Staff Recommendation <sup>1</sup>	Residential Rate Advisor	Other Parties	EUC
20) Apply Power Factor Adjustment for Commercial and Industrial Customers	Apply a power factor adjustment of 90 percent to all commercial and industrial customers with the exception of current non-demand customers during the phase-in period and customers with demand less than 10 kW.	Concur – Austin Energy is required by ERCOT to maintain a power factor of 97 percent so this is a good first step. The costs for AE to correct power factor to 97 percent are currently placed on all customers. Following this change, Austin Energy should continue to monitor the cost to correct the distribution power factor and determine if a greater adjustment is warranted.		
21) Implement Time-of-Use Alternative Rates	Implement a time-of-use alternative rate for residential customers with a 2,000 customer enrollment cap and implement time-of-use rates for each commercial and industrial customer class with an enrollment cap of the higher of 10 percent of the customers in the class or 10 customers for each class.	Concur – Suggest preference be given to residential customers with solar PV and/or an electric vehicle to ensure a representative sample of the impact these customers could have on future rates and demand profile.		

Issue	Austin Energy Staff Recommendation <sup>1</sup>	Residential Rate Advisor	Other Parties	EUC
22) Update Renewable Energy Alternative Rate (GreenChoice®)	Maintain the GreenChoice alternative rate for customers who wish to receive a 100 percent renewable energy price that is locked in and use a bundled portfolio approach that prorates the GreenChoice adjustment to account for system-wide renewables.	<b>Disagree</b> –Adjustment should continue to be shown as offsetting fuel charge. Program as described is unnecessarily complex and confusing. The recommended change to the portfolio approach is fine, but the overall program will be better accepted if credit is given for the fuel charge. If system level renewables were included as part of the fuel and energy charge (as the name implies), the entire program is simplified. That change achieves the AE goal, and meets Austin Energy’s transparency and “simple and understandable” principles.		
23) Update Net Metering Alternative Rate	Maintain a net metering rate for customers with distributed generation (e.g., solar PV) and apply a credit at the annual value of solar rate for excess energy generated on a monthly basis with the intent to move to a separate solar rate when meter data management capabilities are achieved.	Concur – Suggest moving to a solar rate which considers the hourly value of energy as expeditiously as possible.		
24) Update Thermal Energy Rate Option	Update existing thermal storage rate option to support customer investment in this technology.	Concur – As transmission lines are completed to wind areas, significant savings may be available for energy storage.		

Issue	Austin Energy Staff Recommendation <sup>1</sup>	Residential Rate Advisor	Other Parties	EUC
25) Plan for Pricing Pilot Projects with Pecan Street Project	Austin Energy will work with the Pecan Street Project to pilot new rates for customers. Any pilot project implemented must first be approved by the Austin City Council.	Concur – Suggest that the Austin City Council be very liberal on approving pilot projects with a maximum participation rate of 1 megawatt (MW), and less than 2 years in duration.		
26) Plan for Future Pricing of Long-Term Contract Customers	Move long-term contract customers to cost of service-based rates upon expiration of their contracts in 2015.	Concur on move to cost of service-based rates, and further suggest future long-term contract customers be tied to a specific fuel or power hedge which minimizes impact on other customers.		

## Austin Energy 2011 Rate Review

### Process and Guidelines for Responding to Public Information Requests and Questions

#### Requests for Documents and Existing Data:

1. Public Information Act – Austin Energy will comply with requirements of the Texas Public Information Act (see <http://www.statutes.legis.state.tx.us/SOTWDocs/GV/htm/GV.552.htm>).
2. Competitive Matters per State law –
  - a. Austin Energy will follow the state law definition of “competitive matters” for determining the confidentiality of information.
  - b. Austin Energy will request an opinion on the confidentiality of the information from the Texas Attorney General within 10 days of receipt of the request.
3. Fees to Cover Cost of Production – Austin Energy will charge fees for providing public information pursuant to the Texas Attorney General’s rules (see [http://info.sos.state.tx.us/pls/pub/readtac\\$ext.ViewTAC?tac\\_view=4&ti=1&pt=3&ch=70&rl=Y](http://info.sos.state.tx.us/pls/pub/readtac$ext.ViewTAC?tac_view=4&ti=1&pt=3&ch=70&rl=Y)).

#### Questions Submitted by the Public:

1. Austin Energy will make reasonable efforts to respond to rate-related questions and comments to the extent that the information is within the scope of the rate review and is not confidential, proprietary, privileged, or unduly burdensome to produce.
2. Questions concerning Austin Energy’s Rate Analysis and Recommendations Report received more than 7 days prior to the Electric Utility Commission (EUC) meetings of September 19<sup>th</sup>, October 3<sup>rd</sup>, and October 17<sup>th</sup>, will be responded to by Austin Energy at the next EUC meeting.
3. Questions submitted should be directly related to the documents, numbers, and rates discussed in Austin Energy’s Rate Analysis and Recommendations Report and any additional information presented to the EUC and/or Council during the public review process.
4. Austin Energy will answer questions and comments on an individual basis where appropriate.
5. Austin Energy will provide responses in the manner it deems most reasonable and appropriate. Responses may be in electronic, permanent reproduction, or other form.

All questions, comments, and requests for documents and existing data can be submitted to [ratereview@austinenenergy.com](mailto:ratereview@austinenenergy.com).