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AUSTIN ENERGY
ANNUAL PERFORMANCE REPORT

Year End September 2013

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

Published Date Goes Here

This annual report provides operational data that reports on and demonstrates achievements and support for all elements of Austin Energy's mission statement, strategic goals and objectives. Our goal is to keep our City Council, Electric Utility Commission, the leadership of our community, our customers and our employees informed on our operations through comprehensive reporting.

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Data reflects the City of Austin's 2013 fiscal year ending Sept. 30, 2013, unless otherwise stated.

Austin Energy Highlights FY 2013

Austin Energy strives to deliver clean, affordable, reliable energy and excellent customer service. Because of these core principles and priorities, the utility is nationally recognized for its leadership in providing affordable electricity, energy efficiency and commitment to clean energy resources.

The utility provides retail electric service to 430,580 metered customers in a 437 square-mile service area that includes the City of Austin, Travis County and parts of Williamson County. Austin Energy has a total conventional generation capacity—natural gas, coal and nuclear—of 2,540 megawatts and installed renewable energy capacity—wind, solar and biomass—of about 993 MW. Austin Energy also owns electric delivery assets including 72 substations, 620 miles of transmission line and more than 11,363 miles of distribution lines.

The American Public Power Association ranks Austin Energy as the eighth largest public power utility of 2,000 in the Unites States. It is one of three utilities—the first public power utility in Texas—to earn the Reliable Public Power Provider Diamond Level recognition. This is the highest recognition level awarded by APPA to public utilities for excellence in reliability, safety and workforce development. Austin Energy has earned this distinction twice in a row.

For Austin Energy to continue to achieve excellence in its core principles, it is important for the utility to maintain financial integrity. FY 2013 was the first year of implementation of the Council-approved rate structure change, and the shift has helped the utility improve the utility's financial standing. As a result of the rate change and bond restructuring, AE's Standard & Poor's credit rating improved from A+ to AA- with a stable outlook. A higher credit rating allows AE to qualify for lower interest rates on debt issuance and helps keep rates affordable.

In keeping with the City of Austin's goals on clean renewable energy, Austin Energy is constantly searching for the best ways to grow its renewable energy portfolio. In FY 2013, Austin Energy's renewable energy assets increased as 293 megawatts of wind-purchased power contracts came online. This additional power brought the utility's total renewable energy percentage to 20.7 percent and helps to bring AE four years ahead of schedule in meeting the City's 35 percent renewable energy goal by 2020. Later in the fiscal year, AE also executed new wind-purchased power contracts for an additional 570 MW, with some of those contracts expected to come online in the near future. These contracts will keep the utility as a national leader in renewable energy.

Along with wind energy, Austin Energy also is looking to bolster its renewable energy portfolio through solar energy. The utility issued a request for proposals for up to 50 MW of solar energy in FY 2013. Proposals were accepted from solar facilities in the Electric Reliability Council of Texas region that are in operation no later than the end of 2016. This energy acquisition will allow AE's ratepayers to realize benefits from federal tax incentives for solar that are expected to expire at the end of 2016 as well as help the utility reach both its solar goal of 200 MW by 2020 and the 35 percent renewable energy goal.

A component in keeping Austin Energy affordable for customers is energy efficiency. In FY 2013, the utility was able to achieve the highest peak demand savings in the past five years with 54.3 MW of savings through energy efficiency programs and practices. Austin Energy was able to offset 64.1 MW in FY 2007-08. One major factor contributing to the utility's energy savings is the Green Building program, which works with commercial, multifamily and residential construction to achieve higher energy code

savings as well as energy ratings savings. The Green Building program measured 18 MW of savings in FY 2012-13.

Austin Energy also had a banner year in FY 2012-13 when it comes to reliability. During this past fiscal year, AE set utility record lows for system outage frequency and duration.

The following chart compares AE's experience to national averages.

Standard	Industry Average	Austin Energy 2013
SAIFI -- The average number of times a customer's service was interrupted	1.4 interruptions	0.59 interruptions
SAIDI -- The average duration in minutes	120 minutes	46.24 minutes
SATLPI – The average number of faults on each transmission line per 100 miles	4.0 faults	1.28 faults

Austin Energy also was recognized for the ninth year in a row for energy efficiency program excellence. The 2013 ENERGY STAR Partner of the Year Award for Sustained Excellence was presented to Austin Energy by the U.S. Environmental Protection Agency. The award recognizes leadership in energy efficiency and AE's continued excellence for helping customers lower their electricity use as well as reduce their energy bills.

Along with record-setting reliability numbers, Austin Energy continued to focus on and strengthen its excellent customer service in FY 2013. Through contracting with data management company Solix, Austin Energy enrolled the largest number of residential customers—more than 25,000—into the City of Austin's Customer Assistance Discount Program. Austin Energy customers already receiving benefits through federal, state, county or other city assistance may still be eligible for the Customer Assistance Discount Program

Austin Energy also keeps an eye on the national energy stage and was the first public power utility in Texas to implement the national Green button initiative. The program is a response to a White House call to action and allows customers to securely download their energy-use data in a consumer-friendly format so they can analyze and use the information to make more informed decisions about energy use.

Austin Energy Service Area

The Austin Energy service area covers approximately 437 square miles and serves more than 430,000 customers. Of those square miles, 421.61 square miles fall within Travis County. The remaining 15.44 square miles are in Williamson County.

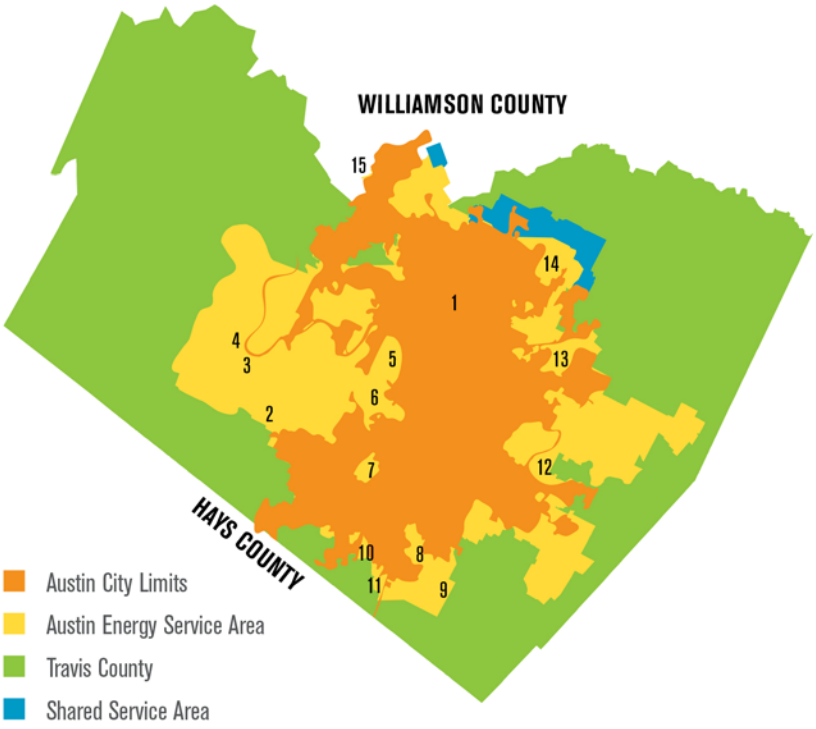
In the Travis County service area, 206.41 square miles are within the Austin city limits.

Austin Energy serves additional communities outside the Austin area (around 53,000 homes and 6,400 businesses that make up 14 percent of Austin Energy's customers).

Austin Energy Service Area Boundaries

50% City of Austin / 50% Outside City of Austin

1. City of Austin
2. City of Bee Cave
3. Village of the Hills
4. City of Lakeway
5. City of Rollingwood
6. City of Westlake Hills
7. City of Sunset Valley
8. Village of Creedmoor
9. City of Mustang Ridge
10. Manchaca
11. Buda
12. Del Valle
13. Manor
14. Pflugerville
15. Cedar Park



Clean

*Austin Energy's mission is to deliver **CLEAN**, affordable, reliable energy and excellent customer service.*

Austin Energy has an aggressive goal to reduce carbon dioxide (CO_2) emissions by 2020 to a level that is 20 percent below 2005 levels. The Austin City Council approved this goal in April 2010 as part of Austin Energy's Generation Plan.

Austin Energy calculates emissions data using carbon dioxide (CO_2) equivalents. This is a measure used to compare the emissions of different greenhouse gases based on their global warming potential.

Carbon Intensity

The Austin Energy system average carbon intensity is calculated as total greenhouse gas emissions at the point of combustion in pounds of CO_2-equivalents divided by net generation in kWh from all Austin Energy resources. Austin Energy generation resources include natural gas, coal and nuclear-powered units; renewable resources owned by Austin Energy; and purchased power from renewable and non-renewable resources. GreenChoice® energy sales are subtracted from the net generation total since GreenChoice® customers can claim their carbon intensity to be 0 lbs. of CO_2-equivalents/kWh.

Table 1: Austin Energy System Average Carbon Intensity in Pounds of CO_2-eq/kWh

Carbon Intensity by Calendar Year	CY 2009	CY 2010	CY 2011	CY 2012	CY 2013
CO_2-eq/kWh	1.1	1.1	1.18	1.03	1.05

Plant Emissions

Total stack carbon dioxide (CO_2) are reported in metric tonnes. Non-CO_2 greenhouse gases make up less than 1 percent of Austin Energy's stack emissions.

Table 2: Austin Energy Total CO_2 Stack Emissions from Owned Generation in Metric Tonnes

Calendar Year	CO_2 Emissions in Metric Tonnes
CY 2013	4,859,502
CY 2012	4,619,035
CY 2011	5,815,871
CY 2010	5,083,094
CY 2009	5,468,898

Data has been updated from previous total CO_2stack emissions to reflect total CO_2 stack emissions.

Plant stack emissions reported in Table 3 do not include CO_2 equivalents and are reported in English dry tons. Austin Energy uses English dry tons as required for annual reporting to the Environmental Protection Agency (EPA).

Table 3A: Plant Emissions Reported Annually to EPA (English tons/year)

Year	Emission	Decker Creek Power Plant	Sand Hill Energy Center	Sub Total	AE's Share of Fayette Power Plant:		Sub Total	Total English Tons
					Unit 1	Unit 2		
CY 2013	SO_2	11	3	**14**	198	204	**402**	**416**
	NO_x	330	83	**413**	942	1,188	**2,130**	**2,543**
	CO_2	396,405	661,451	**1,057,856**	1,959,964	2,338,864	**4,298,828**	**5,356,684**
CY 2012	SO_2	12	4	**16**	173	141	**314**	**330**
	NO_x	597	101	**698**	944	774	**1,718**	**2,416**
	CO_2	721,460	757,790	**1,479,250**	1,937,690	1,674,675	**3,612,365**	**5,091,615**
CY 2011	SO_2	7	3	**10**	321	1,326	**1,647**	**1,657**
	NO_x	967	107	**1,074**	1,129	1,136	**2,265**	**3,339**
	CO_2	817,759	738,619	**1,556,378**	2,294,576	2,558,572	**4,853,148**	**6,409,526**
CY 2010	SO_2	11	3	**14**	6,078	5,486	**11,564**	**11,578**
	NO_x	783	135	**918**	967	951	**1,918**	**2,836**
	CO_2	799,135	825,260	**1,624,395**	1,843,129	2,138,879	**3,982,008**	**5,606,403**
CY 2009	SO_2	5	4	**9**	6,102	5,943	**12,045**	**12,054**
	NO_x	1,016	136	**1,152**	986	1,041	**2,027**	**3,179**
	CO_2	974,673	847,663	**1,822,336**	2,122,204	2,123,122	**4,245,326**	**6,067,662**

Table 3B: Water Usage by Plant

This table is being designed.

Energy Conservation Audit and Disclosure Ordinance (ECAD)

The Austin City Council approved the Energy Conservation Audit and Disclosure (ECAD) ordinance in 2008- and a revised version in April 2011 to improve the energy efficiency of homes and buildings that receive electricity from Austin Energy. The ordinance supports one of the goals of the Austin Climate Protection Plan, which is for the utility to offset 800 megawatts (MW) of peak energy demand by 2020.

Single-family homeowners must have energy audits performed on their properties prior to a sale, and must provide the results to prospective buyers at least three days before the end of the option period. Multi-family properties older than 10 years are required to perform an audit and report the results to the City of Austin and all residents living in those communities. Commercial building owners have phased-in reporting that began June 1, 2012, for buildings 75,000 square feet and larger.

Table 4: Single-Family Audits

Dates	Home Sales	Exempt from Ordinance	Non Exempt from Ordinance	All Homes Audited	% Non Exempt Homes Audited
FY 2013	14,117	5,719	8,398	4,344	52%
FY 2012	11,230	4,118	7,112	3,538	50%
FY 2011	10,370	4,514	5,856	2,895	49%
FY 2010	10,440	5,221	5,219	3,640	70%
Jun 1st, 2009 to Sep 30th, 2009	4,383	1,729	2,654	2,027	76%
Total	**50,540**	**21,301**	**29,239**	**16,444**	**56%**

*The term “Sale” corresponds to deed transfer. Sales data is from the City of Austin Data Mart, TCAD, and WCAD Tax Records.

*The term “Exempt” corresponds to a property which is less than 10 years old, performed at least $500.00 in retrofits, participated in the Austin energy Home performance or Free Weatherization programs or previously filed an audit.

Only one audit is counted per Property ID. There were 159 submitted Properties without an audit date.

Table 5: Single-Family Audit Results

Audit Dates	% of Homes Receiving a Recommendation After Audit	Audited Homes Needing Window Shading	Audited Homes Needing Attic Insulation	Audited Homes Needing Duct Sealing, Replacement, or Duct Insulation	Audited Homes Needing Weatherization
Jun 1st, 2009 to Present	97%	65%	86%	81%	88%

Table 6: Single-Family Audit Results

Year Built	Average % Duct Leakage	Average Conditioned Square Footage	Average sqft/Ton	Average HVAC EER	Average HVAC Age	Average Attic R-Value	% with Gas Heat	% with Gas Water Heaters	% with Water Saving Toilets	% with Lawn Irrigation Systems
Prior to 1985	21%	1,617	493	10.1	12.6	20	60%	59%	69%	30%
1985 or After	17%	2,223	510	10.1	13.7	26	60%	62%		

Table 7: Multi-Family Audits

Number of Audits Completed	
FY 2013	103
FY 2012	99
FY 2011	629
Total number of Multi-Family	**831**

The multi-family phase of the ECAD ordinance went into effect in 2011. The majority of properties requiring an audit complied at that time, while another 99 properties complied in 2012. Of the 1,400 multi-family properties in Austin, 66 percent of the properties requiring audits have complied. Properties less than 10 years old or that have met an energy efficiency exemption as stated in the City code are exempt from having an audit.

Table 8: Multi-Family Audits - (Fiscal years represent cumulative totals.)

Fiscal Year	Apartment Properties Within the Austin City Limits	Apartment Properties Exempt from Ordinance	Apartment Properties Non -Exempt from Ordinance	Apartment Properties Audited	Non-Exempt Properties Audited
FY 2013	1,361	312	1,049	839	80%
FY 2012	1,372	276	1,096	728	66%
FY 2011	1,347	270	1,077	629	58%

Table 9:Multi-Family Audit Results

Averages by Category	Electric Heat: Construction prior to 1985	Electric Heat: Construction 1985 to 2001	Electric Heat: Construction 2001 to present	Gas Heat: Construction prior to 1985	Gas Heat: Construction 1985 to 2001	Gas Heat: Construction 2001 to present
Audited Communities	340	95	11	198	41	11
Average Apartment Size Property (square footage)	660	790	956	698	930	961
Number of Floor Plans	4	5	7	3	7	7
Number of Floors	2	2	2	2	1	2
Average R-Value for Ceiling Insulation	14	19	22	12	21	23
Duct Leakage Rates	36%	28%	27%	38%	45%	41%
FY 2013 Energy Utilization Index (kWh/sqft/year)	10.85	11.36	9.40	8.44	8.54	7.89

An “Audited Community” represents one or more adjacent properties leasing

Table 10: Multi-Family Audit Results

Fiscal Year	Total Number of Buildings Audited	Total Number of Air Ducts Tested
FY 2013	500	733
FY 2012	548	610
FY 2011	4,309	5,362

The multi-family audit results are used to generate an Energy Guide for prospective tenants. The Energy Guide is designed to show the range of electric costs for Austin properties. While electric bills depend on many factors, this is one way to help potential renters estimate their electric bills and decide whether a property is a good fit for them.

Table 11: Multi-Family Audit Results for 2013

On-site Laundry	Window Units	Furrdown Air Handling Units	Previous AE Participation	Needing Window Screens	Single Pane Windows	Low e- Windows	Pitched Roofs	Percentage with Flat Roofs
75%	8%	35%	16%	75%	82%	2%	73%	27%

Table 12: Commercial Buildings Requiring Audits for 2013

	Buildings or Campuses over 75K sqft	Buildings or Campuses between 30K and 75K sqft	Buildings or Campuses between 10K and 30K sqft	Average Rating (1-100)	Average Site EUI (kBTU/sqft)	Average Emissions ($MtCO_2e$)
Total Number of Buildings or Campuses	754 buildings	1030 buildings	1973 buildings	62	104	1,257
Total Number of Buildings or Campuses Reported	469 buildings	450 buildings	77 buildings			
Total Number of Buildings or Campuses Unreported	285 buildings	580 buildings	Not required until 6/1/2014			
Total square feet of all required buildings	120.8 million square feet	50.2 million square feet	33 million square feet			
Total square feet of all reported buildings	76.9 million square feet	23.1 million square feet	1.5 million square feet			
Total square feet of all unreported buildings	43.9 million square feet	27.1 million square feet	31.5 million square feet			

Energy Efficiency Peak Demand Savings

Austin Energy's energy efficiency programs are designed to lower energy usage and reduce the amount of load on the electric system. Peak demand is the highest point of energy use on any given day and typically occurs between the hours of 4 and 6 p.m. In FY 2013, 57.36 MW of peak demand were avoided through energy efficiency programs. Energy savings totaled 117-million kilowatt-hours (kWh), which is enough electricity to power almost 10,000 homes in Austin. Total energy savings since 1982 is about 1.8 billion kWh.

Table 13: Peak Demand

Peak Demand Reduction in MW	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
Residential	15.1	14.5	14.9	12.2	11.9
Commercial	26.2	20.5	24.5	27.0	27.7
Demand Response	11.0	6.2	6.9	8.4	17.8
Total	**52.4**	**41.2**	**46.3**	**48.2**	**57.36**
% of 800 MW (cumulative)	**23%**	**28%**	**34%**	**40%**	**50%**

Energy Efficiency Avoided Emissions

Austin Energy's energy efficiency programs help reduce the amount of air-polluting emissions released by power plants into the atmosphere. In FY 2013, more than 70,000 metric tonnes of carbon dioxide was avoided. This helps meet Austin Climate Protection Plan goals by avoiding increases in power plant emissions.

Table 14: Avoided Emissions for 2013

	Carbon Dioxide	Nitrogen Oxides	Sulfur Dioxide	Carbon Monoxide	Suspended Particulates	NMOC / VOC	Total
Residential	14,290	10.0	9.0	6.9	1.2	0.3	**14,317**
Commercial	55,953	39.0	35.3	27.1	4.8	1.3	**56,061**
Demand Response (DR)	117	0.1	0.1	0.1	0.0	0.0	**117**
Total Metric Tonnes	**70,360**	**49.0**	**44.4**	**34.1**	**6.0**	**1.7**	**70,495**
Total English Tons	**77,558**	**54.1**	**48.9**	**37.6**	**6.6**	**1.9**	**77,707**

Table 15: Energy Efficiency Energy Savings

Program (MWh)	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
Residential					
EES- Appliance Efficiency Program	4,542	5,353	6,205	7,276	6,547
EES- Home Performance ES - Rebate	4,864	5,808	5,765	4,349	3,593
EES- Home Performance ES - Loan	377	215	140	67	760
EES- Free Weatherization	588	498	1,141	1,047	169
EES- Clothes Washer Rebate	253	296	186	119	72
EES- Refrigerator Recycling	2,562	2,694	2,057	1,667	1,568
EES- Compact Fluorescent Lighting	13,890	n/a	n/a	n/a	n/a
GB- Residential Ratings	1,067	1,082	200	121	211
GB- Residential Energy Code	4,677	5,137	7,258	9,357	10,878
EES- Discontinued Programs	n/a	n/a	n/a	n/a	n/a
Subtotal Residential	**32,820**	**21,084**	**22,953**	**24,003**	**23,798**
Commercial					
EES- Commercial Rebate	29,998	37,126	53,244	55,927	34,158
EES- Small Business	2,033	5,311	12,292	1,997	4,674
EES- Municipal	646	1,802	3,150	1,380	10,684
EES- Commercial Smart Vendor	182	137	158	4	-
EES- Multifamily	11,359	13,231	7,197	7,886	8,533
GB- Multifamily Ratings	1,812	641	208	1,813	12,219
GB- Multifamily Energy Code	**2,176**	**281**	**2,564**	**8,020**	**3,751**
GB- Commercial Ratings	11,934	5,299	7,503	1,747	10,428
GB- Commercial Energy Code	9,011	4,138	8,006	5,814	8,735
EES- Discontinued Programs	n/a	n/a	n/a	n/a	n/a
Subtotal Commercial	69,151	67,966	94,322	84,588	93,183
Demand Response (DR)					
DR- Power Partner	77	45	15	9	51
DR- Cycle Saver	10	12	6	4	9
DR- Power Partner (Comm & Muni)	8	8	2	3	0
DR- Load Coop	57	5	n/a	n/a	133
DR- Engineering Support & TES	n/a	n/a	n/a	n/a	n/a
Subtotal DR	**152**	**71**	**22**	**15**	**194**
Total DSM Programs	**102,122**	**89,121**	**117,298**	**108,606**	**117,175**

*After 2009, Austin Energy no longer provided coupons for CFLs at retail locations. Customers can still receive CFL incentives through vendor install programs such as Austin Energy's Home Performance with Energy Star.
*EES - Energy Efficiency Savings
*GB - Green Building
*DR – Demand Response

Energy Efficiency Program Expenditures

Austin Energy provides rebates and partners with Velocity Credit Union to provide low interest loans as incentives for customers who make energy efficiency improvements. During FY 2013, Austin Energy provided customers approximately $13.6 million in incentives to help pay for energy efficiency improvements.

Table 16: Energy Efficiency Program Expenditures

Electric Rebates and Incentives	FY 2009 Actual	FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Actual
Free Weatherization	$752,132	$513,909	$6,291	$598,003	$999,677
Multi-family Rebates	$1,143,984	$2,098,407	$1,784,498	$2,734,740	$2,524,498
Loan Options	$228,712	$86,029	$34,867	$24,137	$6,024
Home Performance w Energy Star	$0	$0	$0	$2,140,221	$3,163,541
Rebate Options	$4,056,167	$5,469,084	$5,300,279	$41,595	-$8,450
Clothes Washer Rebates	$50,000	$56,600	$30,700	$20,750	$15,750
Duct Diagnostic/Sealing Rebates	$56,918	$37,490	$10,205	$3,770	$0
Nexus-Home Audit CD	$60,994	$59,051	$57,085	$56,550	$80,113
Compact Fluorescent Distribution*	$427,230	$0	$0	$0	$0
Municipal/ Loan Star Debt Service	$0	$790	$11,247	$58,957	$0
Commercial-Existing Construction	$2,706,843	$2,845,133	$2,844,440	$3,001,704	$2,388,150
Small Businesses	$248,639	$963,957	$556,614	$379,963	$760,581
Green Building**	$0	$0	$0	$0	$0
Commercial Power Partner	$300,880	$205,923	$128,463	$97,381	$260,270
Commercial Miser Program	$139,897	$1,496	$0	$0	$0
Commercial Finance Program	$0	$0	$0	$0	$0
Solar rebates	$6,710,009	$3,910,771	$4,574,033	$5,849,240	$8,489,880
Refrigerator Recycle program	$517,615	$508,294	$470,912	$346,040	$377,417
Multi-Family Duct Sealing	$509,055	$72,978	$8,492	$0	$0
Residential Power Partner	$670,259	$807,111	$665,876	$400,035	$1,070,005
Load Coop	$7,508	$9,289	$455,035	$135,250	$281,574
Thermal Energy Storage	$0	$0	$0	$0	$0
Plug-In Vehicle Charging Station Rebates	$0	$0	$47,832	$179,376	$119,500
Cycle Saver	$0	$0	$0	$0	$0
Appliance Efficiency Program	$0	$0	$0	$1,647,015	$0
Air Conditioning Rebates	$0	$0	$0	$20,500	$1,521,960
Grand Total	**$18,586,842**	**$17,646,312**	**$16,986,869**	**$17,735,225**	**$22,050,490**
Change over prior year	16%	-5%	-4%	4%	24%
Total without solar rebates	**$11,876,833**	**$13,735,541**	**$12,412,836**	**$11,885,985**	**$13,560,610**

*After 2009, Austin Energy no longer provided coupons for CFL at retailer locations.
**The successful Green Building program does not use cash incentives.

Residential and Commercial Rebates

Table 17: Residential and Commercial Rebates

Fiscal Year	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
Residential					
Rebate	$8,473,066	$9,708,953	$8,369,205	$8,033,355	$6,153,559
No. of rebates	13,652	15,038	15,433	12,726	12,039
Avg. Rebate	$621	$646	$542	$631	$511
$/kW	$562	$668	$560	$661	$518
¢/kWh-levelized	2.52	3.99	4.24	4.65	2.72
Commercial					
Rebate	$3,403,767	$4,026,588	$3,995,799	$3,673,254	$5,597,399
No. of rebates*	21,943	20,318	14,107	25,239	23,741
Avg. Rebate	$155	$198	$283	$146	$236
$/kW	$130	$196	$163	$136	$202
¢/kWh-levelized	2.52	3.99	4.24	4.65	1.01
Demand Response (DR)					
Rebate	$3,317,893	$2,164,637	$1,740,008	$969,344	$1,605,854
No. of rebates	10,324	7,427	2,681	1,701	6,050
Avg. Rebate	$321	$291	$649	$570	$265
$/kW	$301	$350	$252	$116	$91
¢/kWh-levelized	N/A	N/A	N/A	1,864	581
Total Rebate	$15,194,726	$15,900,178	$14,105,012	12,675,953	$13,356,812

Demand Response was added to the report for 2013. Totals for all previous years changed to reflect new data.

*Due to differences in reporting time frames of program end and fiscal year end, accounting accruals and processes, changes in funding codes, and timing of final vendor payments, expenditures reported by Finance and rebates reported by Customer Energy Solutions will not align. Expenditures related to all funds are tracked and accounted for with audit processes not captured in this report.

Velocity Credit Union Loans

During FY 2009-2013, the Home Performance program bought down the interest rate for participating loan customers at a total cost to Austin Energy as reported in Table 18 (with the exception of FY 2012, which shows total loan amount). Starting in FY 2013, eligible loan projects were backed by a loan loss reserve funded with Better Buildings Neighborhood Program grant funds. The loan loss reserve secures loans until they are repaid, thus lowering the base interest rate for customers and decreasing the cost of interest rate buy downs to Austin Energy.

Table 18: Velocity Credit Union Loan Options

Fiscal Year	Number of Participants	Cost of Interest Rate Buy Downs	Loan Loss Reserve Backing
FY 2013	365	$105,757	$3,050,396
FY 2012	42	$335,158	N/A
FY 2011	70	$49,953	N/A
FY 2010	116	$83,770	N/A
FY 2009	202	$226,418	N/A

Grant Activity

Table 19: Grants Awarded to Austin Energy

Grant Name	Grantor	Grant Award	Term	Expenditures FY 2013
ARRA - EECBG	Department of Energy	$7,492,700	12/28/2009 - 12/27/2012	$771,486.91
ARRA - Clean Energy Accelerator/Better Buildings	Department of Energy	$10,000,000	05/24/2010 - 11/1/2014	$1,927,891.29
The Texas River Cities Electric Vehicle Initiative	Department of Energy	$499,782	10/01/2011 - 06/30/2014	$220,680.83
Sun Shot Initiative	City of San Antonio	$52,355	06/28/2012 - 02/14/2013	$52,160.06
The Central Texas Fuel Independence Project	Department of Energy	$500,000	02/01/2013 - 01/31/2015	$26,450.20
Total		**$18,544,837**		**$2,998,669.29**

GreenChoice®

Austin Energy has been a nationwide leader in green power sales in the voluntary market. For nine years in a row starting in 2002, Austin Energy led the country in sales of renewable energy by a utility-sponsored program, according to rankings by the U.S. Department of Energy's National Renewable Energy Laboratory.

Austin Energy helped Texas become the nationwide leader in wind power by purchasing renewable energy from new sources developed in the state. GreenChoice® is Green-e Energy® certified, a third-party verification that confirms renewable energy is from new sources built for the voluntary market and is not required by state or federal mandates.

Beginning Oct. 1, 2011, the City of Austin switched to 100 percent clean, renewable energy from GreenChoice — becoming the largest local government in America at the time to power all of its facilities with 100 percent green energy (excluding generation plants and street lighting). The GreenChoice program was revamped after 2013 with new customers no longer subscribing to batches. A new pricing structure was introduced with most new subscribers paying 1 cent more per kilowatt-hour for renewable energy.

Table 20: GreenChoice® Batch Subscriptions

Agreement	Residential	Commercial	Total	% Subscribed	Total kWh Purchased
Batch-3	7,517,260	80,884,059	88,401,319	100%	88,401,319
Batch-4	15,438,522	156,631,259	172,069,781	100%	172,069,781
Batch-5	14,822,078	151,364,173	166,186,251	100%	166,186,251
Batch-6	27,137,413	408,177,869	435,315,282	74%	322,133,300
Totals	**64,915,273**	**797,057,360**	**861,972,633**		**748,790,651**

Table 21: Renewable Energy and GreenChoice® Sales

Fiscal Year	Total Renewable Energy Purchased Annually (kWh) by Austin Energy	GreenChoice® Sales (kWh) (Includes CAP sales)	Renewable Energy to Fuel Charge (kWh)
FY 2013	2,656,952,000	861,972,633	1,794,979,367
FY 2012	2,082,217,224	744,442,709	1,337,774,515
FY 2011	1,246,081,470	719,458,823	526,622,647
FY 2010	1,245,230,733	862,764,289	382,466,444
FY 2009	1,279,082,866	828,592,825	450,490,041

Table 22: Avoided Emissions Associated with FY 2013 Renewable Energy Purchases

Total Renewable Energy Purchases (MWh)	Equivalent emissions in ERCOT (English Tons)*		
	NOx	CO2	SO2
2,082,217	750	1,230,309	2,334

*Avoided emissions are estimated based on the average rate of emissions from all generation in the ERCOT market: http://www.epa.gov/cleanenergy/documents/egridzips/eGRID2012V1_0_year09_SummaryTables.pdf

Power Purchase Agreements

Prior to 2011, Austin Energy had approximately 560 MW of wind power through power purchase agreements, with terms ranging from 10 to 25 years. The utility has set a goal that 35 percent of energy delivered to customers will come from renewable resources by 2020.

In September 2011, the Austin City Council approved two new wind contracts totaling 291 megawatts. This increased Austin Energy's total wind capacity under contract to more than 850 MW by 2013. Additionally, Austin Energy began purchasing all of the energy produced from the 30 MW Webberville Solar Project in December 2011 and 100 MW from a biomass plant in June 2012. This brought Austin Energy's renewable energy portfolio closer to 25 percent by summer 2013.

In March 2013 Austin Energy released a Request for Proposals (RFP) asking for offers from qualified respondents to sell generation from new or existing wind generation facilities. From those responses, the Austin City Council approved the purchase of the output of two 200 MW projects and another 300 MW wind energy project, for a combined total acquisition of 700 MW pursuant to the solicitation.

In October 2013, Austin Energy issued another RFP requesting proposals for sales of energy from utility scale solar projects. From the responses received, Austin Energy received approval from Austin City Council in March 2014 to negotiate and execute a contract for the purchase of 150 MW of energy generated from a photovoltaic solar facility.

These future renewable energy projects, combined with the other facilities currently in operation, will allow Austin Energy to meet its 35% renewable goal by 2017, 3 years ahead of the targeted schedule.

Table 23: Purchase Power Agreements (current and upcoming)

Agreement	Type	Capacity (MW)	Term (years)	Duration	Expiration	Location
Lower Colorado River Authority	Wind	10	25	1995-2020	9/29/2020	West Texas
Infigen Sweetwater 2	Wind	91.5	12	2005-2017	2/11/2017	West Texas
Infigen Sweetwater 3	Wind	34.5	12	2005-2017	12/30/2017	West Texas
RES - Whirlwind	Wind	59.8	20	2007-2027	12/31/2027	Panhandle
RES - Hackberry	Wind	165.6	15	2008-2023	12/21/2023	West Texas
Webberville	Solar	30	25	2011-2036	12/22/2036	Central Texas
Nacogdoches	Biomasss	100	20	2012-2032	5/31/2032	East Texas
Duke - Los Vientos II	Wind	201.6	25	2013-2037	1/1/2037	Coastal
MAP - Whitetail	Wind	92.3	25	2013-2037	1/1/2037	South Texas
Iberdrola Penascal I&II	Wind	195.6	4	2011-2015	1/1/2016	Coastal
Duke - Los Vientos III	Wind	200	25	2015-2040	TBD	South Texas Valley
Duke - Los Vientos IV	Wind	200	25	2016-2041	TBD	South Texas Valley
LRE Jumbo Road	Wind	300	18	2015-2033	TBD	Texas Panhandle
Recurrent Solar	Solar	150	20	2016-2036	TBD	West Texas

Renewable Energy

The Austin Energy Resource & Climate Protection Plan that was approved by the Austin City Council in 2010 set a target of achieving 35 percent renewable resources by 2020. This includes 200 MW of solar capacity and 1,000 MW of wind power. During FY 2013, 20 percent of the power produced by Austin Energy came from renewable resources.

Table 24: Renewable Energy Resource

The table for Renewable Energy Resource is currently being re-designed.

Solar Rebate Program

Austin Energy has a comprehensive Solar Rebate Program. In FY 2013, residential customers are provided $1.50 per watt, with annual rebate amounts limited to $15,000 and maximum rebates set at $50,000 for any individual customer. As of November 2009, residents must complete the Austin Energy Home Performance with Energy Star program to qualify for a solar rebate.

The commercial rebate program pays a fixed performance-based incentive (PBI) to the customer over a 10-year period times the kWh of solar energy produced. Over the next five years, the PBI program is expected to pay, on average, 8 cents per kWh of solar energy produced and will provide enough funding for 50 systems up to 200 kW in size. The PBI for systems implemented during FY 2013 was 12 cents/kWh.

Since the Solar Rebate Program began in 2004, Austin Energy has issued more than $34 million in rebates to residential customers and $6 million in rebates to commercial customers totaling 12.2 MW-AC of solar capacity. Total solar capacity in Austin (including the 30 MW Webberville solar farm) exceeded 43.7 MW-AC at the end of FY 2013.

Table 25: Solar Rebate Program

	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
Residential (Capacity Based Incentive)					
Rebate Dollars	$4,228,791.48	$3,216,535.05	$4,711,101.25	$5,721,412.02	$7,877,289.00
No. of Rebates	255	213	328	458	719
kW-AC	803.07	793.26	1,352.65	1,913.26	3,503.00
Avg. Rebate per customer	$16,583.50	$15,101.10	$14,363.11	$12,492.17	$10,956.00
Avg. System Size kW-AC	3.15	3.72	4.12	4.18	4.87
$/kW-AC	$5,265.76	$4,054.81	$3,482.86	$2,990.41	$2,249.00
Commercial (Capacity Based Incentive)		*Partial FY*			
Rebate Dollars	$2,086,482.78	$556,648.87	N/A	N/A	N/A
No. of Rebates	37	10	N/A	N/A	N/A
kW-AC	376.62	106.28	N/A	N/A	N/A
Avg. Rebate per customer	$56,391.43	$55,664.89	N/A	N/A	N/A
Avg. System Size kW-AC	10.18	10.63	N/A	N/A	N/A
$/kW-AC	$5,540.05	$5,237.34	N/A	N/A	N/A
Commercial PBI (Performance Based Incentive)					
Rebate Dollars Paid	N/A	$0	$8,939.28	$36,810.48	$143,792.00
No. of Projects Installed	N/A	1	8	10	19
kW-AC	N/A	18.5	157.9	89.91	925
Avg. System Size kW at PTC per customer	N/A	18.5	19.74	8.99	48.68
Incentive rate ($/kWh)	N/A	$0.14	$0.14	$0.14	$0.12
Solar Water Heating					
Rebate Dollars	$52,000	$88,000	$93,500	$185,000	$51,000
No. of Rebates	27	41	44	90	28
kW-AC	17.55	26.65	30.875	60.45	18.2
Avg. Rebate per customer	$1,925.93	$2,146.34	$2,125.00	$2,055.56	$1,821.43
Avg. System Size kW-AC	0.65	0.65	0.7	0.67	0.65
$/kW-AC	$2,962.96	$3,302.06	$3,028.34	$3,060.38	$2,802.00

Table 25: Solar Rebate Program (contd.)

	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
Municipal					
Installed Cost	$48,624	$1,132,206	$117,716	$1,066,867	$5,252,988
No. of projects	1	6	1	9	3
kW-AC	3	178	14	139	1018
Avg. Cost per Project	$48,624	$188,701	$117,716	$118,540.81	$1,750,996.00
Avg. System Size kW-AC	3	29.67	14	15.44	339.33
$/kW-AC	$16,208	$6,360.71	$8,408.29	$7,675.32	$5,160.00
Schools					
Installed Cost to AE	$73,501.54	$68,714.14	$29,707.22	$601,055.00	N/A
No. of projects	6	4	1	14	0
kW-AC	12.63	8.62	2.77	38.81	0
Avg. Cost per Project	$12,250.26	$17,178.54	$29,707.22	$42,932.50	N/A
Avg. System Size kW-AC	2.11	2.16	2.77	2.77	0
$/kW-AC	$5,819.60	$7,971.48	$10,724.63	$15,487.91	N/A
Webberville Solar Farm					
kW-AC	-	-	-	30,000	
Total Dollars Spent	**$6,489,399.80**	**$5,062,104.06**	**$4,960,963.75**	**$7,611,144.79**	**$8,072,081.00**
Total Number of Projects	**326**	**275**	**382**	**581**	**769**
Total kW-AC	**1,212.87**	**1,131.32**	**1,558.20**	**32,241.42**	**5,464.00**

Chart 1: Residential Solar Rebate Program History

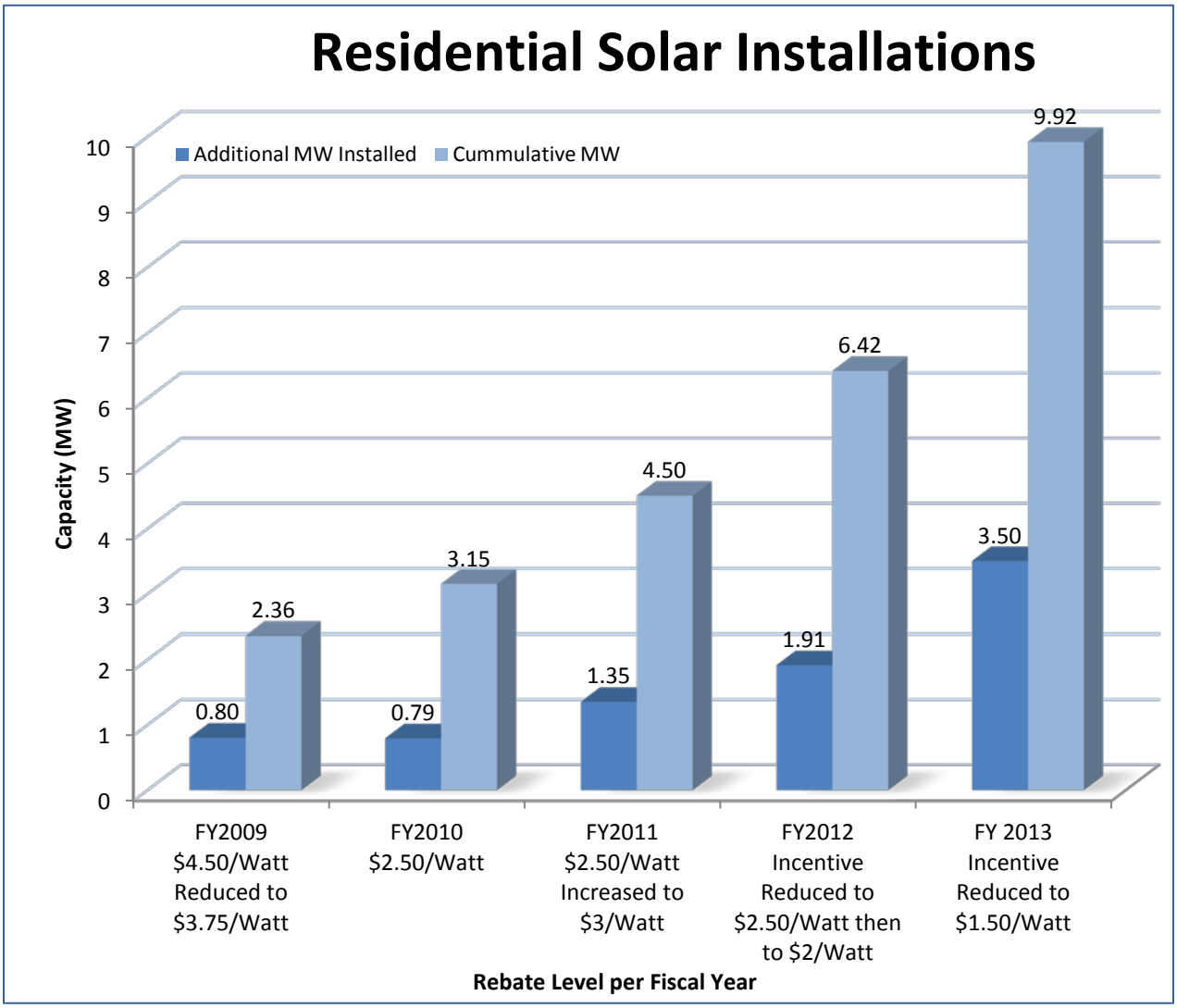


Chart 2: Commercial Solar Rebate Program History

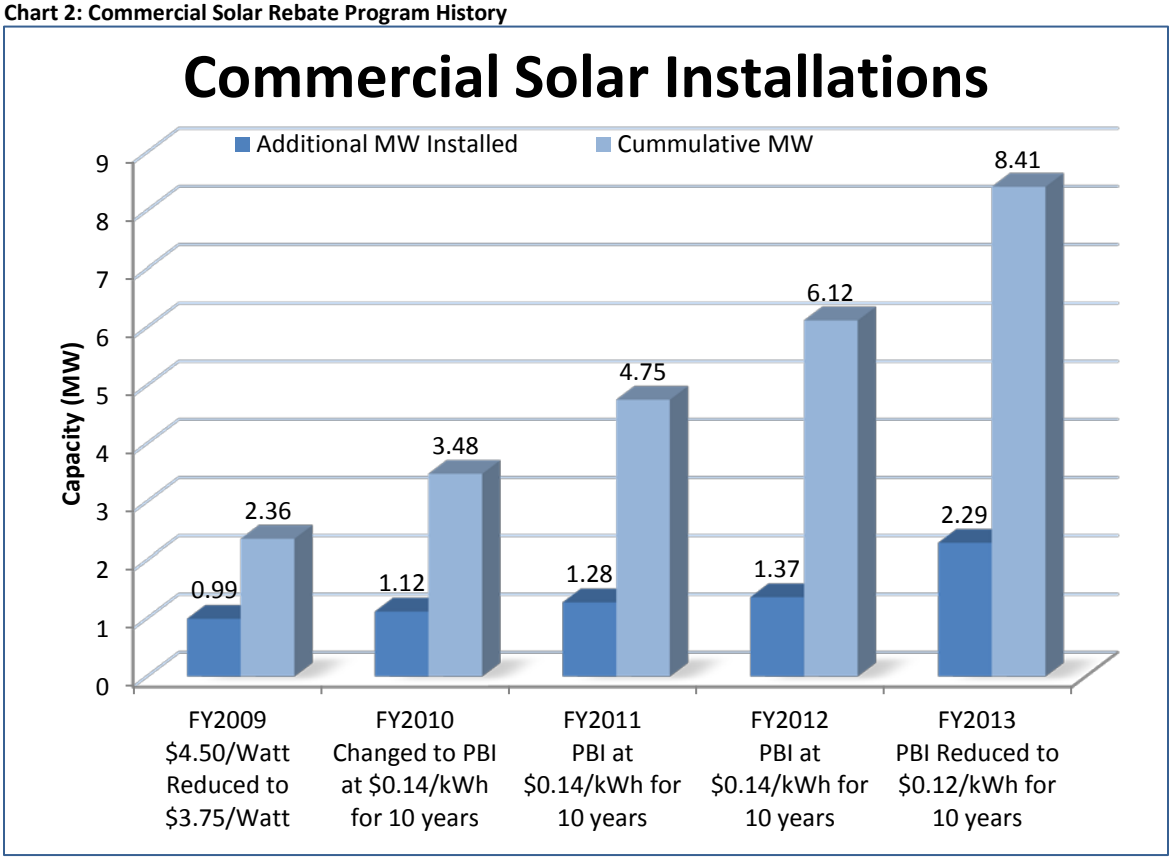
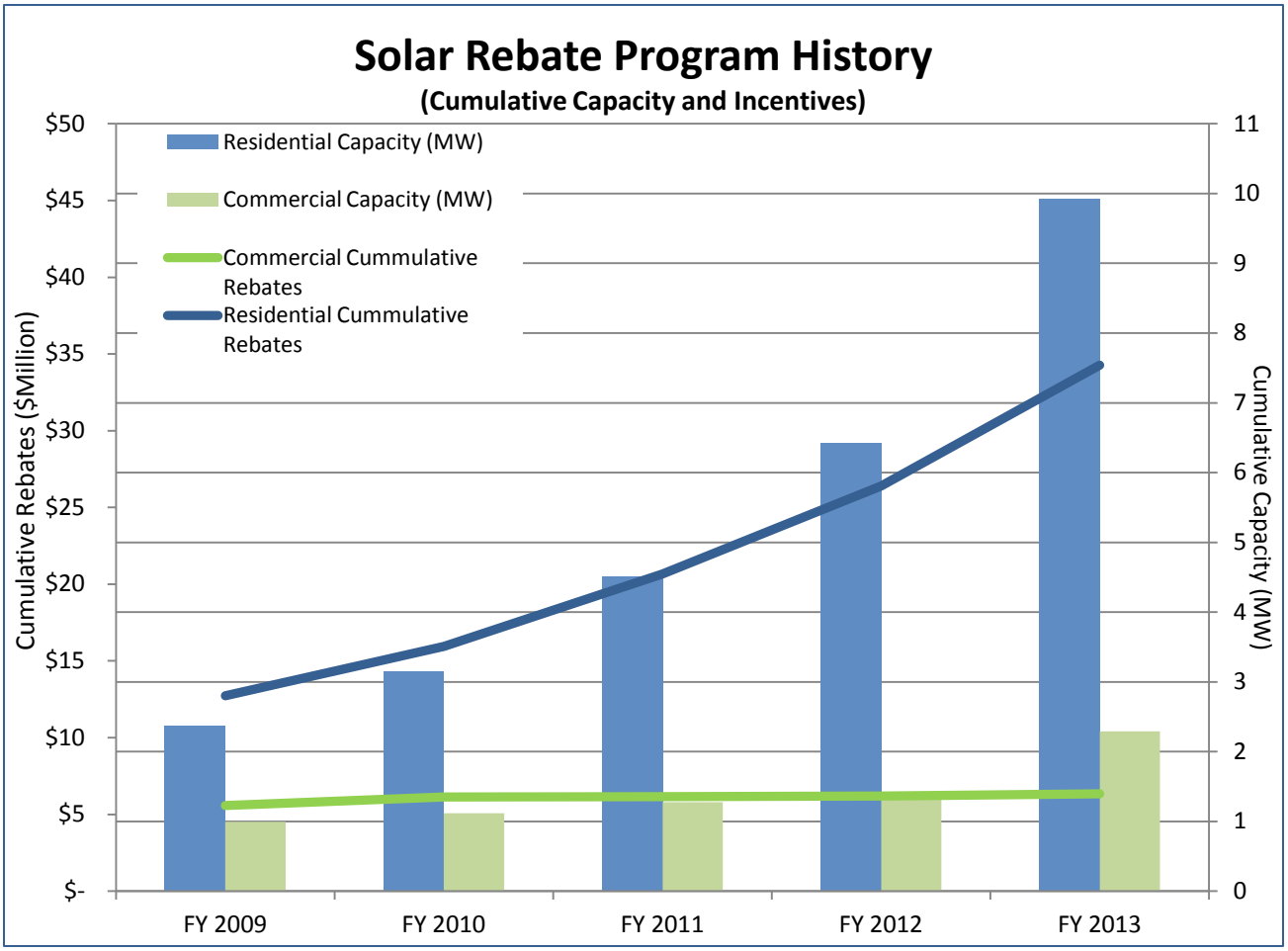


Chart 3: Solar Rebate Program Cumulative Capacity and Incentives



Affordable

*Austin Energy's mission is to deliver clean, **AFFORDABLE**, reliable energy and excellent customer service.*

Bad Debt Expense

Bad debt expense is an estimate of the amount of revenue billed in any fiscal year that is not collected. The FY 2013 bad debt expense represents a final, audited number based on an analysis of collectability. While Austin Energy has experienced growth in receivable balances for active accounts due to a postponement of utility cut-offs for delinquent payment during Austin Energy's transition to the new customer billing system, the utility expects to collect those balances.

Table 26: Revenue and Bad Debt Expense

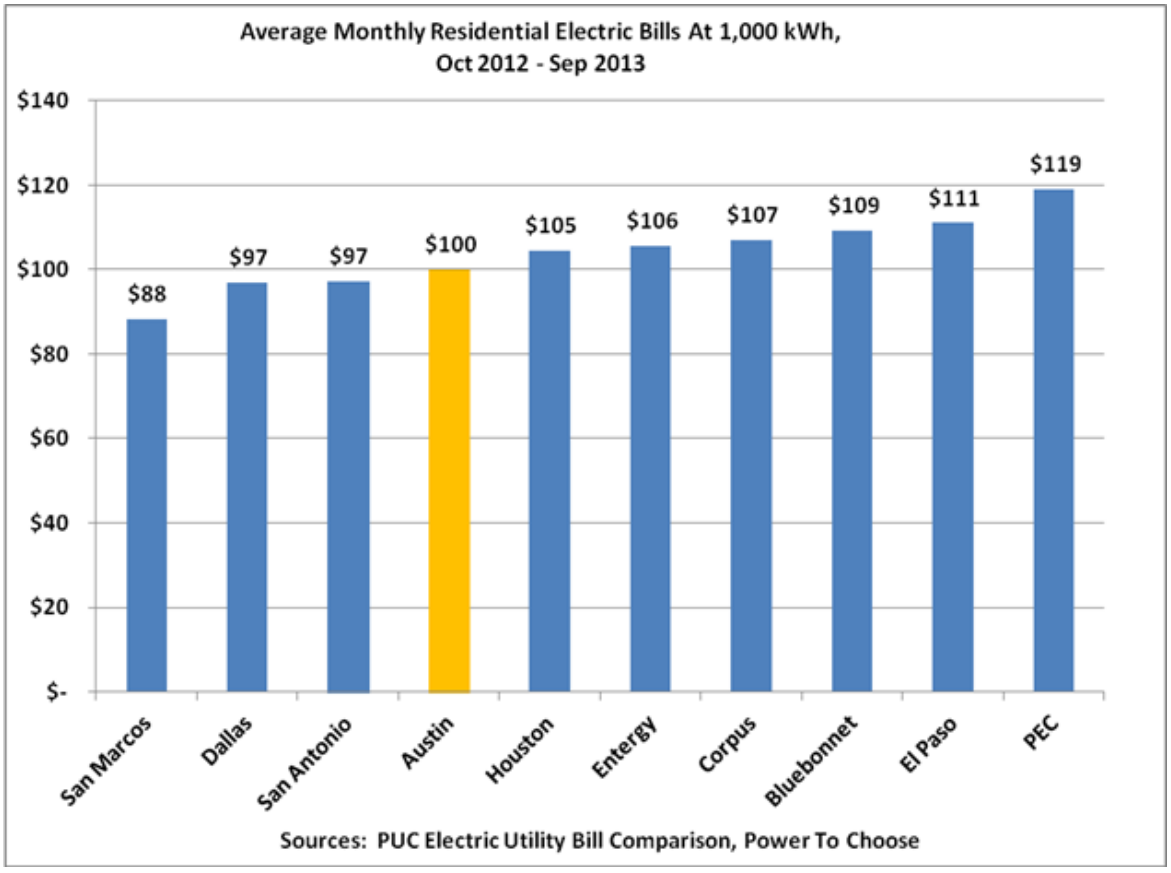
Fiscal Year	Revenue	Bad Debt Expense	Percentage
FY 2013	$1,305.5 M	$17.3M	1.32%
FY 2012	$1,183.4 M	$3.5 M	0.30%
FY 2011	$1,252.7 M	$3.5 M	0.27%
FY 2010	$1,151.8 M	$4.2 M	0.37%
FY 2009	$1,165.9 M	$3.6 M	0.31%

Bill Comparisons

Customers in San Antonio and Austin can only be served by their respective city-owned utilities. There are 72 municipally owned electric utilities in Texas and 75 electric cooperatives. Sixty-six of those electric cooperatives sell retail power, while the remaining nine are wholesale providers. None of the municipal utilities and only 1 of the 66 retail co-ops have opted into retail customer choice.

Corpus Christi, Houston and Dallas are in deregulated areas of Texas, meaning customers can choose among a number of potential energy providers. These different retail electric providers often offer different prices to customers. Residential customers in these competitive areas may have as many as 200 offers to choose among. The charts below attempt to capture the range of offers in those locations.

Chart 4: Residential Customers – Bill Comparisons



Average Rates for Residential, Commercial and Industrial Customers

Chart 5: 2012 Average Residential Rates

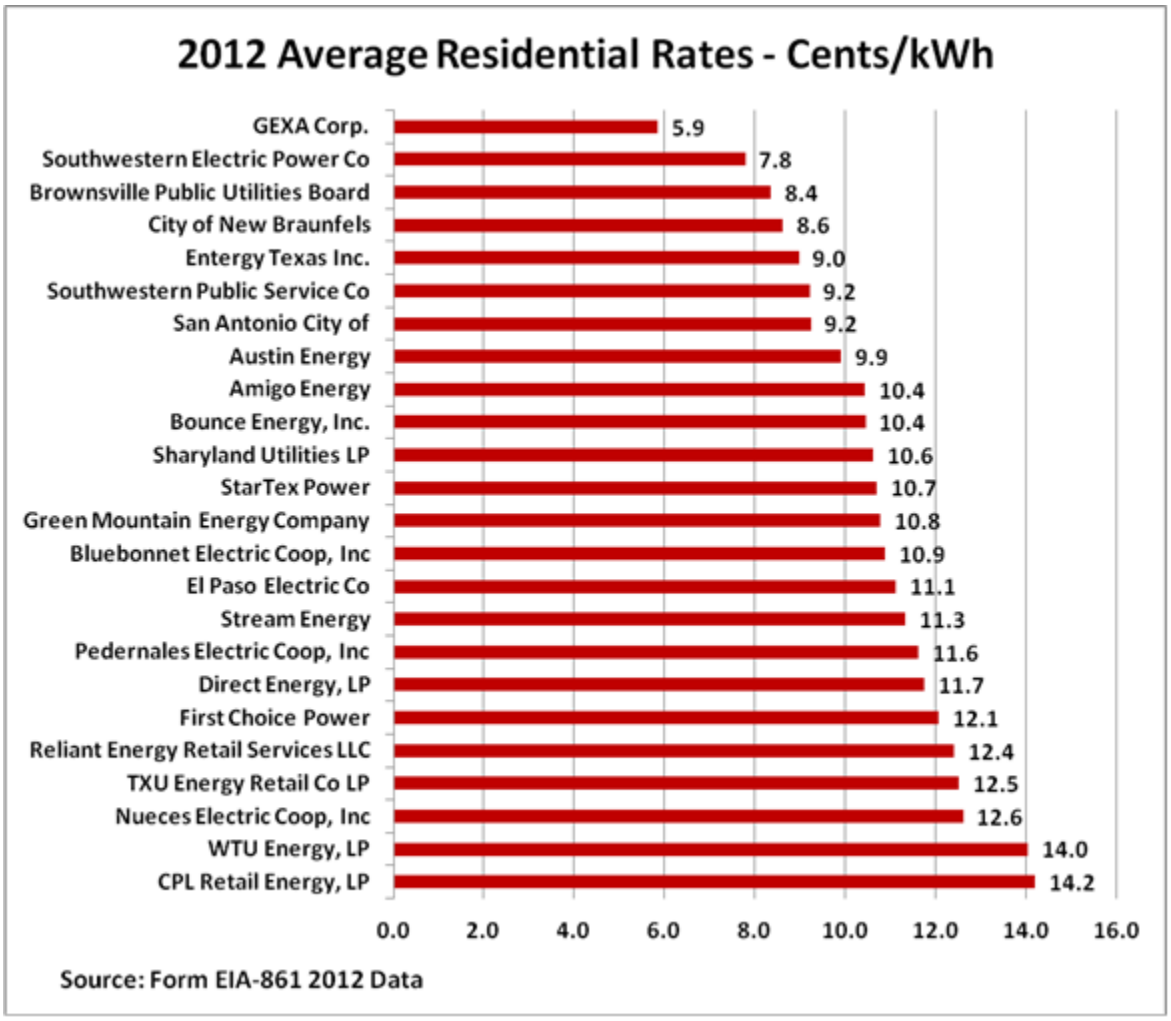


Chart 6: 2012 Average Commercial Rates

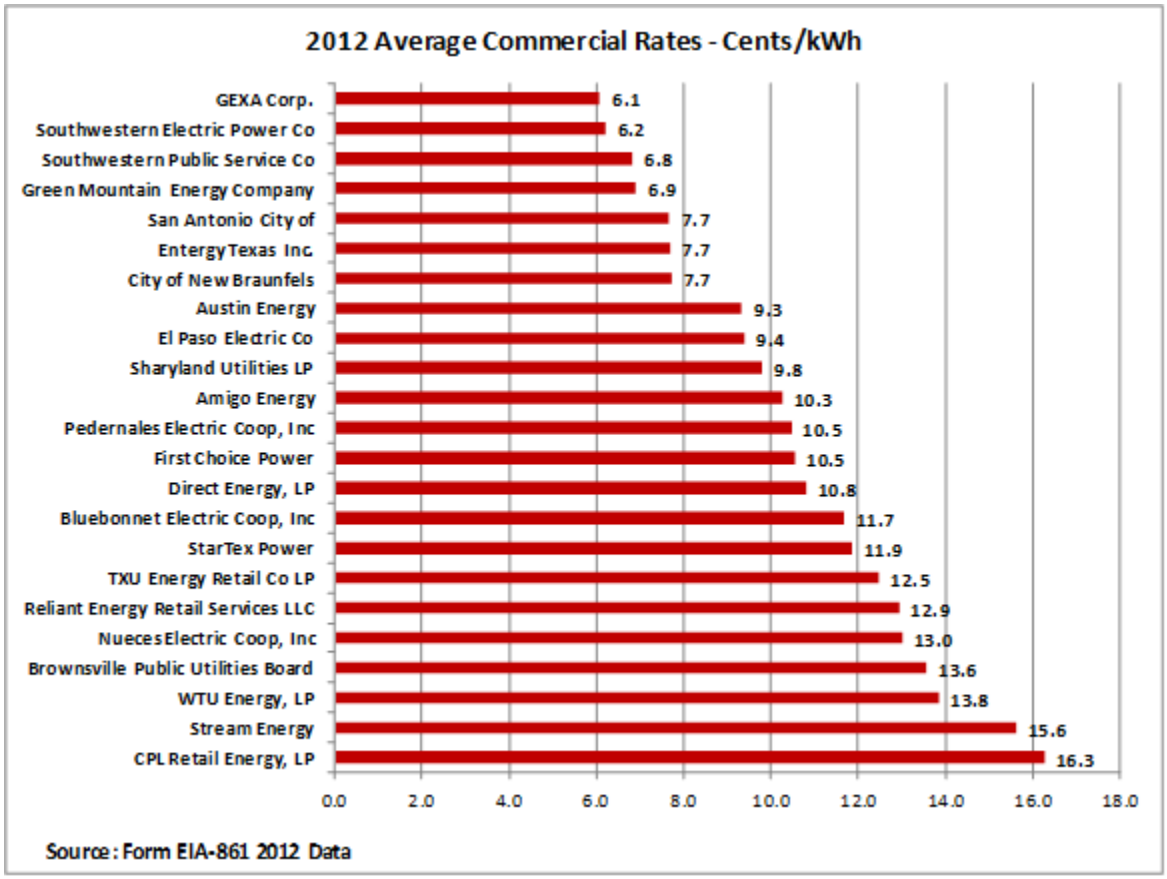
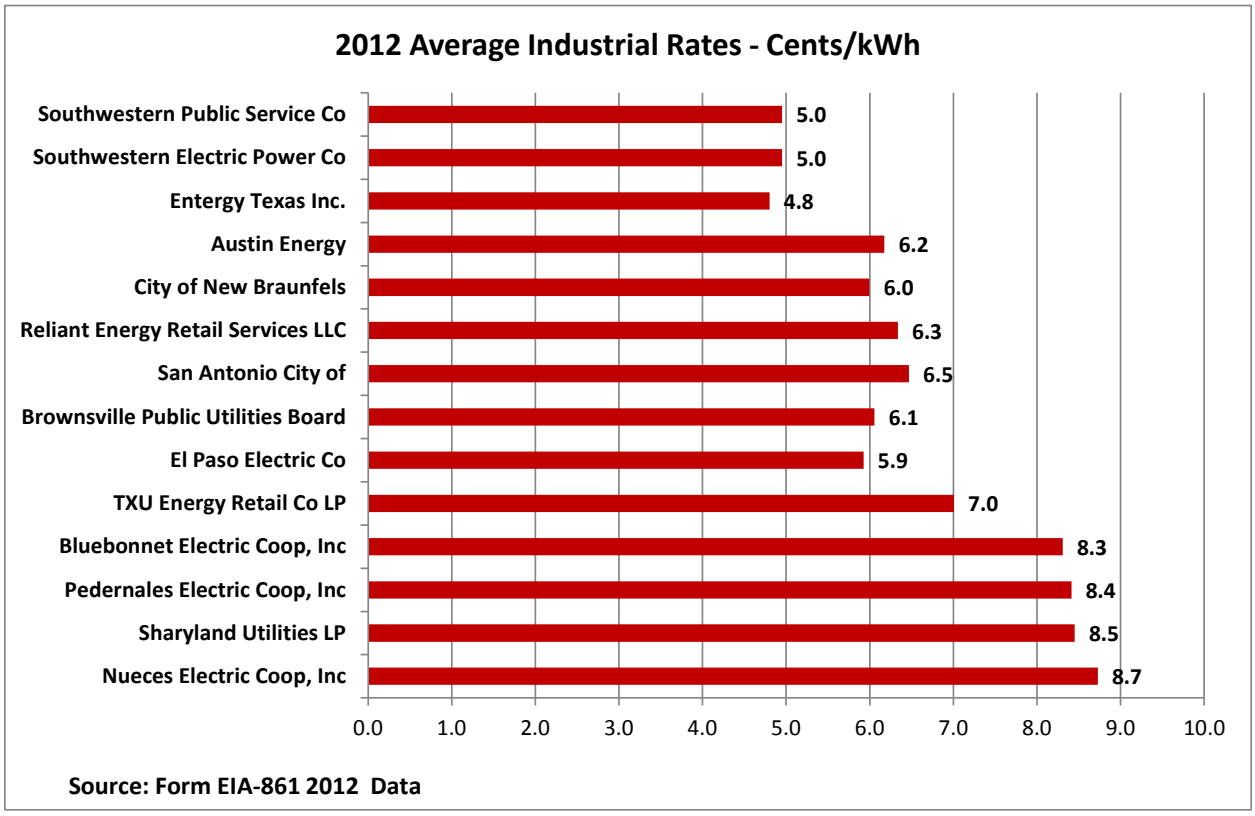


Chart 7: 2012 Average Industrial Rates



Source: Form EIA-861 2012 Data

Bond Ratings

Austin Energy has consistently maintained high bond ratings. A bond rating is a measure of a company's credit quality, which includes the ability to repay its debt in a timely fashion. Austin Energy underwent a rating review in the fall of 2012 and received a step-up rating from one rating agency, while the other two rating agencies reaffirmed their prior ratings. The Council-approved rate increase was a key component in their "stable" outlook for Austin Energy. Fitch, Inc. upgraded the prior lien debt rating in FY2013 due in part to strong combined debt service coverage.

Table 27: Bond Ratings

Description of Debt	Fiscal Year Ended	Fitch, Inc.	Moody's Investors Service, Inc.	Standard and Poor's
Combined utility revenue bonds - prior lien	2013	AA	Aa1	AA
	2012	AA-	Aa1	AA
	2011	AA-	A1	AA
	2010	AA-	A1	AA
	2009	AA-	A1	AA
Combined utility revenue bonds - subordinate lien	2013	AA-	Aa2	AA
	2012	AA-	Aa2	AA
	2011	AA-	A1	AA
	2010	AA-	A1	AA
	2009	AA-	A1	AA
Electric utility revenue bonds - electric separate lien	2013	AA-	A1	AA-
	2012	AA-	A1	A+
	2011	AA-	A1	A+
	2010	AA-	A1	A+
	2009	AA-	A1	A+

Operating Budget

Table 28: Austin Energy Operating Fund - Actual Dollars

Fiscal Year	Total Available Funds	Total Requirements	Excess/(Deficiency)
FY 2013	$1,319,926,410	$1,257,770,945	$62,155,465
FY 2012	$1,211,535,702	$1,219,053,608	($7,517,906)
FY 2011	$1,259,288,587	$1,256,452,643	$2,835,944
FY 2010	$1,161,438,931	$1,247,517,927	($86,078,996)
FY 2009	$1,224,290,869	$1,300,176,900	($75,886,031)

Capital Improvements and Operations & Maintenance

Austin Energy's operating budget includes Operations & Maintenance, fuel costs, debt service payments, and cash transfers to the Capital Improvements Project fund.

Table 29: Capital Improvements

Fund Description	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
Non-Electric Plant	$14,421,627	$11,299,468	$6,470,132	$3,588,709	$11,085,602
STP	9,871,794	$7,214,737	$1,577,299	$376,461	$11,561,993
FPP	$70,938,710	$55,125,849	$22,545,042	$9,965,063	$3,911,416
Power Production	$33,911,069	$14,807,699	$5,850,470	$2,484,229	$2,066,102
Transmission	$17,926,229	$14,551,030	$18,170,943	$15,878,301	$32,336,167
Distribution	$66,796,229	$57,901,091	$60,766,240	$62,636,482	$73,948,429
Metering	$22,267,386	$18,282,513	$14,035,277	$5,115,572	$2,338,111
Support Services	$11,494,946	$17,341,095	$12,730,851	$59,293,811	$14,745,222
Equipment	$6,101,967	$3,788,283	$2,045,718	$1,948,422	$985,022
Other	$508,974	$1,300,065	$1,868,097	$4,568,905	$2,444,363
Total	**$254,239,693**	**$201,611,828**	**$146,060,069**	**$165,855,955**	**$155,422,426**

Table 30: Operations and Maintenance with Fuel (does not include debt service and transfers)

Operating Requirements	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
Fuel	$442,789,384	$438,286,450	$471,788,888	$425,895,800	$455,275,095
Power Supply & Market Operations	$124,978,787	$135,838,492	$144,230,284	$140,538,765	$156,755,183
Electric Service Delivery	$128,031,667	$131,416,061	$128,814,600	$137,923,078	$150,565,104
Distributed Energy Services	$34,208,249	$30,590,851	$30,184,082	$32,015,121	$36,667,754
Customer Care	$28,670,858	$25,712,622	$31,202,456	$26,248,955	$43,939,583
Administrative & General	$93,614,766	$107,934,153	$106,645,672	$107,262,926	$104,837,164
Grand Total	**$852,293,711**	**$869,778,629**	**$912,865,982**	**$869,884,645**	**$936,280,937**

Customers

Austin Energy has four primary customer classes: **residential, commercial, industrial (primary), and other**.

- **Residential** customers live in single-family dwellings, mobile homes, townhouses or individually metered apartment units.
- The majority of **commercial** customers are small to large businesses served at Austin Energy's secondary level of service. This means Austin Energy owns, operates and maintains the equipment (wires, transformers, etc.) supplying power to those facilities.
- **Industrial (primary)** customers take service at high voltage (12,500 volts or higher) and own, operate and maintain their own equipment. Consequently, Austin Energy experiences lower overall system losses and expense in serving these customers. Large commercial and industrial customers such as semiconductors, high-tech facilities and data centers typically fall under the primary level of service. These customers have very high usage and load factors because they tend to operate 24/7.
- The final class, **other**, typically refers to street lighting and facilities such as ballparks.

Table 31: Customers

Customers	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2013 %
Residential	363,217	368,700	372,329	376,614	383,257	89.01%
Commercial	43,049	43,489	43,815	44,006	45,761	10.63%
Industrial	81	80	81	82	138	0.03%
Other	1,579	1,601	1,640	1,668	1,426	0.33%
Total	**407,926**	**413,870**	**417,865**	**422,370**	**430,582**	100.00%

Table 32: Sales – kWh by Customer Class

Fiscal Year	Residential	Commercial	Industrial	Public Street & Highway	Government Entities*	Total Billed kWh	% Inc/Dec
FY 2013	4,162,387,287	4,644,247,105	2,735,011,717	38,838,425	690,249,126	**12,270,733,660**	-3.50%
FY 2012	4,381,193,546	4,633,556,863	2,648,486,622	46,948,693	1,005,960,507	**12,716,146,231**	-0.06%
FY 2011	4,561,857,688	4,675,615,088	2,342,538,382	48,327,221	1,094,964,902	**12,723,303,281**	6.24%
FY 2010	4,238,690,401	4,553,866,402	2,038,706,310	48,077,910	1,096,985,412	**11,976,326,435**	-1.05%
FY 2009	4,218,600,234	4,480,902,380	2,218,314,628	47,830,865	1,137,492,172	**12,103,140,282**	-0.67%

* Footnote to be added

Table 33: Sales – Revenue by Customer Class

Revenue	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2013 % of revenue
Residential	$406,393,000	$407,074,000	$457,262,000	$422,195,183	$458,657,021	38.74%
Commercial	$402,032,000	$409,952,000	$433,887,000	$409,330,445	$474,658,580	40.09%
Industrial	$132,792,000	$122,714,000	$145,553,000	$158,727,132	$184,517,145	15.59%
Other	$91,181,000	$90,390,000	$85,447,000	$91,356,677	$66,032,001	5.58%
Total	**$1,032,398,000**	**$1,030,130,000**	**$1,122,149,000**	**$1,081,609,438**	**$1,183,864,747**	**100.00%**

Table 34: Sales – Percentage of Revenue by Customer Class

Revenue (% by class)	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
Residential	39%	39%	40%	39%	39%
Commercial	39%	40%	39%	38%	40%
Industrial	13%	12%	13%	15%	16%
Other	9%	9%	8%	8%	5%
Total	**100%**	**100%**	**100%**	**100%**	**100%**

Table 35: Cents per kWh by Customer Class

Customer Class	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
Residential	9.633	9.604	10.024	9.637	11.019
Commercial	8.972	9.002	9.28	8.834	10.22
Industrial	5.986	6.019	6.213	5.993	6.746
Other	7.693	7.894	7.474	8.677	9.057
Total	**8.53**	**8.601**	**8.82**	**8.506**	**9.648**

Table 36: Sales – Percentage of MWh by Customer Class

MWh (% by class)	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
Residential	35%	35%	36%	35%	34%
Commercial	37%	38%	37%	36%	38%
Industrial	18%	17%	18%	21%	22%
Other	10%	10%	9%	8%	6%
Total	**100%**	**100%**	**100%**	**100%**	**100%**

Note: Totals may not sum 100 percent due to rounding.

Fuel Collections

Over/Under fuel recovery represents the difference between actual fuel costs and the amount recovered through the fuel adjustment clause and power supply adjustment rates.

Table 37: Fuel Collections

Austin Energy	Fiscal Year Ended	Amount
(Over)/Under Fuel Recovery	2013	$11,013,181
(Over)/Under Fuel Recovery	2012	($10,384,851)
(Over)/Under Fuel Recovery	2011	$19,139,368
(Over)/Under Fuel Recovery	2010	($39,230,735)
(Over)/Under Fuel Recovery	2009	($22,696,920)

Fuel Costs

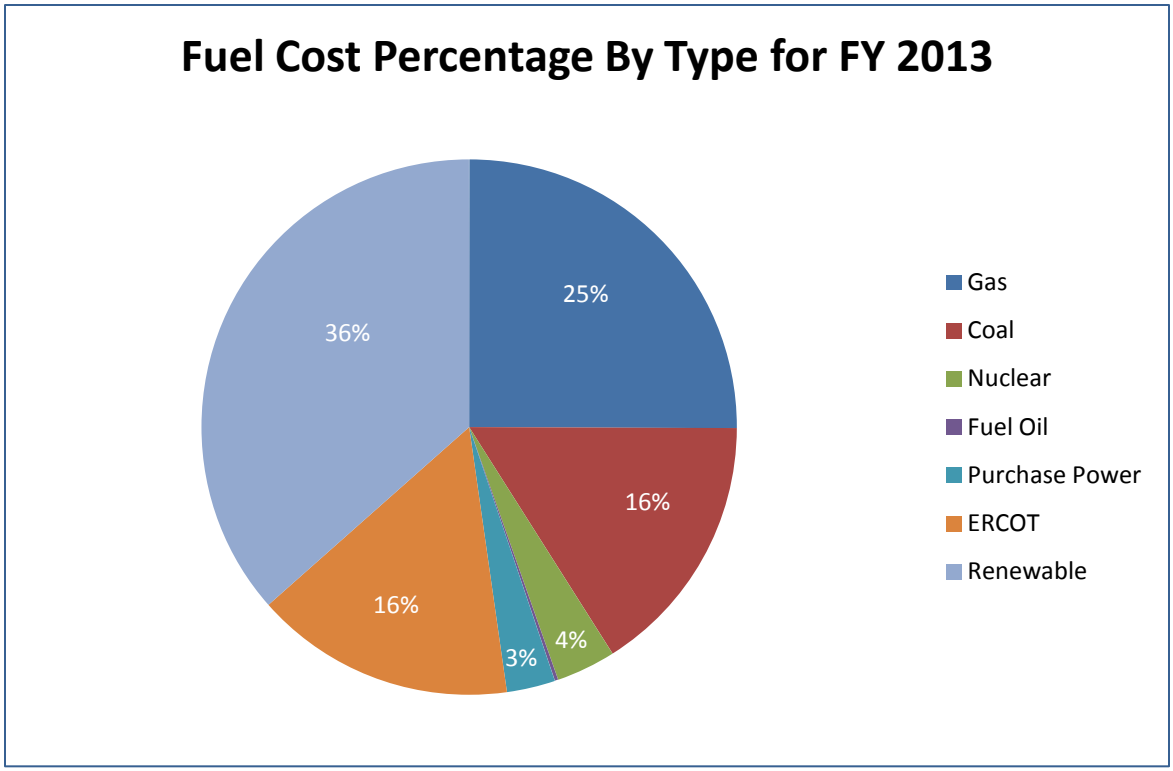
Costs allowed in the fuel tariff include commodity, purchase power, and ERCOT-related charges.

Table 38: Fuel Costs

Fuel Cost	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
Gas	214,711,985	203,976,741	190,320,211	148,047,838	114,096,518
Coal	84,635,000	91,590,706	88,068,421	85,032,243	72,637,969
Nuclear	16,866,183	16,655,851	18,295,747	14,087,793	16,359,128
Fuel Oil	566,981	2,405,166	2,698,718	897,703	912,889
Purchase Power	54,863,996	53,409,677	57,820,582	10,831,546	13,408,348
ERCOT*	21,889,298	21,617,196	66,372,518	69,831,165	71,546,000
Renewable	49,567,759	48,631,116	48,212,653	97,167,511	166,314,243
Total	**443,101,202**	**438,286,453**	**471,788,849**	**425,895,800**	**455,275,095**

Through FY12 the ERCOT line item included fees and charges from ERCOT such as net power costs and administrative and nodal fees. Beginning in FY13, those administrative and nodal fees associated with power supply adjustment customers will be recovered through the regulatory charge.

Chart 9: Percentage of Fuel Cost by Type



* A small amount of fuel oil is purchased (0.20 percent in FY 2013) as an ignition source for Decker 2 only.

Table 39: Percentage of Fuel Cost by Type

Fuel Cost (% by type)	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
Gas	49%	46%	40%	35%	25%
Coal	19%	21%	19%	20%	16%
Nuclear	4%	4%	4%	3%	4%
Fuel Oil	0%	1%	1%	0%	0%
Purchase Power	12%	12%	12%	3%	3%
ERCOT	5%	5%	14%	16%	16%
Renewable	11%	11%	10%	22%	37%
Total	**100%**	**100%**	**100%**	**100%**	**100%**

Power Supply Adjustment/Fuel Charge

Austin Energy's Power Supply Adjustment (PSA) and fuel charge are reviewed annually. Generally, changes to the fuel rate are effective on Jan. 1 for the calendar year. Effective FY 2013, the power supply adjustment is set as part of the annual budget process. Fuel Charge rates are established based on the type of electric service required by a customer and fall into one of three levels: secondary, primary, or transmission.

Primary Level Customers - This rate is applicable to electric service required by any customer who receives service at 12,500 volts (nominal) or higher and whose demand for power does not meet or exceed 3,000 kilowatts for any two months within the previous 12 months or as determined by the City of Austin.

Secondary Level Customers - This rate is applicable to electric service required by residential customers in single-family dwellings, mobile homes, townhouses, or individually metered apartment units. It is also applicable to any business that does not receive power at a primary or transmission level. Currently, some 30,000 businesses receive the secondary Fuel Charge rate.

Transmission Level Customers - This rate is applicable to electric service required by any customer whoreceives service at 69,000 volts (nominal) or higher. This rate shall be applied for a minimum of one year.

Primary and transmission voltage level customers (about 90 industrial customers) essentially receive power directly from a substation. This results in reduced line losses between the point of generation and delivery to the customer. These customers also install and maintain their own transformer(s) and related equipment at their site needed to step down the voltage before the power enters their facility. As a result, primary and transmission customers pay a slightly lower Fuel Charge.

Table 40: Austin Energy Fuel Charge

Calendar Year	Month	System	Secondary	Primary	Transmission
2013	November	3.691	3.709	3.625	3.579
2012	October	3.356	3.372	3.296	3.254
2012	January	3.598	3.615	3.508	3.471
2011	January	3.09	3.105	3.012	2.981
2010	January	3.635	3.653	3.544	3.507
2009	January	3.635	3.653	3.544	3.507

Heat Rate

The heat rate is the number of British Thermal Units (BTU) needed to produce a kilowatt-hour (kWh) of electricity. In other words, the average heat rate is a measurement of how efficiently a generating unit converts fuel into electricity. The lower the heat rate, the higher the efficiency.

The system average heat rate will vary somewhat year-to-year due to a number of factors including outages and market conditions. In FY 2013 Austin Energy cycled the Decker Power Plant and Sand Hill Units more often to increase efficiency and lower the heat rate from the previous year.

Table 41: Average Annual Heat Rate

Measure	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
System annual average heat rate (BTU/net kWh)	9,810	9,884	9,943	10,050	9,972

Austin Energy's heat rate is calculated using generating units owned entirely or jointly by the utility. Austin Energy does not own any solar or wind generating units so they are not included in the system heat rate calculation.

Generation by Fuel Type

Austin Energy has set a goal that 35 percent of energy produced will come from renewable resources by 2020. During FY 2013, about 20 percent of the energy delivered from Austin Energy came from renewable resources. As Austin Energy increases its renewables, corresponding decreases are achievable in the percentage of power produced from coal.

Chart 10: Fuel Cost Percentage by Generation

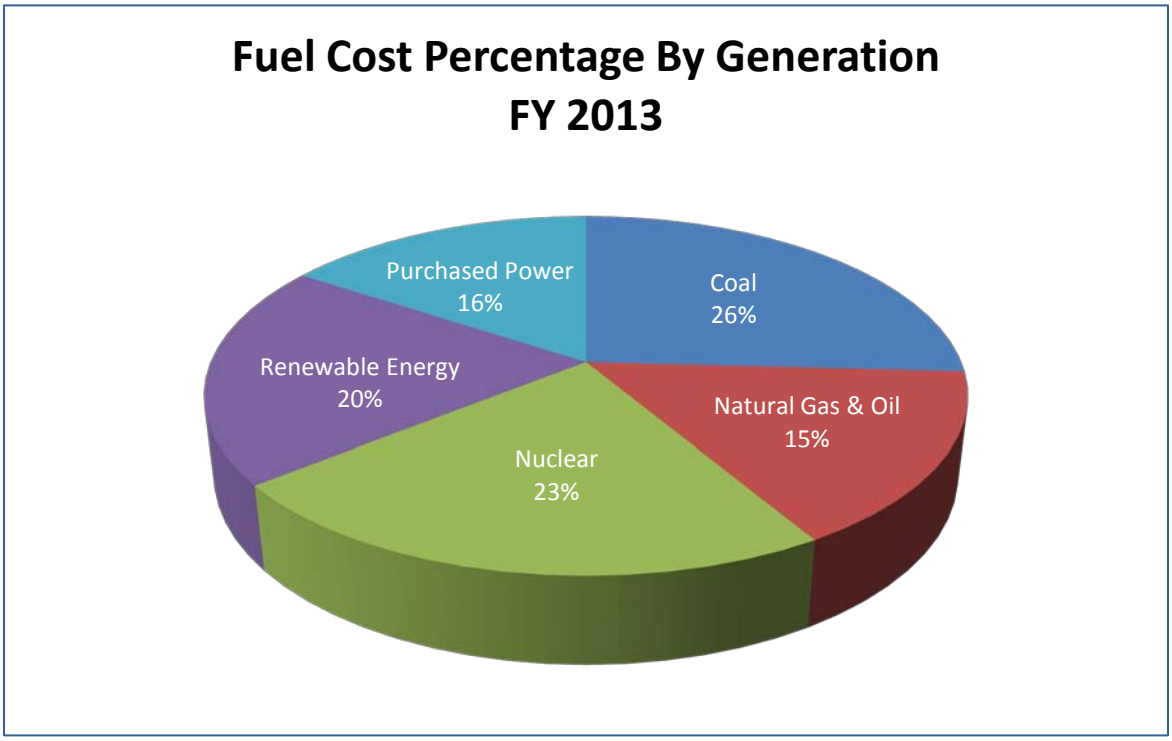


Table 42: Generation by Fuel Type

% Generation	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
Coal	28.30%	32.50%	28.92%	26.97%	25.91%
Natural Gas & Oil	26.50%	22.30%	25.81%	20.32%	15.66%
Nuclear	26.40%	25.20%	21.31%	21.92%	22.81%
Renewable Energy	9.50%	9.70%	9.51%	14.95%	20.68%
Purchased Power	9.30%	10.30%	14.46%	15.84%	14.94%
Total	**100%**	**100%**	**100%**	**100%**	**100%**

*Note: totals may not sum due to rounding.

Generation Capacity/Capacity Factor

Table 43: Generation Capacity and Capacity Factor

Unit	Installed	Fuel Type	Capacity Rating (MW)	Net Generation (MWh) FY 2013	Capacity Factor %
Sand Hill 5A (gas) (combined cycle)	2003	Natural Gas	172	684,152	53.58%
Sand Hill 5C (steam) (combined cycle)	2003	Natural Gas	150	434,746	32.66%
Sand Hill GT 1 (simple cycle)	2001	Natural Gas	45	34,787	9.29%
Sand Hill GT 2 (simple cycle)	2001	Natural Gas	45	58,085	15.43%
Sand Hill GT 3 (simple cycle)	2001	Natural Gas	45	51,165	13.60%
Sand Hill GT 4 (simple cycle)	2001	Natural Gas	45	33,070	8.84%
Sand Hill GT 6 (simple cycle)	2010	Natural Gas	45	50,444	13.61%
Sand Hill GT 7 (simple cycle)	2010	Natural Gas	45	52,666	14.19%
Decker 1 (steam cycle)	1970-1977	Natural Gas	321	184,338	6.91%
Decker 2 (steam cycle)	1970-1977	Natural Gas	405	370,322	11.30%
Decker GT 1 (simple cycle)	1988	Natural Gas	50	6,082	1.45%
Decker GT 2 (simple cycle)	1988	Natural Gas	50	9,073	1.88%
Decker GT 3 (simple cycle)	1988	Natural Gas	50	9,073	2.08%
Decker GT 4 (simple cycle)	1988	Natural Gas	50	7,204	1.70%
Fayette 1 (steam cycle)	1979-80	Coal	285	1,915,396	76.72%
Fayette 2 (steam cycle)	1979-80	Coal	285	1,413,745	56.63%
South Texas Project 1 (steam cycle)	1988-89	Nuclear	200	10,120,666	92.40%
South Texas Project 2 (steam cycle)	1988-89	Nuclear	200	8,265,393	75.40%
Total	**n/a**	**n/a**	**2,466**	**23,700,407**	n/a

This generation data reports only Austin Energy's 50 percent share of units 1 and 2 at the Fayette Power Project (coal) and 16 percent share of the South Texas Project (nuclear).

Table 44: Austin Energy Share of FPP and STP

Unit	Capacity Rating (MW)	Austin Energy's Share (MW)
Fayette 1	570	285
Fayette 2	570	285
South Texas Project 1	1,250	200
South Texas Project 2	1,250	200

System Peak Demand

System peak demand is the largest amount of electricity consumed by Austin Energy customers at any given time. Every year for the past five years, the system peak has occurred between 4 and 5 p.m. The utility works year round to assure the electric distribution grid is ready and capable of handling the peak energy use that occurs during summer months.

Table 45: System Peak Demand

Fiscal Year	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
MW	2,602	2,628	2,714	2,702	2,512
Date Set	29-Jun	23-Aug	29-Aug	26-Jun	7-Aug

System Fuel Cost Average

System fuel cost average is the cost of fuel purchased divided by the number of kilowatts generated.

Table 46: System Fuel Cost Average

Measure	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
System annual average fuel cost (fuel/kWh)	3.371 cents per kWh	3.446 cents per kWh	3.523 cents per kWh	3.225 cents per kWh	3.495 cents per kWh

System Production Cost

Austin Energy's system annual average production cost is total operations and maintenance costs divided by total generation in kilowatt-hours.

Table 47: System Production Cost

Measure	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
System annual average production cost (includes fuel plus operating & maintenance)	4.165 cents per kwh	4.331 cents per kwh	4.304 cents per kWh	4.197 cents per kWh	4.591 cents per kWh

Reliable

*Austin Energy's mission is to deliver clean, affordable, **RELIABLE** energy and excellent customer service.*

Equivalent Availability Factor

A common measure of reliability for generating units is the Equivalent Availability Factor (EAF). The EAF is a measure of the number of hours the full capacity of a generating unit is available annually.

Availability targets for base load facilities (South Texas Project and Fayette Power Project) are adjusted annually depending on the duration of any planned outages for that year. For intermediate and peaking facilities, Austin Energy's peak season availability target is greater than or equal to 95 percent.

Table 48: Performance Results Measuring Equivalent Availability Factor (EAF)

EAF Performance By Plant	Target	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
South Texas Project	94.80%	91.65%	90.50%	87.15%	79.26%	86.82%
Fayette Power Project	94.20%	96.03%	83.78%	83.69%	83.48%	82.71%
Sand Hill Energy Center Unit 5A	95.00%	99.20%	99.17%	78.11%	74.20%	68.72%
Sand Hill Energy Center Units 1-4/6-7	95.00%	98.31%	98.17%	98.62%	92.66%	87.19%
Decker Creek Power Station GT 1-4	95.00%	88.34%	90.49%	93.07%	86.27%	84.19%
Decker Creek Power Station D1-2	95.00%	91.79%	82.63%	90.77%	74.98%	71.86%

Plant Outages

The table below shows outages for Austin Energy-owned generating units in FY 2013 due to equipment malfunctions or other problems.

Table 49: Plant Outages

Unit	Outage Start Date/Time	Outage End Date/Time	Duration (hours)	Description
Sand Hill Energy Center Unit 5A	9/4/13 13.20	9/12/13 15.20	194	HRSG tube leak.
	6/24/2013 12:50	6/25/2013 9:33	20.33	Steam turbine vibration.
	2/17/2013 0:00	2/19/2013 19:10	67.10	HRSG leak.
	12/28/2012 18:11	1/1/13 16:04	93.53	HRSG tube leak.
	3/22/2012 0:00	5/27/2012 7:00	1,567	Gas turbine compressor S1 Vane.
	9/6/2012 15:31	9/9/2012 14:30	71	HRSG tube leak.
Sand Hill Unit 1	9/20/2013 13:11	9/21/2013 16:28	27.17	GSU Outage.
	7/6/2013 21:19	8/8/2013 20:55	791.36	Internal engine oil leak.
	6/4/2013 21:49	6/5/2013 15:06	17.17	Loss of station service.
	5/24/2013 15:15	5/26/2013 14:26	23:11	GSU Outage.
	12/15/2012 16:00	12/21/2012 17:45	145.45	Starter clutch replacement.
	10/4/2012 18:00	11/29/2012 13:07	1339.07	Combustor replacement & low pressure turbine repairs.
Sand Hill Energy Center Unit 3	9/5/2013 7:35	9/6/2013 14:58	31.23	Control system failure.
	6/4/2013 21:49	6/5/2013 12:35	14.46	Loss of station service.
Sand Hill Energy Center Unit 4	6/13/2013 19:19	7/28/2013 13:00	1,073	High pressure compressor failure.
	4/19/2013 17:30	4/22/2013 15:23	69.53	Control system failure.
	10/12/2012 18:00	11/2/2012 13:02	499.02	High pressure turbine repairs.
Sand Hill Unit 6	1/6/2013 16:00	1/7/2013 9:37	17.37	Gas valve driver fault.
	11/7/2012 11:55	11/10/2012 12:45	72.5	Loss of cooling tower.
Sand Hill Energy Center Unit 7	11/7/2012 11:55	11/10/2012 12:45	72.5	Loss of cooling tower.
Fayette Power Project Unit 1	1/20/2012 1:28	1/24/2012 19:05	89.62	1A BWCP tripped on high temperature cooler leak. Changed to Start-up Failure.
	1/23/2012 19:05	1/24/2012 8:47	13.7	Changed to Start-up Failure due to 1A APH drive coupling failure.
	3/30/2012 23:55	4/15/2012 15:12	375.28	Generator #8 bearing and hydrogen seal meggered low, water in oil.
	7/10/2012 20:49	7/12/2012 13:07	40.3	Root switch that controls communication with CP's & workstation congested.
	8/3/2012 20:00	8/5/2012 17:02	45.03	Lower slope water wall tube leak.
Fayette Power Project Unit 2	2/29/2012 1:40	3/3/2012 23:41	94.02	Absorber agitator 2B and 2A APH gearbox oil leak repair.
	5/4/2012 23:54	5/10/2012 17:17	138.38	Division panel and boiler inspection.
	7/10/2012 20.49	7/12/2012 13:07	40.3	Root switch that controls communication with CP's & workstation congested.

Table 49 Plant Outages Cont.

Unit	Outage Start Date/Time	Outage End Date/Time	Duration (hours)	Description
South Texas Project Unit 1	8/27/2013 15:41	10/1/2013 04:11	828.5	Reactor power reduction to 86.5% due to engineering recommendation for LP Turbine 13 S Extraction Steam bellows damage
	8/3/2013 04:07	8/05/2013 17:30	61.38	Precautionary reactor power reduction to 81% to allow LP Turbine 13 S Extraction Steam bellows rupture damage analysis
	5/11/2013 02:50	5/16/2013 17:20	134.5	Planned reliability outage to clean the Stator Cooling Water system and install an alkalizer skid to reduce corrosion rates
	10/20/2012 23:00	11/27/2012 02:36	892.6	Refueling and scheduled maintenance outage
South Texas Project Unit 2	9/28/2013 19:55	9/29/2013 00:39	4.73	Scheduled reactor power reduction to 90% for turbine valve testing
	7/20/2013 1:02	7/20/2013 13:49	12.78	Scheduled reactor power reduction to 98% for turbine valve testing
	5/31/2013 22:05	6/02/2013 20:47	46.70	Down power to 95% for rod control issues while performing turbine valve testing
	4/22/2013 00:49	4/22/2013 16:28	15.65	Turbine overspeed trip test
	1/08/2013 16:40	4/21/2013 16:28	2471.18	Automatic reactor trip and declaration of an Unusual Event. The trip occurred due to a fault in the 'Unit 2 Main Transformer.' The fault in the main transformer resulted in a fire and damage to the transformer.
	1/04/2013 09:41	1/07/2013 19:56	82.25	Unit manually tripped due to two dropped control rods which occurred during scheduled monthly control rod surveillance.
Decker 1	9/07/2013 19:30	9/07/2013 22:36	3.1	Unit off line, EH fluid leak
	9/03/2013 09:53	9/03/2013 10:13	0.33	Unit trip, while going to DCS control, generator trip reverse power relay.
	9/03/2013 09:10	9/03/2013 09:39	0.48	Unit tip, op. error, closed main fuel gas trip valve
Decker 2	9/15/2013 08:43	9/15/2013 08:52	0.15	Unit trip, reverse power relay #32
	9/06/2013 09:40	9/06/2013 10:13	0.55	Boiler trip high drum level
	9/01/2013 17:55	9/04/2013 14:40	86.66	Main Turb. Gov. valve #1 EH fire
	8/23/2013 06:30	8/31/2013 07:45	193.25	Main Stm. Warm-up valve to condenser failed
	6/20/2013 03:09	6/26/2013 06:50	147.68	Boiler Main Stm. Leak, 2" soot blower line, 7th floor west side boiler
	5/20/2013 06:57	5/20/2013 08:05	1.13	Boiler tripped, low drum level
	5/20/2013 04:20	5/20/2013 05:00	0.66	Boiler tripped, 9R burner dropped out, gas valve failed to close
	4/05/2013 09:25	4/05/2013 10:08	0.71	Boiler tripped, burner dropped out, testing voltage regulator
	3/06/2013 03:22	3/06/2013 03:45	0.38	Oper. Manually tipped gen. low voltage on generator
	12/28/2012 16:22	12/28/2012 16:23	0.01	Boiler tripped, low air flow, while shutting down FD Fan 22
	10/11/2012 09:34	10/11/2012 10:50	1.26	Boiler tripped DICE working on fuel gas flow control valve
	10/03/2012 09:36	10/03/2012 12:47	3.18	Unit tripped, low vacuum, high hotwell level, makeup valves failed 100% open
	10/03/2012 05:21	10/03/2012 05:55	0.56	Boiler tripped 8R burner dropped out

Table 49: Plant Outages contd.

Unit	Outage Start Date/Time	Outage End Date/Time	Duration (hours)	Description
Decker GT 1	7/19/2013 06:22	7/19/2013 13:12	6.83	GT water injection tank level low
	7/16/2013 17:10	7/16/2013 18:05	0.91	Outage to uncouple 1B engine
	7/02/2013 12:46	7/02/2013 14:14	1.46	Outage to recouple 1B engine
	6/29/2013 10:00	6/29/2013 12:16	2.26	Outage to uncouple 1B engine
	10/30/2012 06:50	10/30/2012 06:51	0.02	GT tripped off line, blown control power fuse
Decker GT 2	7/19/2013 06:22	7/19/2013 13:12	6.83	GT water injection tank level low
Decker GT 3	9/19/2013 14:06	9/19/2014 15:10	1.06	Outage to couple 3B engine
	9/19/2013 12:54	9/19/2013 13:03	0.15	Cancel outage to couple 3B engine
	9/16/2013 15:53	9/16/2013 18:40	2.78	Outage to uncouple 3B engine
	7/19/2013 06:22	7/19/2013 13:12	6.83	GT water injection tank level low
	5/27/2013 16:15	5/27/2013 17:15	1.0	Start failure, failed to sync. Gen. brk. Charging motor power issue
	1/15/2013 15:18	1/15/2013 16:23	1.08	Engine 3A tripped on high vibrations
Decker GT 4	9/06/2013 12:15	9/06/2013 13:29	1.23	Outage to uncouple 4B engine
	9/04/2013 15:56	9/04/2013 16:05	0.15	Unit tripped off high vibrations
	8/22/2013 07:51	8/22/2013 08:27	0.6	Outage to repair engine 4A water inj. Mixing block
	7/19/2013 06:22	7/19/2013 13:12	6.83	GT water injection tank level low
	6/22/2013 22:00	6/22/2013 23:25	1.41	Outage to replace starter on 4A engine
	6/22/2013 15:47	6/22/2013 15:49	0.03	4A engine tripped, low N2 speed, bad starter

ERCOT Forced Load Reduction

While ERCOT does issue power watches when reserves are low, load reduction for Austin Energy customers is voluntary during these watches. ERCOT has only issued two mandatory orders for load reduction statewide — in February 2011 and April 2006.

Table 50: ERCOT Forced Load Reduction

ERCOT Event	AE Load Reduction	Rolling Blackouts Ordered	Firm Load Restored
2-Feb-11	160 MW	5:43 a.m.	1:07 p.m.
17-Apr-06	40 MW	4:13 p.m.	6:10 p.m.

Austin Energy accounts for approximately 4 percent of the peak statewide summer load, meaning Austin Energy is required to shed 4 percent of ERCOT's total load reduction during a mandatory load shedding event. On Feb. 2, 2011, ERCOT rapidly increased its load-shedding requirement to 4,000 MW, resulting in 160 MW of required load shedding for Austin Energy. Following the February 2011 weather event, Austin Energy performed a thorough review of circuits eligible for rolling blackouts and increased the number of eligible circuits from 44 to 115. This will reduce the impact on customers should such an emergency occur again.

Reliability (SAIFI/SAIDI/SATLPI)

Austin Energy invests on average about $80 million a year on capital improvements for the electric system. Austin Energy has established long-term goals that the average number of power outages per customer not exceed 0.80 per year (SAIFI); that the average duration of power outages not exceed 60 minutes (SAIDI); and that the 12-month rolling average of the number of transmission line faults per 100 miles not exceed 3.00 (SATLPI).

In FY 2013, Austin Energy achieved the best system reliability in its nearly 120-year history. Customers on average experienced 0.59 outages each for the fiscal year and the outage they incurred lasted for 46.24 minutes on average. The industry average for power outages per customer is 1.4 and the duration is 120 minutes per customer annually.

In FY 2013, Austin Energy experienced 1.44 transmission faults per 100 miles against a goal of 3.00 or fewer per 100 miles. The industry average for faults per 100 miles is 4.00 annually.

Table 51: SAIFI/SAIDI/SATPLI

Measure	Target	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
System Average Interruption Frequency Index (SAIFI)	≤0.8	0.89	0.69	0.77	0.77	0.59
System Average Interruption Duration Index (SAIDI)	≤60	63.41	51.57	54.54	60.74	46.24
System Average Transmission Line Performance Index (SATLPI)	≤3	2.1	1.94	1.78	2.9	1.44

Line Clearance Program (Tree Trimming)

Austin Energy invests about $11 million annually in its tree-trimming program. A staff of 13 Austin Energy arborists and foresters oversee the program. Contractors prune trees system wide on a six-year cycle for distribution lines, maintaining approximately 400 miles of power lines each year. They also maintain the vegetation on about 150 miles of Transmission rights-of-way annually on a four year cycle. About 50 crews (160 to 170 staff members) are in the field each day. Vegetation Management is important for public safety and the reliability of the electric system.

Austin Energy is one of the few utilities in the nation that tries to meet with each property owner in advance of tree trimming. A plan detailing the trimming needed for each tree on a property is discussed and provided to the property owner for their acknowledgment and signature. When property owners refuse to meet or cooperate with scheduling, they receive a letter that indicates when trimming will occur. The number of refusal letters is extremely small, less than 1 percent annually.

Table 52: Line Clearance Workload

Fiscal Year	Miles Trimmed	Properties	Refusals
FY 2013	325	10,616	9
FY 2012	375	12,170	11
FY 2011	447	11,856	19
FY 2010	324	13,223	38
FY 2009	480	13,892	26

Table 53: Customer Surveys

FY2013	% of customers satisfied with line clearance on their property	% of customers who acknowledge importance of line clearance
Quarter 1	71%	98%
Quarter 2	68%	96%
Quarter 3	77%	97%
Quarter 4	73%	97%

All customers surveyed had trees trimmed in FY 2013.

Service

Austin Energy's mission is to deliver clean, affordable, reliable energy and ***EXCELLENT CUSTOMER SERVICE****.*

City of Austin Utility Contact Center

Austin Energy manages the City of Austin Utility Contact Center and Online Customer Care portal. This is the place customers call or go online to start, stop, or transfer utility services. The Contact Center receives about 6,000 calls per day.

Table 54: Contacts Received

Fiscal Year	Contacts Received
FY 2013	1,667,361
FY 2012	1,641,039
FY 2011	1,377,317
FY 2010	1,525,739
FY 2009	1,435,929

Table 55: Call Distribution

Type	Percentage
General Residential	88%
General Commercial	9%
Outages	3%

Note: Total may not sum due to rounding.

Table 56: Average Speed for Answering Calls

Fiscal Year	Seconds
FY 2013	90
FY 2012	101
FY 2011*	116
FY 2010	90
FY 2009	92

The average time for answering calls was up in FY 2011 due to marketing of the "Best Offer Ever" campaign calls on the White Rodgers thermostat recalls and additional training for CC&B.

Austin 3-1-1 Call Center

Austin Energy manages the city's 3-1-1 call center that provides information about any Austin department or service. The center operates 24 hours a day, 7 days a week, 365 days a year.

Table 57: Austin 3-1-1 Calls and Service Requests

Fiscal Year	Calls Answered	Service Requests
FY 2013	1,018,364	214,342
FY 2012	1,047,020	172,155
FY 2011	1,138,325	193,280
FY 2010	1,151,903	188,413
FY 2009	1,205,039	198,615

Table 58: Austin 3-1-1 Call Distribution by Percentage for FY 2013

Department	Percentage
Animal Services Office	7%
Austin Energy	6%
Austin Resource Recovery	9%
Austin Water Utility	4%
Code Compliance Department	2%
General Inquiries	1%
Neighboring Cities/Counties	7%
Other	6%
Parks & Recreation Department	1%
Planning & Development Review	2%
Police Department	49%
State	3%
Transportation Department	3%

Payment Arrangements

A payment arrangement allows City of Austin utility customers the opportunity to pay off a past due bill balance to keep their utility accounts in good standing. The past due amount is spread over a specified period of time. This amount is called a monthly installment. Customers are required to pay the agreed upon monthly installment in addition to paying their monthly utility charges in full by the bill due date each month. Paying both the monthly installment and current utility charges gives customers extra time to bring their utility account up to date. The length of a payment arrangement is based on the total past due amount owed.

There is no limit to the number of arrangements as long as the prior payment arrangement terms have been met. A payment arrangement option is available to any eligible customer regardless of their payment history. This change in policy to allow multiple payment arrangements as well as approval regardless of payment history, led to a higher dollar total for payment arrangements in FY 2013. Austin Energy's decision to not disconnect service due to delinquency during the transition to a new billing system also resulted in the higher dollar total.

Table 59: Customer Payment Plans

Fiscal Year	Avg. No. of Payment Arrangements Per Month	Total $ Per Fiscal Year
FY 2013	10,871	$141.1 million
FY 2012	7,032	$46.2 million
FY 2011	13,175	$70.4 million
FY 2010	12,389	$75.7 million
FY 2009	11,984	$70.8 million
FY 2008	11,366	$76.8 million

Budget Billing

Austin Energy's Levelized Billing Program, now known as Budget Billing, is available to any customer who prefers to avoid significant fluctuations in their monthly utility bills. With this program, Austin Energy takes the average of a customer's previous 12 month's of utility bills to calculate an average utility bill payment. With Budget Billing, accounts are reviewed and adjusted every six months. The below averages reflect all City of Austin utilities including electric, water, wastewater, solid waste, transportation and drainage fees.

Table 60: Customers Using Budget Billing

Fiscal Year 2012	Month and Year	Billed Levelized Accounts Per Month	Average Levelized Bill Amount
	Oct-12	16,352	$190.56
	Nov-12	16,564	$191.67
	Dec-12	16,633	$183.20
	Jan-13	16,790	$163.48
	Feb-13	17,024	$153.17
	Mar-13	16,989	$147.47
	Apr-13	16,989	$147.47
	May-13	16,618	$134.12
	Jun-13	16,539	$132.67
	Jul-13	16,771	$133.04
	Aug-13	16,808	$135.84
	Sep-13	17,093	$142.97
Average (monthly)		**16,764**	**$142.39**

Low-Income Discount Program

The City of Austin has one of the most generous Customer Assistance Programs in the nation. Utility bill discounts are a key component of the program. They are provided to customers already receiving benefits through a variety of federal, state, county or city assistance programs. Fiscal year 2013 is an important transition year for CAP and CAP customers as AE transitions to a greatly expanded program authorized by the City Council in the 2012 rate proceeding.

Table 61: City of Austin Low-Income Discount Program Annual Customer Savings

Utility Discount Program (electric only)	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
Average Customers Served Per Month	5,137	8,599	8,587	6,608	11,728
Average Household Savings Per Month	$23.58	$23.29	$23.33	$24.05	$20.68
Average Annual Combined Customer Savings	$1.453 million	$2.402 million	$2.403 million	$1.908 million	$2,910 million

Table 62: City of Austin Low-Income Discount Program Enrollment

Enrollment Type	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
Automatic	2,547	3,525	2,748	4,505	11,493
Manual	2,590	5,074	5,839	2,103	235
Total	**5,137**	**8,599**	**8,587**	**6,608**	**11,728**

Table 63: City of Austin Low-Income Discount Program Monthly Customer Savings

Fiscal Year 2013	Month	Total Unique Participants	Electric Bill Discount (10%)	Electric Customer Charge Discount	Community Benefit Charge (CBC)	Totals
	Oct-12	8,639	$65,416.77	$84,720.00	$13,263.53	**$163,400.30**
	Nov-12	10,385	$61,991.04	$98,250.00	$13,069.04	**$173,310.08**
	Dec-12	11,460	$60,446.74	$109,340.00	$13,095.56	**$182,882.30**
	Jan-13	12,187	$98,936.63	$114,590.00	$19,095.08	**$232,621.71**
	Feb-13	11,555	$61,002.32	$112,260.00	$13,160.97	**$186,423.29**
	Mar-13	11,242	$57,354.92	$109,580.00	$12,495.94	**$179,430.86**
	Apr-13	11,220	$57,738.19	$109,300.00	$12,661.42	**$179,699.61**
	May-13	11,443	$71,015.95	$111,440.00	$14,974.02	**$197,429.97**
	Jun-13	11,657	$143,669.48	$114,120.00	$21,583.16	**$279,372.64**
	Jul-13	11,833	$182,022.59	$115,670.00	$26,196.82	**$323,889.41**
	Aug-13	12,164	$207,942.95	$118,930.00	$29,344.39	**$356,217.34**
	Sep-13	16,955	$253,522.35	$165,600.00	$36,551.07	**$455,673.42**
Average (monthly)		**11,728**	**$110,088.33**	**$113,650.00**	**$18,790.92**	**$242,529.25**
FY Totals		**140,740**	**$1,321,059.93**	**$1,363,800.00**	**$225,491.00**	**$2,910,350.93**

Plus 1 Fund

Serious illness, a recent job loss or other emergencies can make it difficult for some customers to pay their utility bills. The Plus 1 fund provides emergency financial aid to customers having a temporary problem paying their utility bills. Funding is distributed by local social service agencies. These agencies screen applicants, determine eligibility and arrange for funding to be applied to the customer's utility account.

Austin Energy provides $300,000 to the fund annually. Additionally, utility customers have the option to donate to the Plus 1 Fund through their utility bill payments. City of Austin employees also can make donations to the fund through payroll contributions or other forms of payment during the annual employee campaign to raise funds for charities.

Table 64: Plus 1 Funding

Funding Source	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
Austin Energy	$300,000	$300,000	$300,000	$300,000	$300,000
COA Combined Charities Campaign (COA employees)	$4,718.13	$3,820.47	$2,574.45	$2,173	$2,107
Residential Customers	$43,649	$39,723	$37,556.45	$36,613	$76,396.50
Total	**$348,367.13**	**$343,543.47**	**$340,130.45**	**$338,786**	**$378,503.50**

Table 65: Plus 1 Fund Distribution

Fiscal Year 2013	Month and Year	Dollars Dispersed	Households Served
	Oct-12	$1,789.95	9
	Nov-12	$54,298.36	203
	Dec-12	$30,344.75	128
	Jan-13	$42,659.03	196
	Feb-13	$63,435.82	207
	Mar-13	$71,424.47	282
	Apr-13	$58,713.54	229
	May-13	$64,519.78	281
	Jun-13	$42,828.86	216
	Jul-13	$56,744.79	234
	Aug-13	$82,283.73	289
	Sep-13	$65,048.88	203
Average (monthly)		**$52,007.66**	**206**
Totals		**$634,631.96**	**2,477**

Weatherization Assistance Program

Austin Energy offers free home energy improvements to customers with low to moderate incomes. The improvements reduce energy costs and enhance indoor comfort. If they qualify, customers can have their home weatherized and receive home improvements. These improvements include attic insulation, solar screens, compact fluorescent light bulbs, minor duct repair and sealing, caulking and weather stripping, and other improvements.

Program participation saw a decline after the successful American Recovery and Reinvestment Act grant period ended in early FY 2013. Customers participating in the program can realize energy savings from 6 to 21 percent. This means customers can save from $10 to $33 on their monthly electric bill.

Table 66: Customer Assistance Program Customers Receiving Free Weatherization

Fiscal Year	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
Homes Receiving Weatherization	538	456*	1044*	715*	155

*In FY 2010, 127 of the 456 homes received weatherization through the use of ARRA funds.

*In FY 2011, all homes received weatherization through the use of ARRA funds.

*In FY 2012, the 715 homes used both ARRA funds and AE funds.

Medically Vulnerable Program

The City of Austin maintains a Medically Vulnerable Registry of customers with a long-term disease, ailment or critical illness. Customers eligible for the registry receive additional time to pay their utility bills and personal case management services from Austin Energy and partnering social service agencies.

Table 67: Medically-Vulnerable Program Participants

Fiscal Year 2013	Month	Households Served
	Oct-12	193
	Nov-12	198
	Dec-12	208
	Jan-13	204
	Feb-13	209
	Mar-13	211
	Apr-13	222
	May-13	228
	Jun-13	231
	Jul-13	238
	Aug-13	230
	Sep-13	245
Average (monthly)		**218**

Customers may overlap from one month to the next.

Customer Satisfaction Ratings

Austin Energy is proactive in addressing customer needs and regularly monitors customer satisfaction through customer surveys. In recent years, overall customer satisfaction has gone down. The drivers of the decrease are customer perceptions of price and value due to higher electric bills resulting from hotter than normal temperatures and a weakened economy, despite Austin Energy providing among the lowest electric rates in Texas. Ratings for Austin Energy reliability and quality are consistently high.

Table 68: Overall Satisfaction Ratings

Measure	Target	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
Overall Customer Satisfaction	83/100	75/100	71/100	70/100	61/100	65/100

Table 69: Satisfaction Ratings by Customer Type

Customer Satisfaction	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
Residential	73%	74%	69%	68%	64%
Commercial	76%	78%	68%	62%	61%
Key Accounts*	75%	60%	76%	55%	69%

Residential and Commercial surveys are conducted quarterly. Key Accounts surveys are conducted annually.

Payment Processing

All City of Austin utility payments are posted the same day received far exceeding the industry average of up to three days. This requires the daily posting of about 24,000 checks and payment stubs. In addition, the number of payments received electronically is exceptionally high and continues to increase. Part of that success is due to a Western Union wire program set up by Austin Energy to transfer customer payments to the utility when made through some 50 retail locations.

Table 70: Breakdown of Payment Methods

Fiscal Year	Authorized Pay Stations via Western Union (ex. ACE cash Express, HEB, Money Box, Randall's)	Online Banking (via customers bank)	Bill Matrix (via phone or Austin Energy Website) (credit, debit) (e-check)	Austin Energy Website (registered with Online Customer Care) (e-check)	Electronic Fund Transfer (draft by AE)	Misc. (ex. Collections IRS)	Walk-in Payment Centers	Mail
FY 2013	12.24%	22.00%	4.34%	19.80%	11.72%	0.31%	2.63%	26.96%
FY 2012	14.90%	24.34%	6.11%	13.50%	9.76%	0.31%	1.65%	29.43%
FY 2011	15.11%	21.24%	6.09%	13.55%	7.18%	0.37%	1.55%	34.91%
FY 2010	13.05%	16.87%	4.79%	9.59%	5.54%	0.32%	1.24%	48.59%
FY 2009	12.83%	15.26%	4.24%	7.94%	4.60%	0.34%	1.36%	53.43%

Table 71: Manual and Electronic Payments

Fiscal Year	% Manual Payments	% Electronic Payments
FY 2013	30.00%	70.00%
FY 2012	31.08%	68.92%
FY 2011	36.46%	63.54%
FY 2010	49.83%	50.17%
FY 2009	54.79%	45.21%

Web Links

The following links relate to Austin Energy's budget, Council approved purchases and financial reports, as well as energy efficiency, renewables, energy market and utility industry reporting.

Quarterly Report (Listed under Financial)
http://austinenergy.com/wps/portal/ae/about/reports-and-data-library/corporate-reports

Links to Council Agendas
http://austintexas.gov/department/city-council/council-meetings

Links and instructions to budget, fee schedules and financial policies
https://www.austintexas.gov/financeonline/finance/index.cfm

Resource Management Commission reports and presentations including Energy Efficiency/Solar Reports
http://www.austintexas.gov/cityclerk/boards_commissions/meetings/44_1.htm

Electric Utility Commission reports and presentations including Financial Report
http://www.austintexas.gov/cityclerk/boards_commissions/meetings/27_1.htm

Link and instructions to Bond Official Statements
https://www.austintexas.gov/financeonline/finance/financial_docs.cfm?ws=1&pg=3

Link and instructions to Comprehensive Annual Financial Report (CAFR)
https://www.austintexas.gov/financeonline/finance/financial_docs.cfm?ws=1&pg=1#FINANCEREPORTS

Link to emissions including hourly or aggregated NOx, SO_2 and CO_2 emissions, heat input, and energy output for large electricity generating units. The latest data available is from the previous calendar quarter.
http://ampd.epa.gov/ampd/

ERCOT

Market transaction information
http://www.ercot.com/mktinfo/

System Conditions, Generation, Load and Transmission schedules
http://www.ercot.com/gridinfo/

APPENDIX