



Austin Energy Budget Briefing

Item 15



Budget FY 2014
Electric Utility Commission
July 15, 2013

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



Budget FY 2014 Calendar

- July 29 - Budget finalized
- August 7 - Budget presentation posted to Web
- August 14 - Budget Council Q&A
- August 22 - Utility rate hearing
- September 9 -11 - Budget adoption





Austin Energy Fund Summary

| Austin Energy Fund Summary (in \$M) | | | | | | | |
|-------------------------------------|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|
| | FY 2013 Budget | FY 2013 CYE | FY 2014 | FY 2015 | FY 2016 | FY 2017 | FY 2018 |
| Beginning Balance | \$123.5 | \$127.2 | \$176.9 | \$199.8 | \$224.5 | \$236.0 | \$246.3 |
| Revenues/Transfers In | 1,284.8 | 1,285.1 | 1297.5 | 1360.7 | 1450.2 | 1470.2 | 1529.5 |
| <u>Requirements:</u> | | | | | | | |
| Total Program | 903.9 | 897.8 | 911.5 | 950.0 | 990.9 | 1005.1 | 1041.6 |
| Debt Service | 173.2 | 138.7 | 142.6 | 135.7 | 144.1 | 141.7 | 139.8 |
| CIP | 68.8 | 71.9 | 90.6 | 96.1 | 114.9 | 117.6 | 117.9 |
| General Fund Transfer | 105.0 | 105.0 | 105.0 | 106.0 | 110.0 | 115.0 | 120.0 |
| Administrative Support | 22.0 | 22.0 | 24.9 | 26.2 | 28.0 | 30.0 | 32.1 |
| AE Reserve Transfers | 0.0 | 0.0 | 0.0 | 22.0 | 50.8 | 50.5 | 50.6 |
| Total Requirements | 1,272.9 | 1,235.4 | 1,274.6 | 1,336.0 | 1,438.7 | 1,459.9 | 1,502.0 |
| Excess (Deficiency) | 11.9 | 49.7 | 22.9 | 24.7 | 11.5 | 10.3 | 27.5 |
| Ending Balance | \$135.4 | \$176.9 | \$199.8 | \$224.5 | \$236.0 | \$246.3 | \$273.8 |
| FTEs | 1,706 | 1,706 | 1,719 | 1,731 | 1,744 | 1,754 | 1,765 |





Preliminary Rate Change Analysis

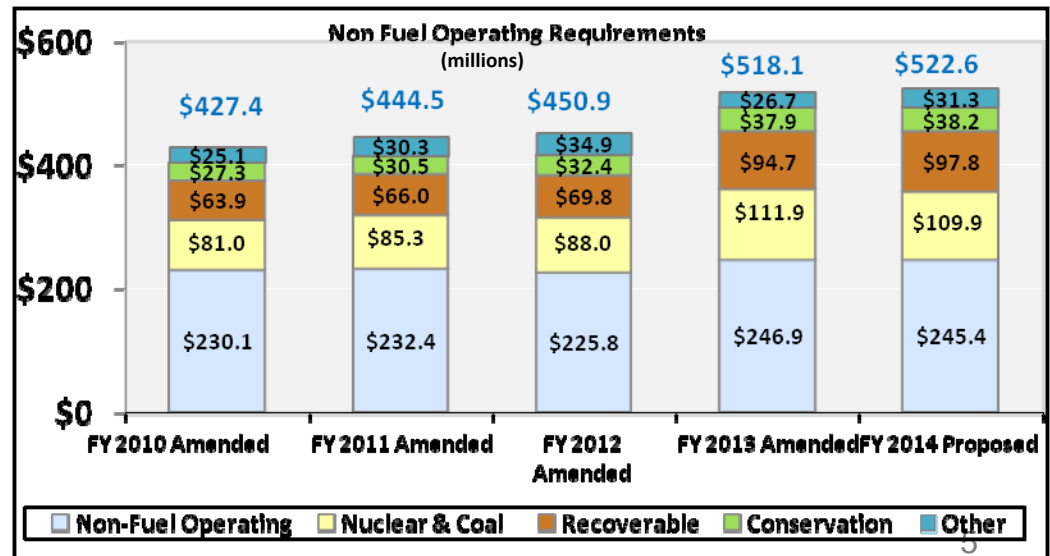
- Increase in Community Benefit Charge (CBC)
 - Energy Efficiency Programs
- Increase Regulatory Charge
- Increase Power Supply Adjustment (PSA)





Non-Fuel O&M Assumptions

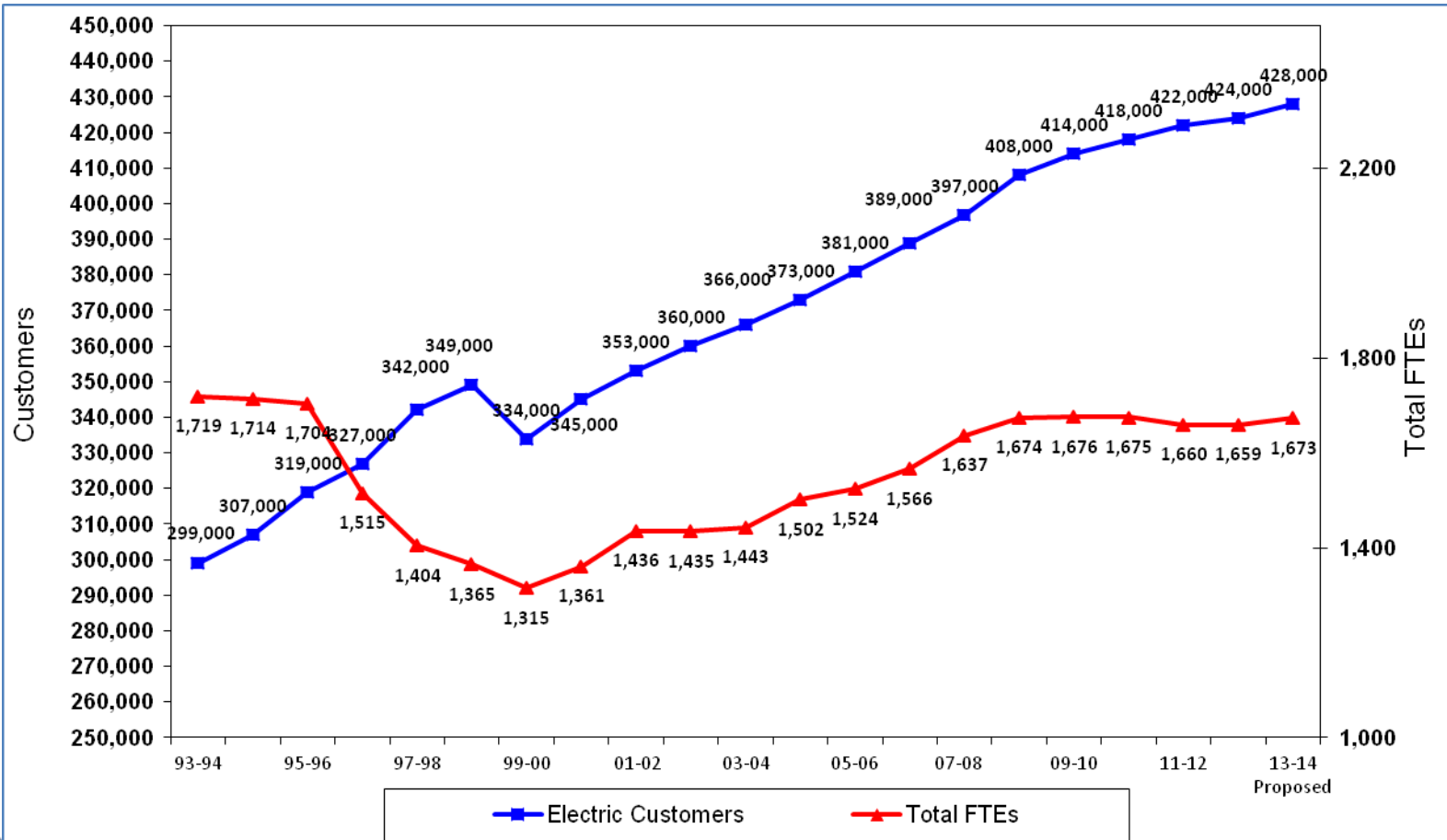
- **Cost Containment Efforts Continue:**
 - > Deferral of information technology projects
 - > Debt service Reduction from restructuring long-term outstanding debt in early FY 2013
 - > Decrease in Nuclear & Coal plants operating costs.
- **Permanent Increases:**
 - > \$1.0 million in additional large truck leases to avoid capital cost purchases
 - > health insurance and the transfer for City administrative support and technology support. These built in cost increases total \$8.8 million for FY 2013-14.
 - > Energy Efficiency Program Changes
- **One-time Increases:**
 - > include \$2.0 million for a distribution system pole inventory
- **EGRSO**
 - > a General Fund Department
 - > AE funds as a Transfer Out





Staffing

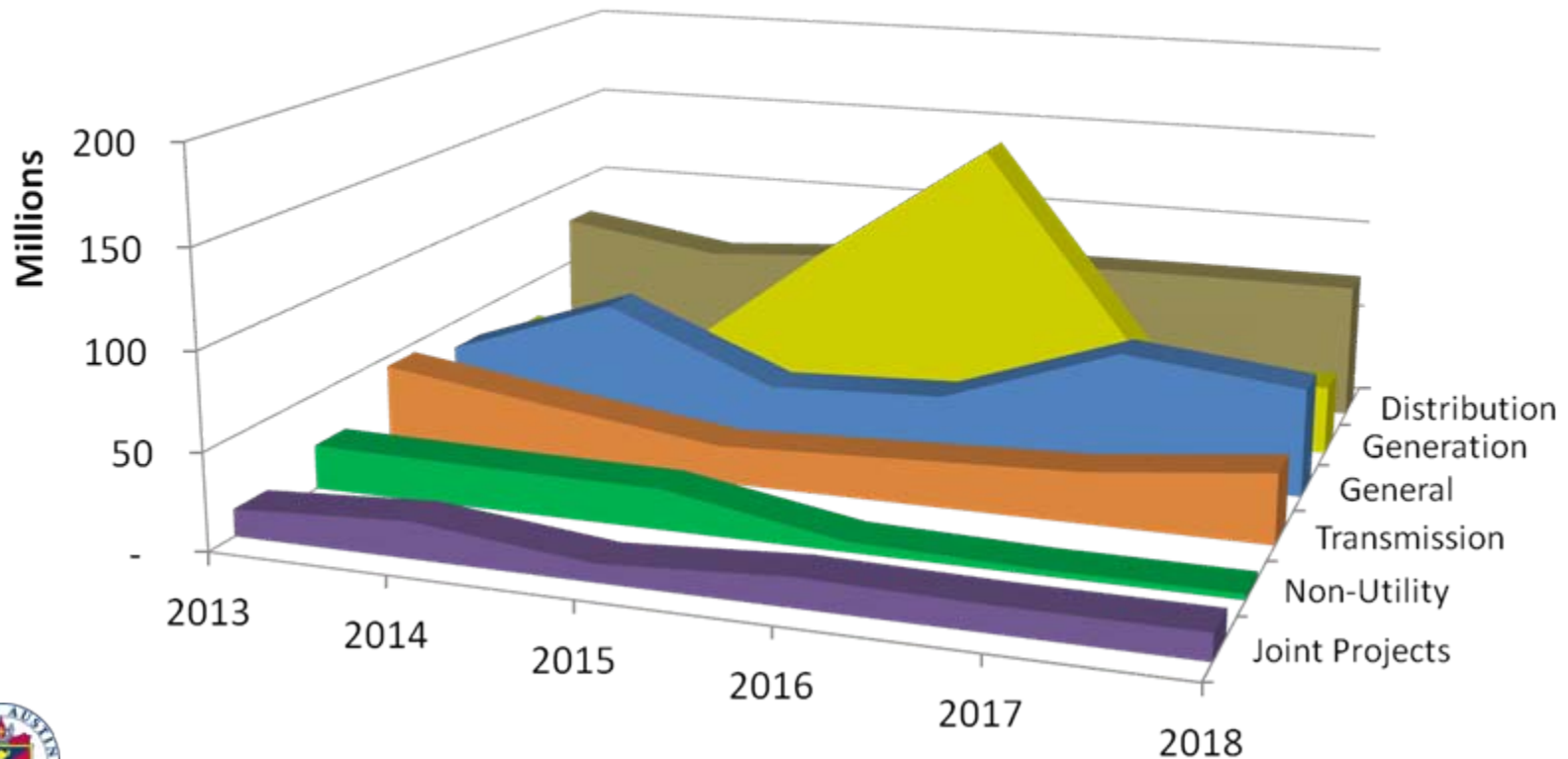
- For the first time since the FY 2008-09 Budget, AE will add new FTEs.
- 13.75 New FTEs added to address growth in T&D systems, IT and Support





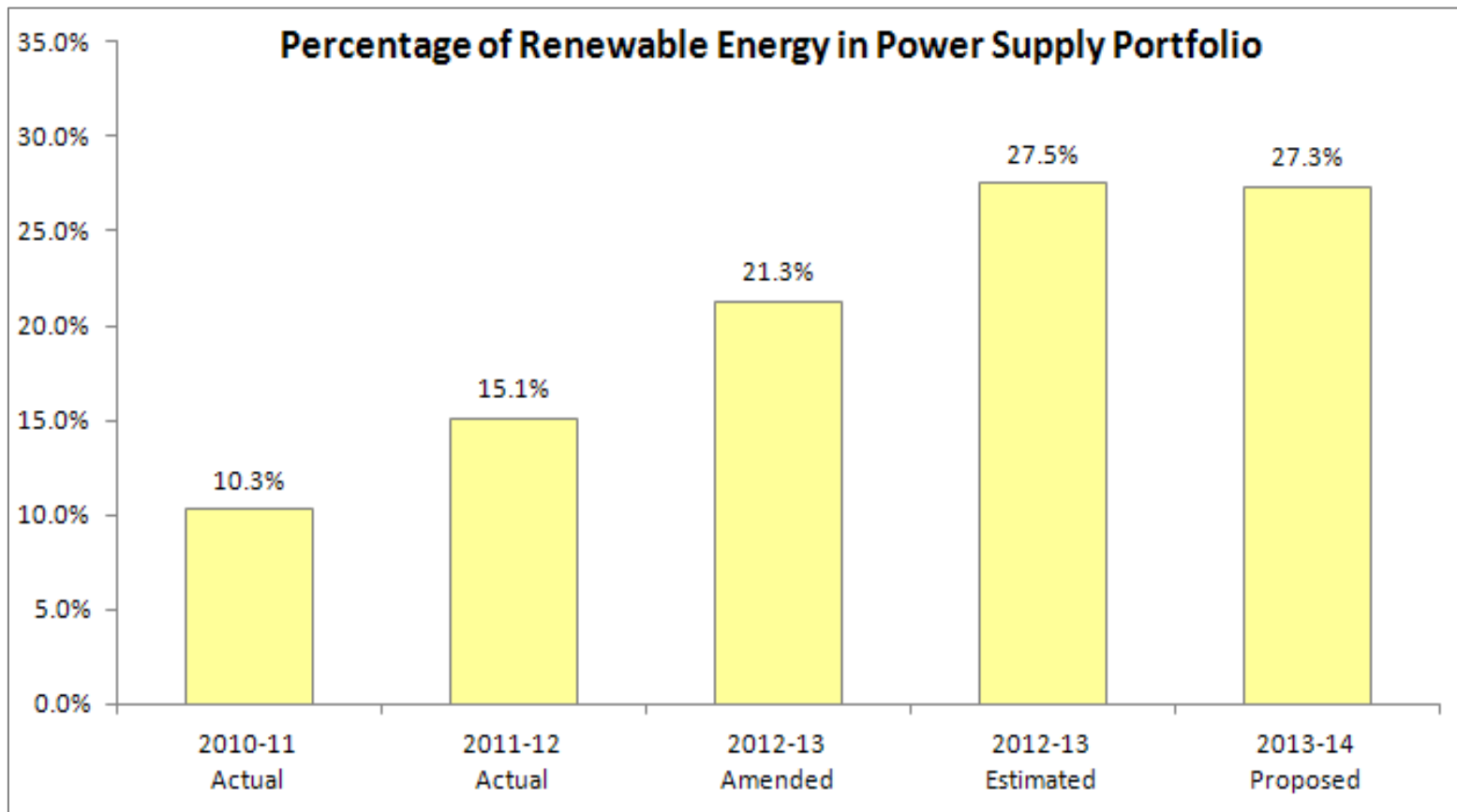
Capital Improvement Program (CIP)

- FY 2014-18 Capital Budget includes \$1.18 billion to support infrastructure improvements
 - > FY 2013-14 Capital Improvement Spending Plan of \$217.9 million
 - > \$124.7 million issuance of commercial paper
 - > \$93.2 million of transfers from operations (internally generated cash) and beginning cash balances.





Performance Measures



AE will add a **net** 377 MW in early FY 2015 from additional wind purchase power contracts



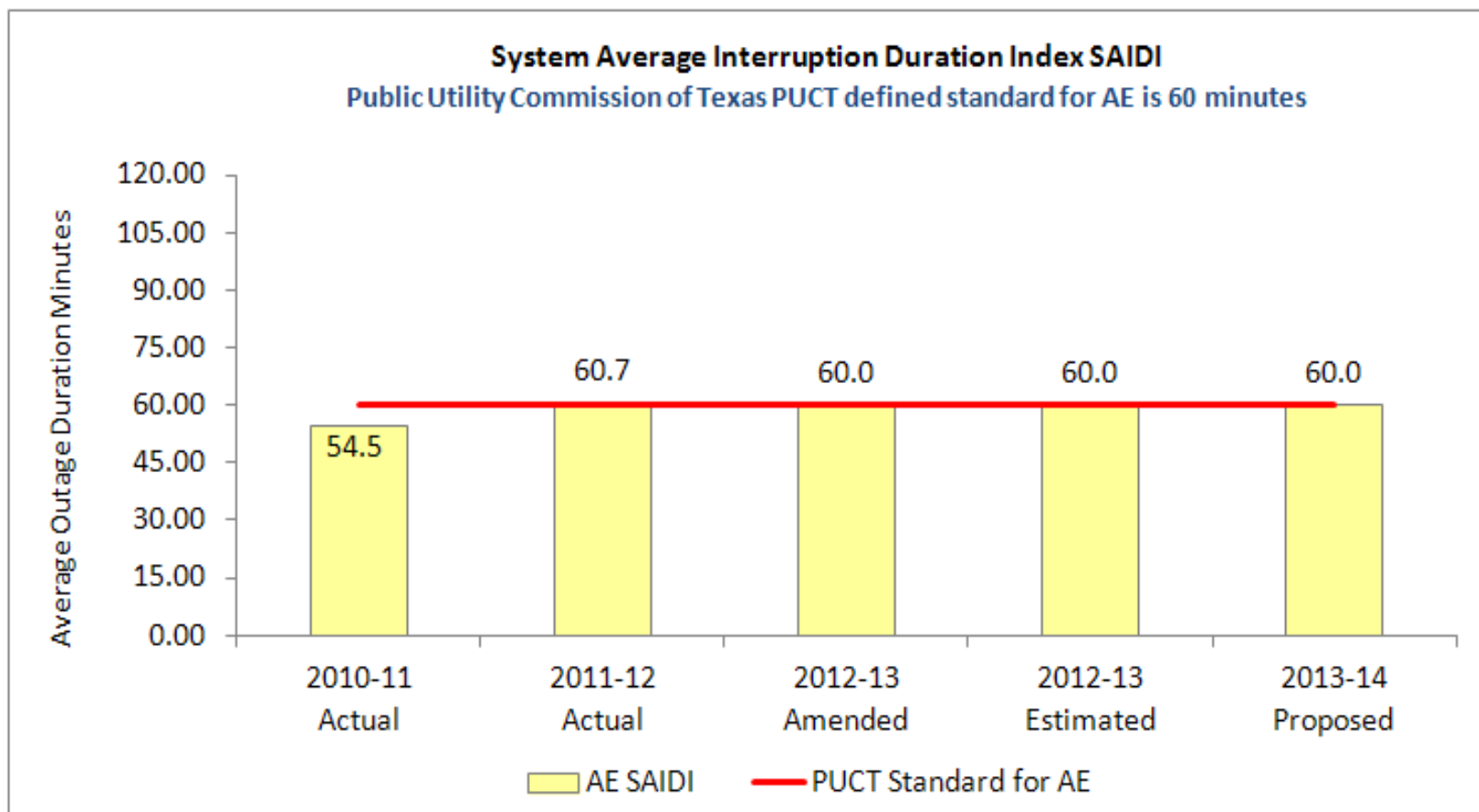
Performance Measures

| Debt | Fiscal Year | Ratings | | |
|--|-------------|-------------|---------------------------------|---------------------|
| | | Fitch, Inc. | Moody's Investors Service, Inc. | Standard and Poor's |
| Utility revenue bonds – Electric separate lien | 2010 | AA- Stable | A1 Stable | A+ Positive |
| \$1,176,389,892 | 2011 | AA- Stable | A1 Stable | A+ Positive |
| | 2012 | AA- Stable | A1 Stable | A+ Positive |
| | 2013 | AA- Stable | A1 Stable | AA- Stable |
| Utility revenue bonds – prior lien | 2010 | AA- Stable | A1 Positive | AA Stable |
| \$2,332,445 | 2011 | AA- Stable | A1 Stable | AA Stable |
| | 2012 | AA- Stable | Aa2 Stable | AA Stable |
| | 2013 | AA- Stable | Aa2 Stable | AA Stable |
| Utility revenue bonds – subordinate lien | 2010 | AA- Stable | A1 Positive | AA Stable |
| \$97,679,169 | 2011 | AA- Stable | A1 Stable | AA Stable |
| | 2012 | AA- Stable | Aa2 Stable | AA Stable |
| | 2013 | AA- Stable | Aa2 Stable | AA Stable |



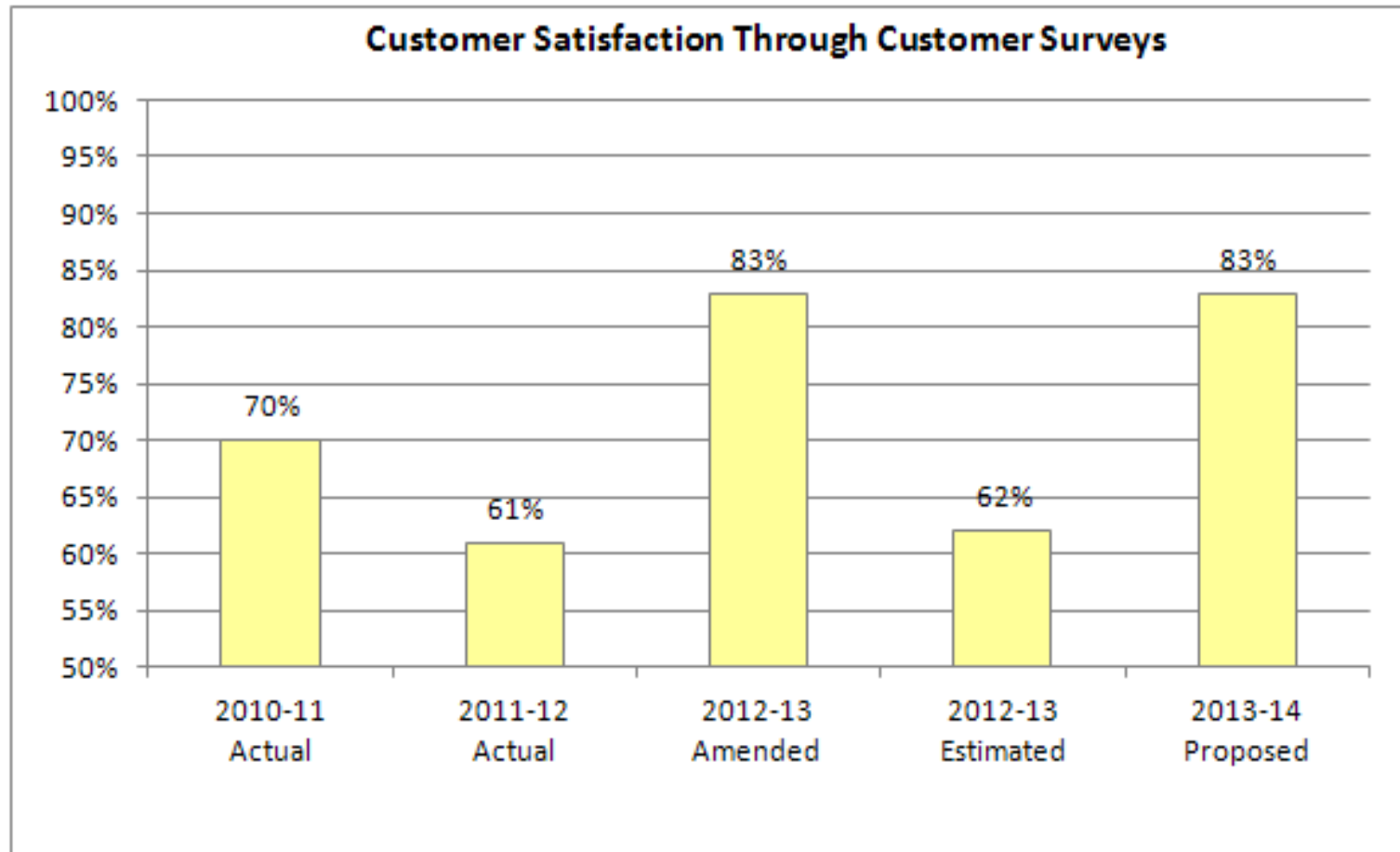


Performance Measures





Performance Measures





Fee Changes

| | |
|--|----------|
| • Service Planning Application Review (Line Extension) | \$100.00 |
| • Impacted streetlight pole without replacement | \$289.04 |
| • Impacted streetlight pole with replacement | cost |
| • Impacted utility pole without replacement | \$482.45 |
| • Impacted utility pole without replacement | cost |
| • Automated Meter Opt Out (switch to manual) | \$75.00 |
| • Automated Meter Opt out monthly manual-read | \$10.00 |





QUESTIONS?

