



Austin Energy

Financial Update

3rd Quarter ended June 30, 2010

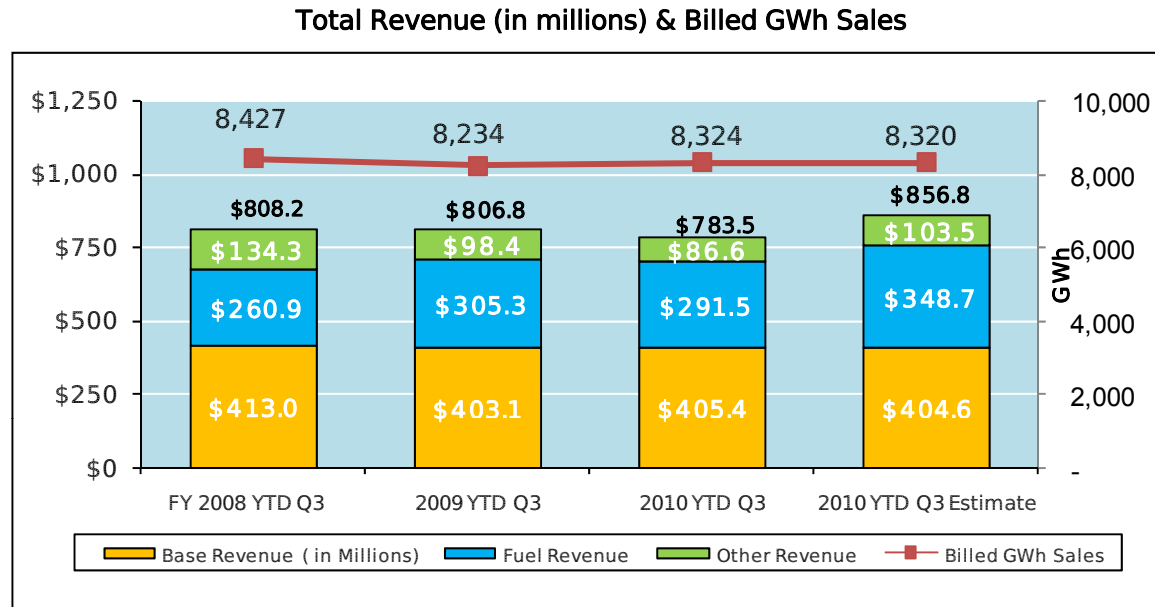


2010 Q3 Financial Results

<i>(\$ millions)</i>	<i>Amended Budget 2009-10</i>	<i>CYE 2009-10</i>	<i>Allotment Q3 FY 10</i>	<i>Actual Q3 FY 10</i>	<i>Difference Actual to Allotment</i>
<i>Beginning Balance</i>	<i>\$174.8</i>	<i>\$237.3</i>	<i>\$174.8</i>	<i>\$237.3</i>	<i>\$62.5</i>
<i>Revenue</i>	\$1,242.3	\$1,194.7	\$856.8	\$783.5	(\$73.3)
<i>Transfers In</i>	2.0	2.0	2.0	2.0	0.0
<i>Total Available Funds</i>	<i>\$1,244.3</i>	<i>\$1,196.7</i>	<i>\$858.8</i>	<i>\$785.5</i>	<i>(\$73.3)</i>
<i>Operating Requirements</i>	928.8	888.5	674.9	621.6	53.3
<i>Debt Service</i>	178.6	171.2	111.6	106.5	5.1
<i>Transfers Out</i>	205.0	205.0	164.8	164.9	(0.1)
<i>Total Requirements</i>	<i>\$1,312.4</i>	<i>\$1,264.7</i>	<i>\$951.3</i>	<i>\$893.0</i>	<i>\$58.3</i>
<i>Excess(Deficiency)</i>	(68.1)	(68.0)	(92.5)	(107.5)	(15.0)
<i>Ending Balance</i>	<i>\$106.7</i>	<i>\$169.4</i>	<i>\$82.3</i>	<i>\$129.8</i>	<i>\$47.5</i>



2010 Q3 Revenue Highlights



Service Area Base or Non-fuel Revenue

- 49% of total revenue or \$603.6 million annual budget
- \$405.4 million Q3 exceeds budget allotment by \$0.8 million and \$2.3 million over same period prior year

Fuel Revenue \$57.2 million below budget allotment

- 39% of total revenue or \$480.3 million annual budget
- \$291.5 million Q3 below budget allotment by \$57.2 million and \$13.3 million lower than same period prior year

Billed sales at 8,324.0 gigawatt hours (GWh)

- 89.7 GWh higher than FY 2009 Q3 actual of 8,234.3



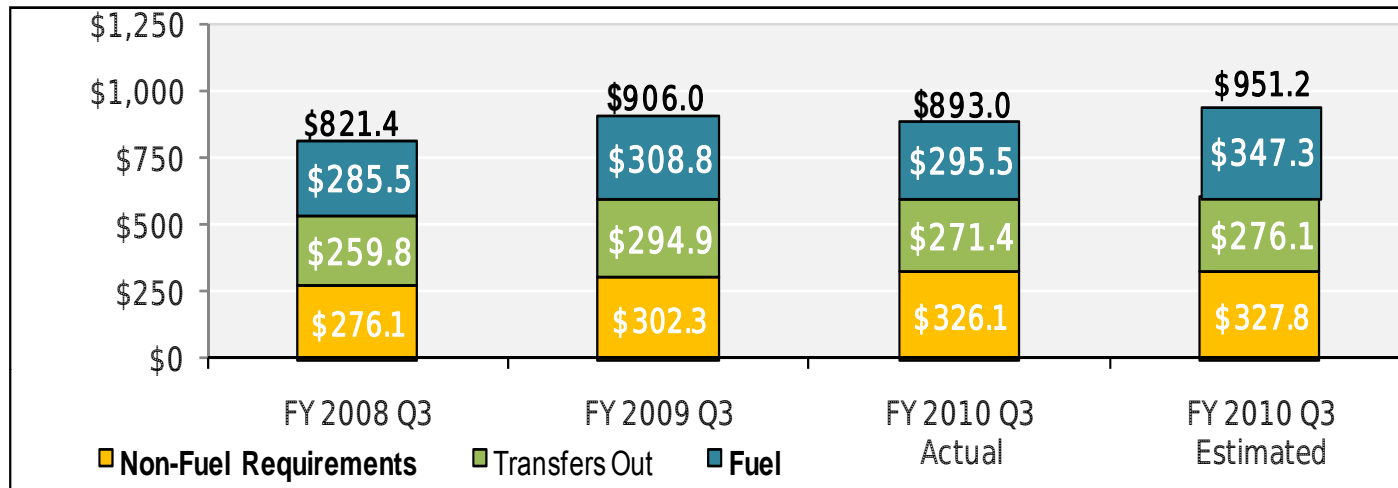
2010 Revenue Q3 and CYE

Category	Q3 Current	Q3 Prior	Q3 Current vs. Prior	Amended Budget	Year End Estimate	Estimate vs. Budget
Service Area Base Revenue	\$ 405,420,061	\$ 403,097,084	\$ 2,322,977	\$ 603,577,198	\$ 613,345,143	\$ 9,767,945
Fuel & Green Choice Revenue	291,518,838	305,310,177	(13,791,339)	480,298,920	440,522,623	(39,776,297)
Transmission Service Revenue	43,636,587	42,629,898	1,006,689	57,620,709	57,620,709	0
Other Revenue	36,953,884	44,799,117	(7,845,233)	90,282,617	76,270,887	(14,011,730)
Interest Income	5,938,442	10,965,743	(5,027,301)	10,479,999	6,944,097	(3,535,902)
Total Revenue	\$ 783,467,812	\$ 806,802,019	\$ (23,334,207)	\$ 1,242,259,443	\$ 1,194,703,459	\$ (47,555,984)
Transfers In	2,000,000	43,215,000	(41,215,000)	2,000,000	2,000,000	0
Total Available Funds	\$ 785,467,812	\$ 850,017,019	\$ (64,549,207)	\$ 1,244,259,443	\$ 1,196,703,459	\$ (47,555,984)



2010 Q3 Requirements Highlights

Total Operating Requirements in (millions)



Total Requirements \$59.8 million under budget allotment

- Fuel costs \$51.8 million lower due to commodity pricing
- Non-fuel costs \$3.0 million lower than budget allotment
 - Conservation rebates above allotment due to high demand
 - Q2 unplanned nuclear outage increased operating costs
 - Budget savings in other operating areas
- Debt Service \$5.1 million lower than budget allotment
 - Issued less commercial paper than planned



2010 Requirements Q3 and CYE

Category	Q3 Current	Q3 Prior	Q3 Current vs. Prior	Amended Budget	Year End Estimate	Estimate vs. Budget
Fuel Expense	\$ 295,471,086	\$ 308,763,797	\$ 13,292,711	\$ 501,298,920	\$ 462,222,623	\$ 39,076,297
Non-Fuel O&M	166,946,360	166,805,404	(140,956)	231,694,730	228,426,635	3,268,095
Transmission Service	46,104,108	42,999,214	(3,104,894)	63,938,866	63,938,866	0
Conservation	6,145,128	6,236,486	91,358	9,901,940	9,161,188	740,752
Conservation Rebates & Incentives	12,744,725	10,560,193	(2,184,532)	15,796,474	17,398,188	(1,601,714)
Nuclear & Coal Plants O&M	74,414,616	60,842,911	(13,571,705)	81,060,471	81,031,991	28,480
Other Operating Requirements	20,031,808	14,886,309	(5,145,499)	25,405,622	26,605,889	(1,200,267)
Total Operating Requirements	621,857,831	611,094,314	(10,763,517)	929,097,023	888,785,380	40,311,643
Debt Service	106,482,196	115,098,818	8,616,622	178,586,493	171,172,171	7,414,322
Transfer to Electric CIP	44,952,638	103,287,793	58,335,155	59,710,000	59,710,000	0
General Fund Transfer	75,750,000	71,250,000	(4,500,000)	101,000,000	101,000,000	0
Other Transfers	44,000,000	5,302,849	(38,697,151)	44,000,000	44,000,000	0
Total Department Expenditures	\$ 893,042,665	\$ 906,033,774	\$ 12,991,109	\$ 1,312,393,516	\$ 1,264,667,551	\$ 47,725,965



Questions?



Austin Energy

Financial Update

Year Ended September 30, 2010

1st Quarter Fiscal Year 2011

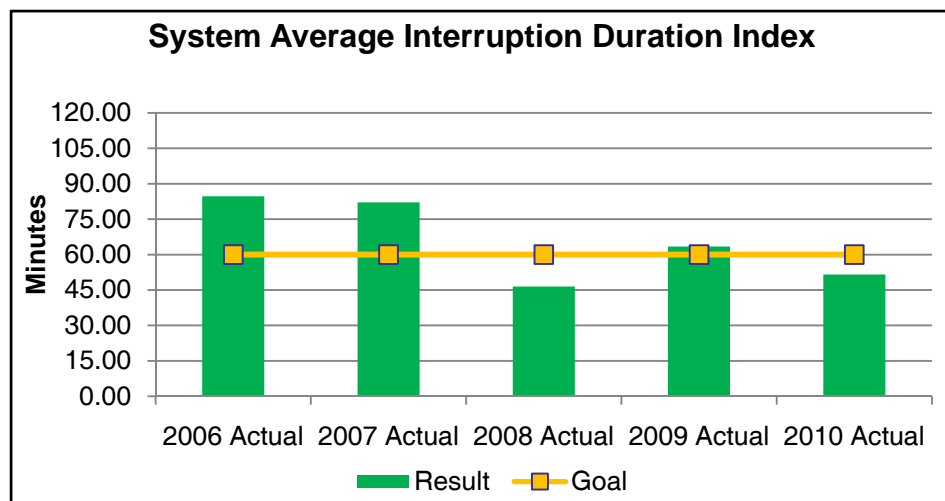
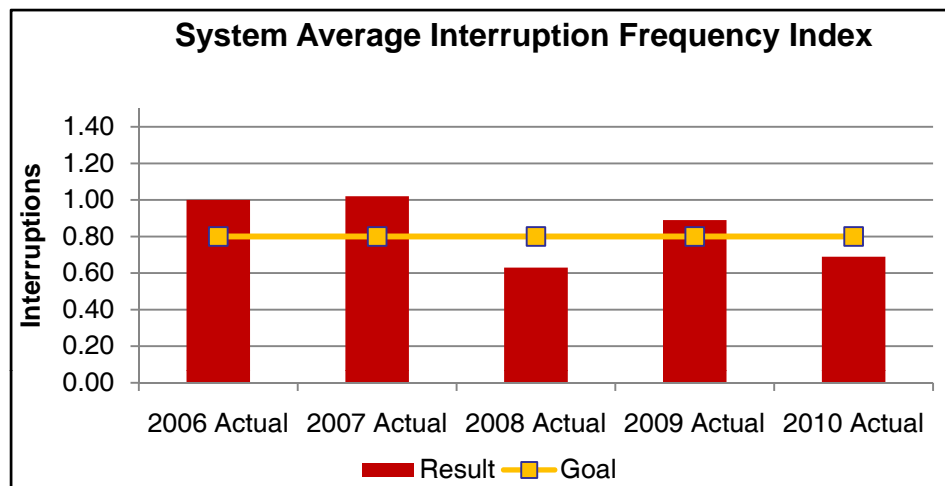


Austin Energy – 2010 Highlights

- Year of Transition – New General Manager September 27
- Major Accomplishments
 - Energy Resource Plan to 2020 approved pending affordability tool
 - Sand Hill Energy Center 100 MW peaking capacity online
 - Maintained bond credit ratings
 - Planning and launch of Rate Review
 - International Organization for Standardization (ISO 9001) Quality Management Program
 - Customer Care successfully certified
 - Electric Service Delivery recertified
 - Successful Transmission Operator compliance audits
 - North American Electric Reliability (NERC)
 - Texas Reliability Entity (TRE)
 - Preparations for December 1 Nodal Market conversion



2010 Performance & History



Reliability

- **SAIFI - System Average Interruption Frequency Index**
 - Goal = 0.8 interruptions
 - Industry average of 1.1 interruptions
- **SAIDI – System Average Interruption Duration Index**
 - Goal = 60 Minutes
 - Industry average of 90 minutes



Austin Energy – 2010 Overview

Operating – \$1.31 Billion Requirements

- \$501 million Fuel requirements
- \$428 million Operating requirements
- \$178 million Debt Service Requirements
- \$101 million General Fund Transfer
- \$ 59 million Transfer for Electric Capital Program
- \$ 44 million Transfer to Bond Retirement Reserve
 - One-time transfer to meet bond covenants
- No budget amendments in FY 2010



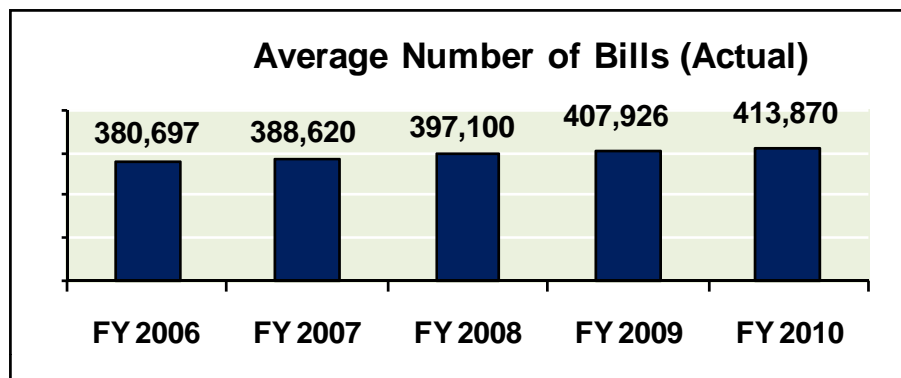
2010 Financial Results

<i>(\$ millions)</i>	<i>Amended Budget 2009-10</i>	<i>Estimated 2009-10</i>	<i>Actual* 2009-10</i>	<i>Difference Actual to Estimate</i>
<i>Beginning Balance</i>	<i>\$174.8</i>	<i>\$237.3</i>	<i>\$237.3</i>	<i>\$0.0</i>
<i>Base and Other Revenue</i>	762.0	754.2	741.0	(13.2)
<i>Fuel Revenue</i>	480.3	440.5	418.4	(22.1)
<i>Transfers In</i>	2.0	2.0	2.0	0.0
<i>Total Available Funds</i>	<i>\$1,244.3</i>	<i>\$1,196.7</i>	<i>\$1,161.4</i>	<i>(\$35.3)</i>
<i>Fuel Expenses</i>	501.3	462.2	438.3	23.9
<i>Non-Fuel Operating Expenses</i>	427.5	426.3	431.9	(5.6)
<i>Debt Service</i>	178.6	171.2	172.7	(1.5)
<i>Transfers Out</i>	205.0	205.0	205.0	0.0
<i>Total Requirements</i>	<i>\$1,312.4</i>	<i>\$1,264.7</i>	<i>\$1,247.9</i>	<i>\$16.8</i>
<i>Excess(Deficiency)</i>	(68.1)	(68.0)	(86.5)	(18.5)
<i>Adjustment to GAAP</i>	0.0	0.0	2.0	2.0
<i>Ending Balance</i>	<i>\$106.7</i>	<i>\$169.4</i>	<i>\$152.8</i>	<i>(\$16.5)</i>

*Preliminary. Final, audited numbers not yet available.

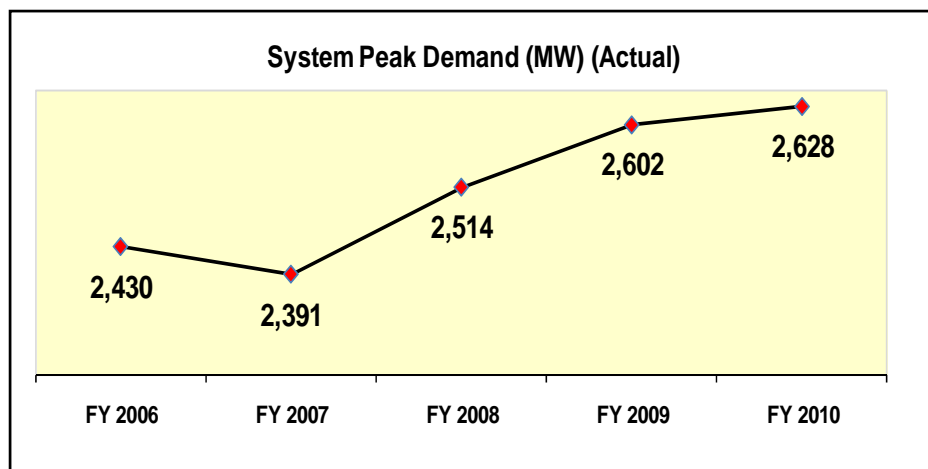


2010 Revenue Indicators



Average Number of Bills

- Key indicator of revenue growth
- 413,870 for FY2010, an increase of 5,944 or 1.46% over FY 2009

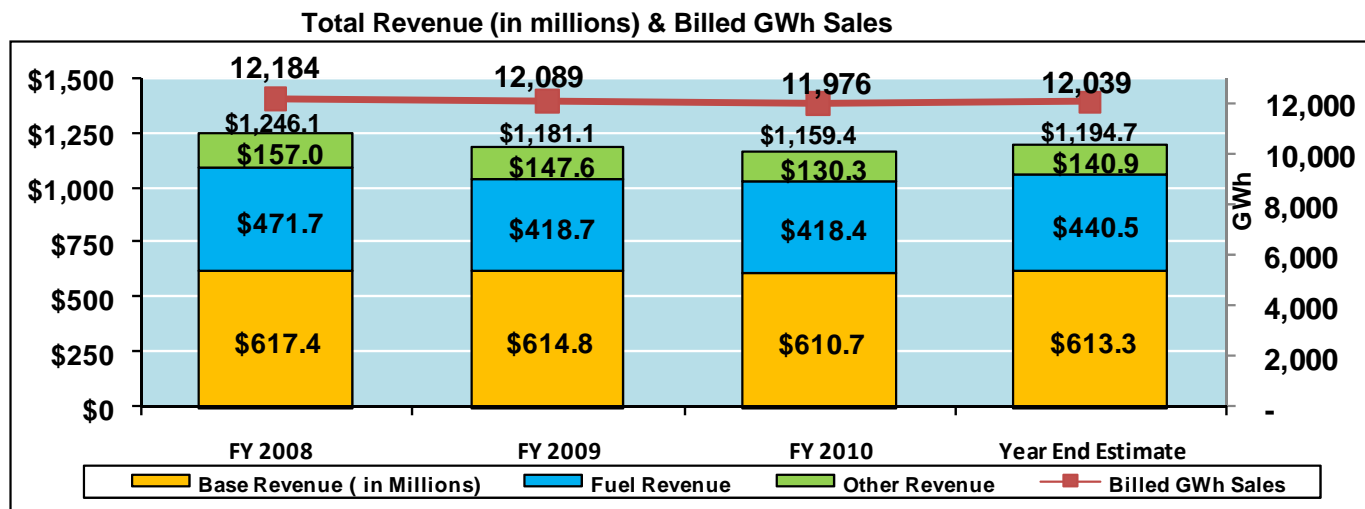


AE System Peak Demand (Megawatts or MW)

- 2,628 MW on August 23, 2010
 - New record driven by 104 degree temperature
 - Previous record 2,602 MW in June 2009
- Summer 2007 cool and wet weather
- Sufficient owned and purchased power to meet service area demand



2010 Revenue Highlights



Billed sales of 11,976 gigawatt hours (GWh)

- Electricity sales have declined in the past two years
- 113 GWh lower than FY 2009 & 208 GWh lower than FY 2008

Service Area Base (Non-fuel) Revenue \$2.6 million below estimate

- 49% of total revenue or \$603.6 million annual budget
- \$610.7 million actual is \$7.1 million above budget

Fuel Revenue \$22.1 million below estimate

- 39% of total revenue or \$480.3 million annual budget
- \$418.4 million actual is \$0.3 million lower than prior year actual

Other Revenue \$14.3 million below estimate

- Wholesale sales lower due to reduced market demand



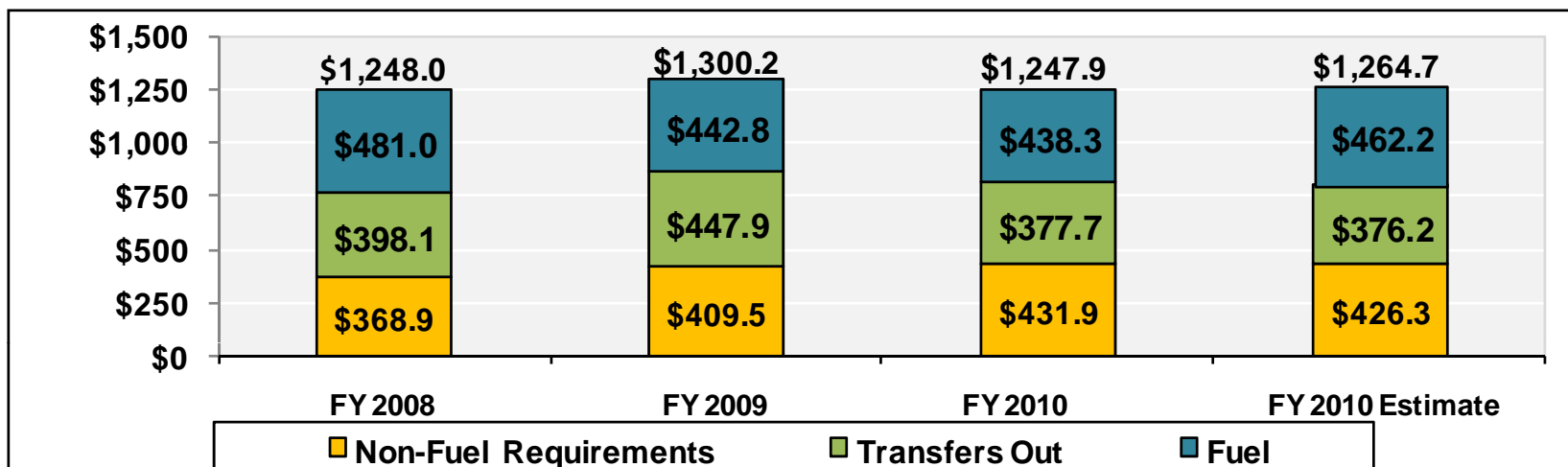
2010 Revenue

Category	Amended Budget	Year End Estimate	Actual 2009-10	Actual vs. Estimate	Prior Year Actual 2008-09	Actual 2009-10 vs. Prior Year
Service Area Base Revenue	\$ 603,577,198	\$ 613,345,143	\$ 610,722,591	\$ (2,622,552)	\$ 614,797,276	\$ (4,074,685)
Fuel & Green Choice Revenue	480,298,920	440,522,623	418,435,547	(22,087,076)	418,709,830	(274,283)
Transmission Service Revenue	57,620,709	57,620,709	60,745,716	3,125,007	57,003,422	3,742,294
Other Revenue	90,282,617	76,270,887	61,938,468	(14,332,419)	75,424,265	(13,485,797)
Interest Income	10,479,999	6,944,097	7,596,609	652,512	15,141,076	(7,544,467)
Total Revenue	\$ 1,242,259,443	\$ 1,194,703,459	\$ 1,159,438,931	\$ (35,264,528)	\$ 1,181,075,869	\$ (21,636,938)
Transfers In	2,000,000	2,000,000	2,000,000	0	43,215,000	(41,215,000)
Total Available Funds	\$ 1,244,259,443	\$ 1,196,703,459	\$ 1,161,438,931	\$ (35,264,528)	\$ 1,224,290,869	\$ (62,851,938)



2010 Requirements Highlights

Total Operating Requirements in (millions)



Total Requirements \$16.8 million below estimate

- Fuel costs \$23.9 million lower due to reduced commodity pricing
- Non-fuel operating expenses \$5.6 million higher than estimate
 - South Texas Plant expenses higher than estimate related to outages
 - Savings in Call Center on billing costs and temporary services
- Debt Service \$1.5 million higher than estimate
 - Issued more commercial paper than planned



2010 Requirements

Category	Amended Budget	Year End Estimate	Actual 2009-10	Actual vs. Estimate	Prior Year Actual 2008-09	FY 2009-10 vs. FY 2008-09
Fuel Expense	\$ 501,298,920	\$ 462,222,623	\$ 438,286,450	\$ 23,936,173	\$ 442,789,384	\$ 4,502,934
Non-Fuel O&M	230,072,737	226,189,214	219,585,584	6,603,630	217,383,749	(2,201,835)
Transmission Service	63,938,866	63,938,866	64,467,253	(528,387)	58,477,514	(5,989,739)
Conservation	11,523,933	11,398,609	8,883,503	2,515,106	12,193,696	3,310,193
Conservation Rebates & Incentives	15,796,474	17,398,188	17,366,234	31,954	18,392,425	1,026,191
Nuclear & Coal Plants O&M	81,060,471	81,031,991	93,965,287	(12,933,296)	80,901,287	(13,064,000)
Other Operating Requirements	25,101,446	26,301,713	27,631,562	(1,329,849)	22,155,656	(5,475,906)
Total Operating Requirements	928,792,847	888,481,204	870,185,873	18,295,331	852,293,711	(17,892,162)
Debt Service	178,586,493	171,172,171	172,725,122	(1,552,951)	177,475,616	4,750,494
Transfer to Electric CIP	59,710,000	59,710,000	59,710,000	0	170,000,000	110,290,000
General Fund Transfer	101,000,000	101,000,000	101,000,000	0	95,000,000	(6,000,000)
Other Transfers	44,304,176	44,304,176	44,304,176	0	5,407,573	(38,896,603)
Total Department Expenditures	\$ 1,312,393,516	\$ 1,264,667,551	\$ 1,247,925,171	\$ 16,742,380	\$ 1,300,176,900	\$ 52,251,729



Austin Energy – 2011 Overview

Operating – \$1.27 Billion Requirements

- \$490 million Fuel requirements
- \$415 million Operating requirements
- \$169 million Debt Service Requirements
- \$ 74 million Transfer for Electric Capital Program
- \$103 million General Fund Transfer
- \$7 million new revenue to recover increasing Texas electric grid costs

1st Quarter Revenue and Expenditures on Target



Austin Energy – 2011 Cost Controls

Operating - \$1.27 Billion Requirements

- No new full time equivalents (FTEs) in 2010 or 2011
- \$3.2 million decrease in maintenance for plant boiler, turbine & other equipment - adjusted service schedules
- \$1.7 million decrease in software maintenance
- 311 call center net cost \$2.1 million, decrease of \$3.5 million from 2010 due to revised allocation
- \$9.1 million decrease in debt service requirements due to lower capital spending plan & use of bond reserve



Austin Energy Financial Update

Questions



Austin Energy

Financial Update

2nd Quarter ended March 31, 2011





2011 Q2 Financial Results

(\$ millions)	Amended Budget 2010-11	Allotment Q2 FY11	Actual Q2 FY 11	Difference Actual to Allotment
Beginning Balance	\$169.4	\$169.4	\$152.8	(\$16.6)
Base and Other Revenue	740.1	318.1	327.8	9.7
Fuel Revenue	490.2	217.3	177.0	(40.3)
Total Available Funds	\$1,230.3	\$535.4	\$504.8	(\$30.6)
Fuel Cost	490.2	217.3	177.0	40.3
Non-Fuel Operating Expense	439.0	226.8	213.7	13.1
Debt Service	169.4	62.5	62.7	(0.2)
Transfers	178.1	89.0	89.0	0.0
Total Requirements	\$1,276.7	\$595.6	\$542.4	\$53.2
Excess(Deficiency)	(46.4)	(60.2)	(37.6)	22.6
Ending Balance	\$123.0	\$109.2	\$115.2	\$6.0



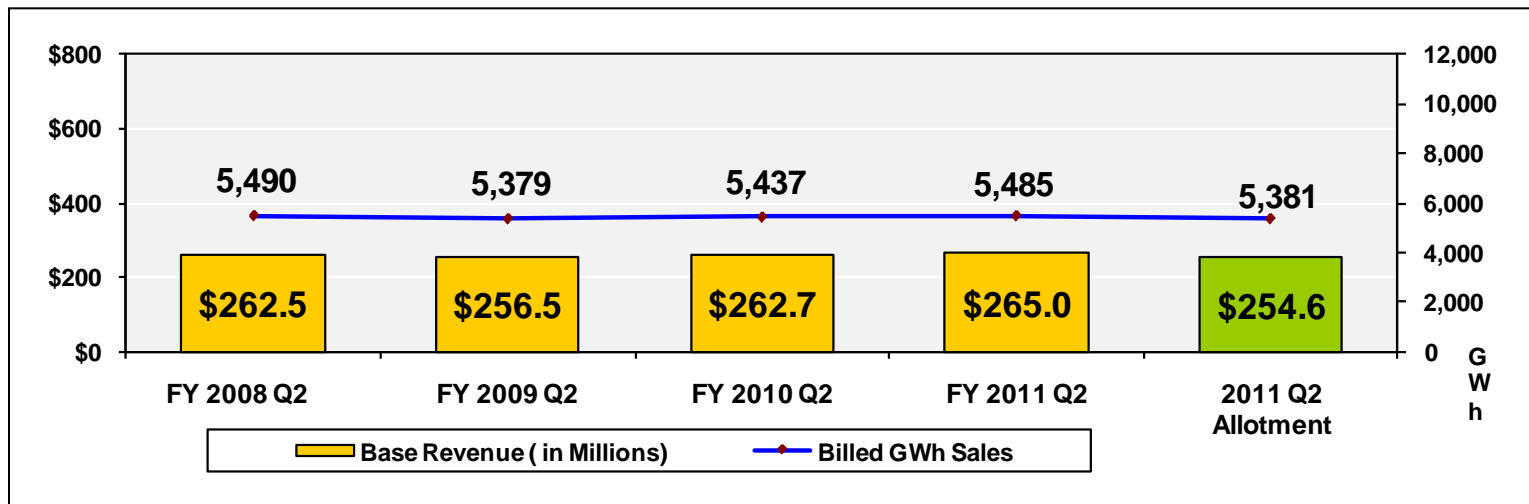
2011 Q2 Results

- Q2 results for six months ended March 31
- Revenue: \$504.8M
 - Service Area Retail Electric Sales \$265.0M (Base or non-fuel)
 - \$10.4 million higher than allotment
 - \$2.2 million higher than Q2 prior year
 - Fuel revenue \$177.0M
 - Other revenue \$62.8M
- Requirements: \$542.4M
 - Fuel cost \$177.0M
 - Non-fuel operating requirements \$213.7M
 - Transfers \$151.7M
- Deficiency: \$37.6M



2011 Q2 Revenue Highlights

Service Area Retail Electric Sales (Base or Non-Fuel) in Millions & Billed GWh Sales



Service Area Retail Electric Sales (Base or non-fuel)

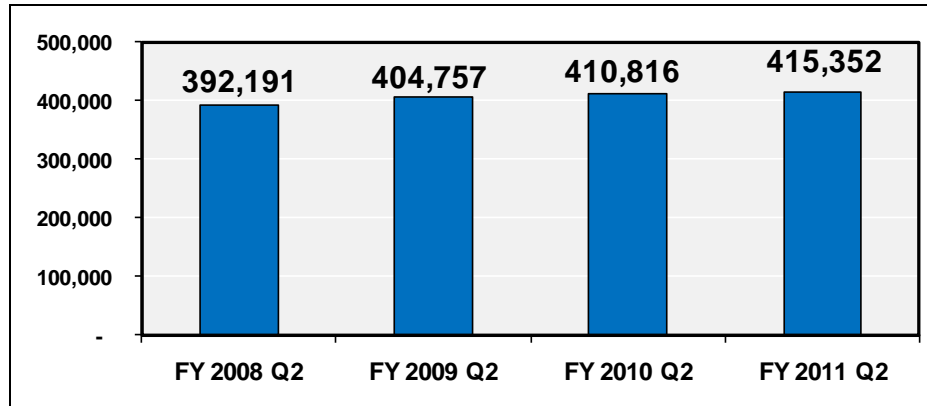
- \$613.4 million annual budget is 50% of total revenue
- \$623.8 million year end estimate with \$10.4 million positive variance
- Actual results affected by economic conditions and weather
- \$265.0 million Q2 exceeds FY 2010 Q2 by \$2.2 million

Billed sales of 5,485 gigawatt hours (GWh)

- 48 GWh higher than FY 2010 Q2 actual of 5,437 GWh

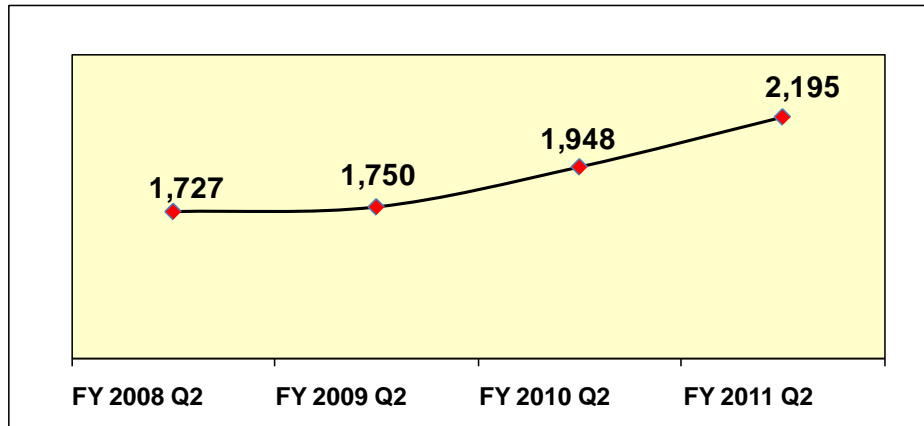


2011 Q2 Revenue Indicators



Average Number of Bills

- Key indicator of revenue growth
- 415,352 for Q2, an increase of 4,536 or 1.1% over FY 2010 Q2



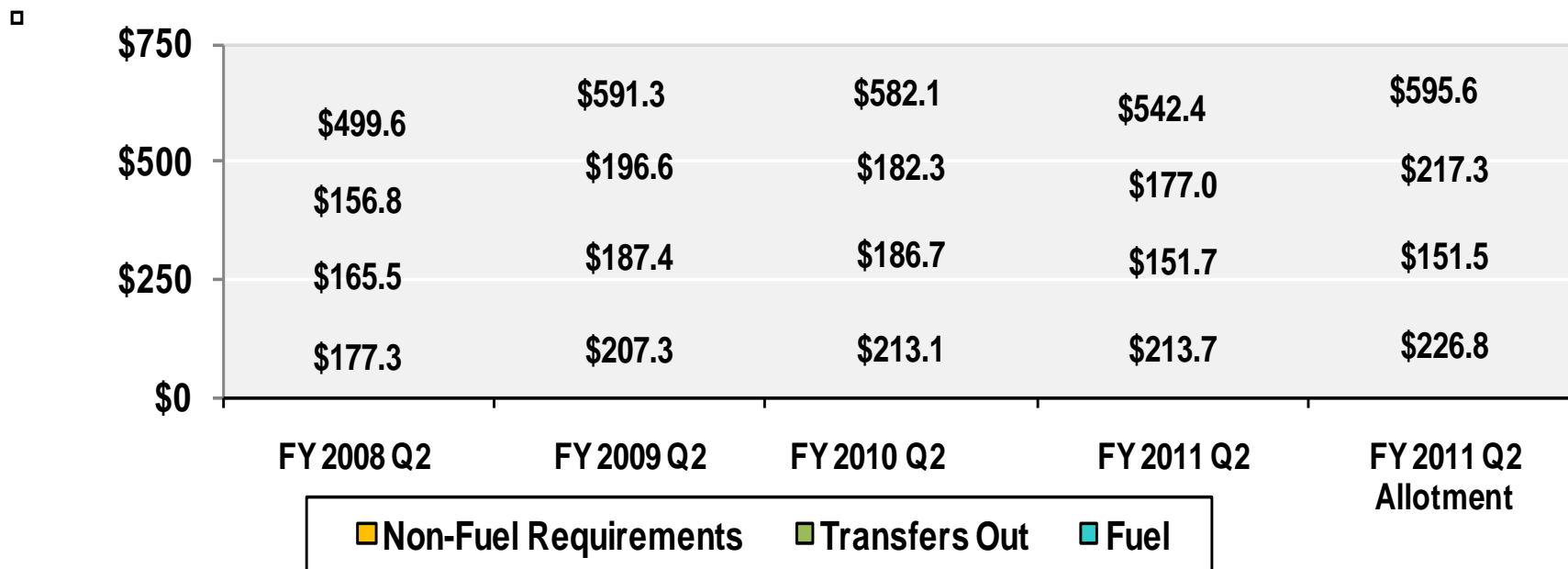
AE System Peak Demand (Megawatts or MW)

- 2,195 MW on February 2 at 7 p.m.
 - New winter peak record driven by low temperature of 24 degrees
 - Previous record 1,948 MW on January 8, 2010
- Sufficient owned & purchased power to meet customer demand



2011 Q2 Requirements Highlights

Total Requirements (In millions)



Total Q2 Requirements \$53.2 million below Q2 Allotment

- \$1,276.7 million annual budget
- \$1,189.4 million year end estimate with \$87.3 million favorable variance
- Fuel cost \$40.3 million lower than Q2 allotment due to fuel prices and power supply market prices
- Non-fuel operating expenses \$13.1 million lower than Q2 allotment
 - Savings on power plant equipment maintenance with new service contracts
 - Savings on Call Center billing costs and temporary services



2011 Revenue - Estimate

<i>(\$ millions)</i>	<i>Amended Budget 2010-11</i>	<i>Estimated 2010-11</i>	<i>Difference Budget to Estimate</i>
<i>Service Area Retail Electric Sales (Base or non-fuel)</i>	\$613.4	\$623.8	\$10.4
<i>Fuel Revenue</i>	490.2	401.0	(89.2)
<i>Transmission Revenue</i>	56.1	61.0	4.9
<i>Transmission Rider</i>	7.2	7.2	0.0
<i>Other Revenue</i>	57.8	48.6	(9.2)
<i>Interest Income</i>	5.6	5.6	0.0
<i>Total Available Funds</i>	\$1,230.3	\$1,147.2	(\$83.1)

○ Fuel Revenue

- Fuel cost passed onto customer with no profit
- Fuel cost fluctuations impact fuel revenue in a similar manner
- \$89.2 million lower due to reductions in fuel cost
- Larger decrease in fuel charge on January 1, 2011 than expected



2011 Requirements - Estimate

(\$ millions)	Amended Budget 2010-11	Estimated 2010-11	Difference Budget to Estimate
<i>Fuel Cost</i>	\$490.2	\$401.0	\$89.2
<i>Non-Fuel Operating Expense</i>	378.4	380.5	(2.1)
<i>Conservation including Rebate & Incentives Programs</i>	30.3	30.3	0.0
<i>Other Requirements</i>	30.3	30.3	0.0
Total Operating & Other Requirements	\$929.2	\$842.1	\$87.1
<i>Debt Service Transfer</i>	169.4	169.2	0.2
<i>Electric Capital Improvement Program Transfer</i>	74.0	74.0	0.0
<i>General Fund Transfer</i>	103.0	103.0	0.0
<i>Other Transfers</i>	1.1	1.1	0.0
Total Transfers	\$347.5	\$347.3	\$0.2
Total Requirements	\$1,276.7	\$1,189.4	\$87.3



2011 Fund Summary - Estimate

(\$ millions)	Amended Budget 2010-11	Estimated 2010-11	Difference Budget to Estimate
Beginning Balance	\$169.4	\$152.8	(\$16.6)
Base and Other Revenue	740.1	746.2	6.1
Fuel Revenue	490.2	401.0	(89.2)
Total Available Funds	\$1,230.3	\$1,147.2	(\$83.1)
Fuel Cost	490.2	401.0	89.2
Non-Fuel Operating Expense	439.0	441.1	(2.1)
Debt Service	169.4	169.2	0.2
Transfers	178.1	178.1	0.0
Total Requirements	\$1,276.7	\$1,189.4	\$87.3
Excess(Deficiency)	(46.4)	(42.2)	4.2
Ending Balance	\$123.0	\$110.6	(\$12.4)



Austin Energy Financial Update



Questions



Austin Energy

Financial Update

3rd Quarter ended June 30, 2011





2011 Q3 Financial Results

<i>(\$ millions)</i>	<i>Amended Budget 2010-11</i>	<i>Allotment Q3 FY11</i>	<i>Actual Q3 FY 11</i>	<i>Difference Actual to Allotment</i>
<i>Beginning Balance</i>	<i>\$169.4</i>	<i>\$169.4</i>	<i>\$152.8</i>	<i>(\$16.6)</i>
<i>Base and Other Revenue</i>	740.1	501.4	522.9	21.5
<i>Fuel Revenue</i>	490.2	338.4	299.9	(38.5)
<i>Total Available Funds</i>	<i>\$1,230.3</i>	<i>\$839.8</i>	<i>\$822.8</i>	<i>(\$17.0)</i>
<i>Fuel Cost</i>	490.2	338.4	299.9	38.5
<i>Non-Fuel Operating Expense</i>	444.5	330.2	319.7	10.5
<i>Debt Service</i>	169.4	104.7	105.3	(0.6)
<i>Transfers</i>	178.1	133.3	133.3	0.0
<i>Total Requirements</i>	<i>\$1,282.2</i>	<i>\$906.6</i>	<i>\$858.2</i>	<i>\$48.4</i>
<i>Excess(Deficiency)</i>	(51.9)	(66.8)	(35.4)	31.4
<i>Ending Balance</i>	<i>\$117.5</i>	<i>\$102.6</i>	<i>\$117.4</i>	<i>\$14.8</i>



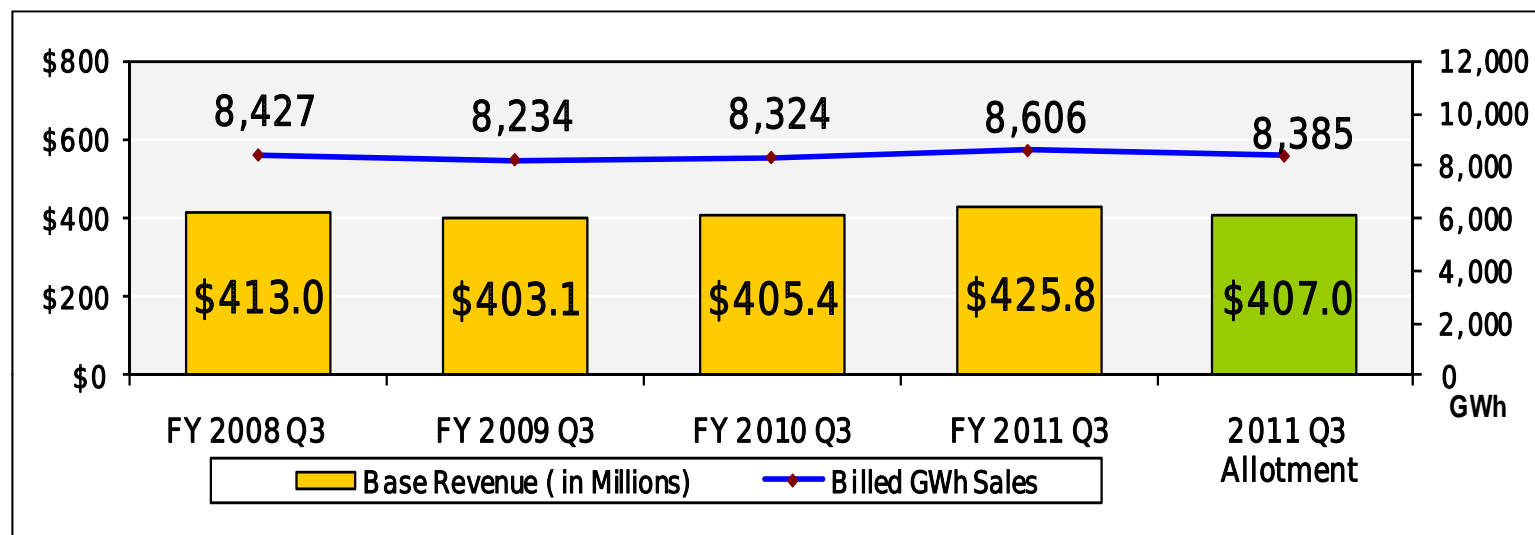
2011 Q3 Results

- Q3 results for nine months ended June 30
- Revenue: \$822.8M
 - Service Area Retail Electric Sales \$425.8M (Base or non-fuel)
 - \$18.8 million higher than allotment
 - \$20.4 million higher than Q3 prior year
 - Fuel revenue \$299.9M
 - Other revenue \$97.1M
- Requirements: \$858.2M
 - Fuel cost \$299.9M
 - Non-fuel operating requirements \$319.7M
 - Debt Service and Transfers \$238.6M
- Deficiency: \$35.4M



2011 Q3 Revenue Highlights

Service Area Retail Electric Sales (Base or Non-Fuel) in Millions & Billed GWh Sales



Service Area Retail Electric Sales (Base or non-fuel)

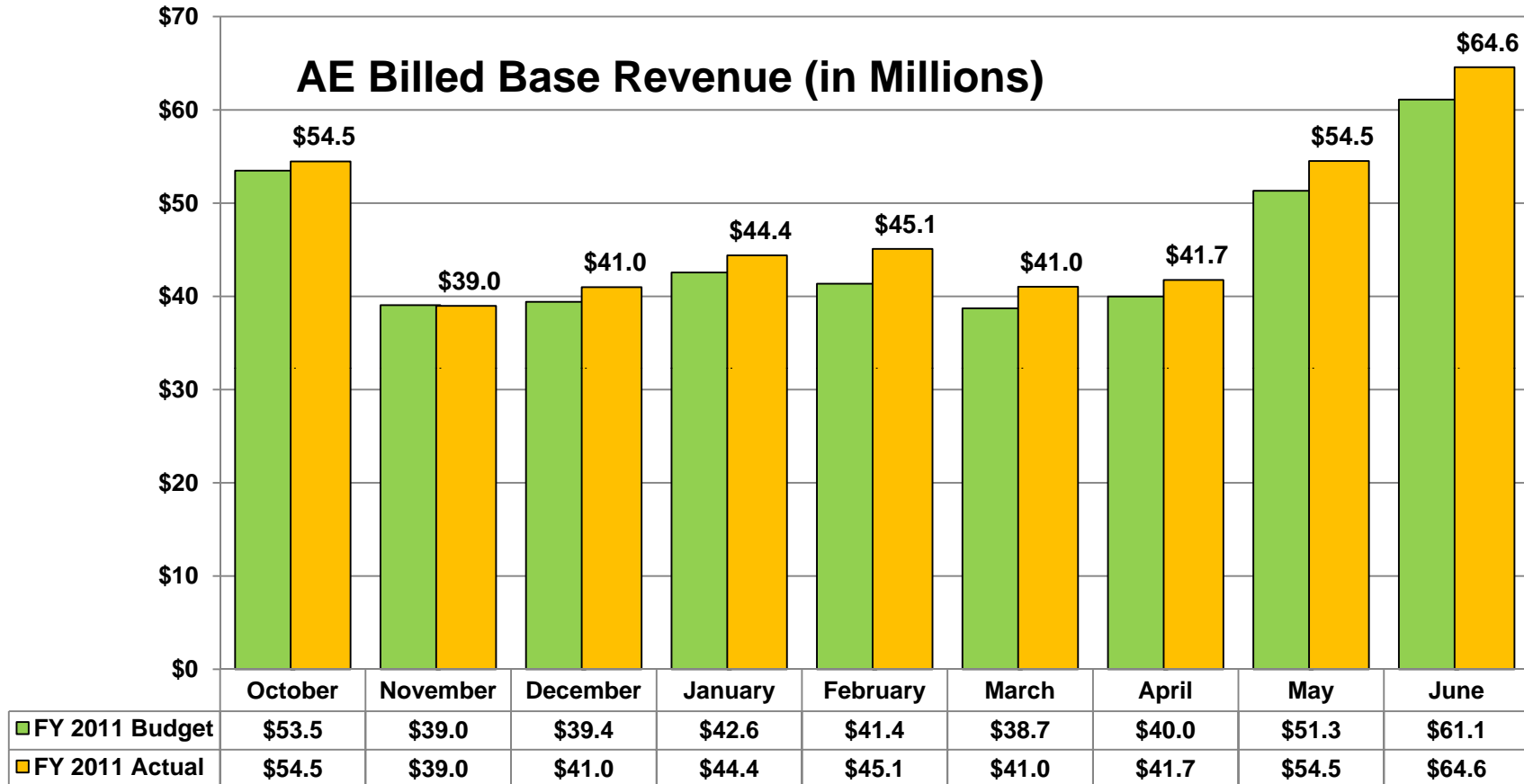
- \$613.4 million annual budget is 50% of total revenue
- \$624.6 million year end estimate with \$11.2 million positive variance
- Actual results affected by economic conditions and weather
- \$425.8 million Q3 exceeds FY 2010 Q3 by \$20.4 million

Billed sales of 8,606 gigawatt hours (GWh)

- 282 GWh higher than FY 2010 Q3 actual of 8,324 GWh



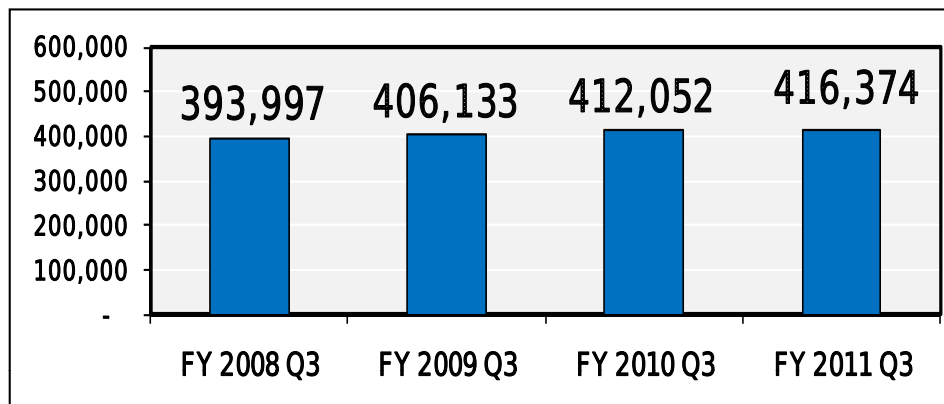
Billed Base Revenue Budget vs. Actual



- Actual revenue exceeds budget in each month except November
- Primarily due to extreme weather conditions

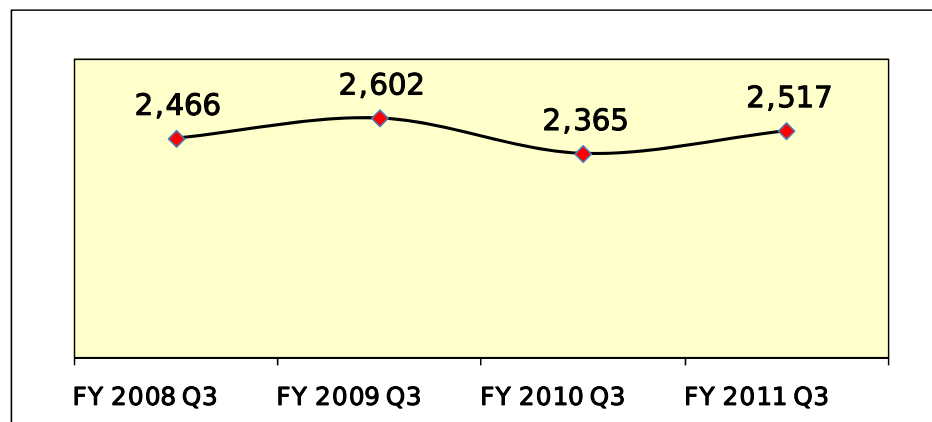


2011 Q3 Revenue Indicators



Average Number of Bills

- Key indicator of revenue growth
- 416,374 for Q3, an increase of 4,322 or 1.05% over FY 2010 Q3



AE System Peak Demand

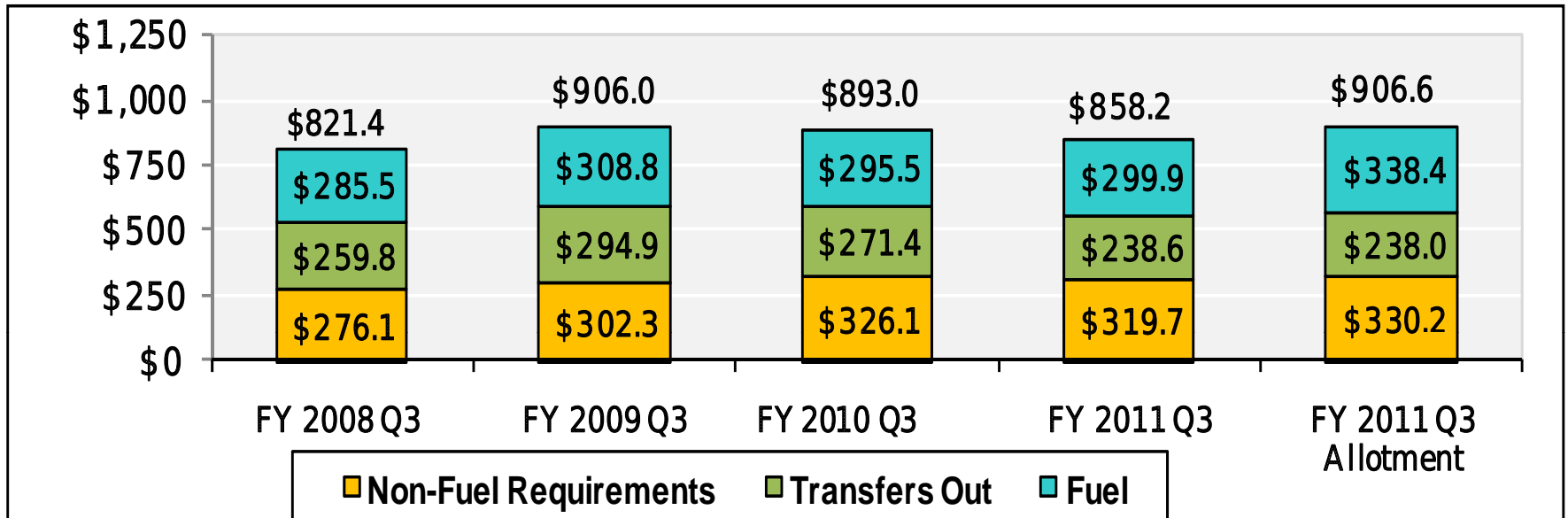
(Megawatts or MW)

- 2,517 MW on June 17 at 4 p.m.
 - Driven by high temperature of 104 degrees
 - 152 MW higher than FY 2010 Q3
- Sufficient owned & purchased power to meet customer demand



2011 Q3 Requirements Highlights

Total Requirements (In millions)



Total Q3 Requirements \$48.4 million below Q3 Allotment

- \$1,282.2 million annual budget
- \$1,177.8 million year end estimate with \$104.4 million favorable variance
- Fuel cost \$38.5 million lower than Q3 allotment due to fuel prices and power supply market prices
- Non-fuel operating expenses \$10.5 million lower than Q3 allotment
 - Savings on power plant equipment maintenance with new service contracts
 - Savings on Call Center billing costs and temporary services



2011 Fund Summary - Estimate

<i>(\$ millions)</i>	<i>Amended Budget 2010-11</i>	<i>Estimated 2010-11</i>	<i>Difference Budget to Estimate</i>
<i>Beginning Balance</i>	<i>\$169.4</i>	<i>\$152.8</i>	<i>(\$16.6)</i>
<i>Base and Other Revenue</i>	740.1	750.2	10.1
<i>Fuel Revenue</i>	490.2	390.2	(100.0)
<i>Total Available Funds</i>	<i>\$1,230.3</i>	<i>\$1,140.4</i>	<i>(\$89.9)</i>
<i>Fuel Cost</i>	490.2	390.2	100.0
<i>Non-Fuel Operating Expense</i>	444.5	442.0	2.5
<i>Debt Service</i>	169.4	167.5	1.9
<i>Transfers</i>	178.1	178.1	0.0
<i>Total Requirements</i>	<i>\$1,282.2</i>	<i>\$1,177.8</i>	<i>\$104.4</i>
<i>Excess(Deficiency)</i>	(51.9)	(37.4)	14.5
<i>Ending Balance</i>	<i>\$117.5</i>	<i>\$115.4</i>	<i>(\$2.1)</i>



Questions



Austin Energy

Financial Update

Year Ended September 30, 2011





Austin Energy – 2011 Highlights

- Rate Review in progress
- Energy Resource Plan to 2020 adopted with Affordability Goal
- Purchased power contracts for 291 megawatts (MW) of coastal wind power
- 30 MW solar farm at Webberville online December 2011
- Successful conversion from Zonal to Nodal Market
- Maintained excellent reliability during record breaking summer heat setting new peak demand records
- Customer Care & Billing System online October 2011
- New customer service center in North Austin opened
- Maintained bond credit ratings



2011 Financial Results

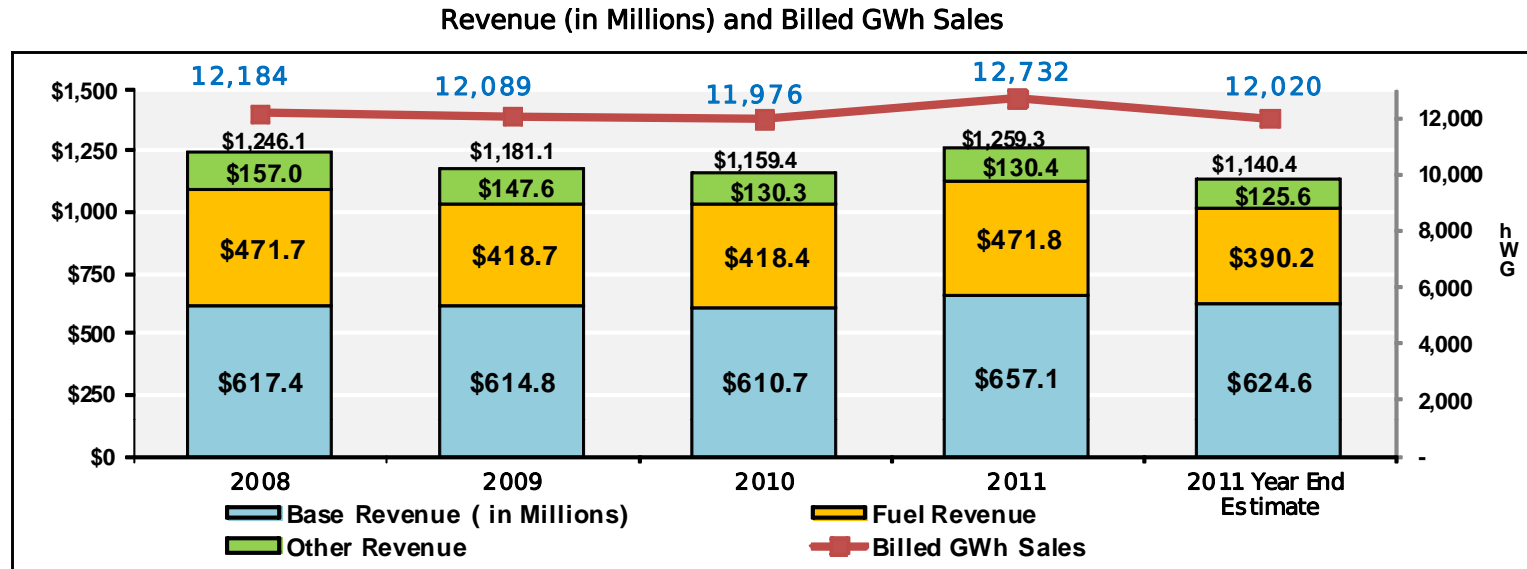
(\$ millions)	Amended Budget 2010-11	Estimated 2010-11 *	Actual Q4 2010-11	Difference Actual to Estimated
Beginning Balance	\$169.4	\$152.8	\$152.8	\$0.0
Base and Other Revenue	740.1	750.2	787.5	37.3
Fuel Revenue	490.2	390.2	471.8	81.6
Total Available Funds	\$1,230.3	\$1,140.4	\$1,259.3	\$118.9
Fuel Cost	490.2	390.2	471.8	(81.6)
Operating Expense (Non-Fuel)	444.5	442.0	441.1	0.9
Debt Service	169.4	167.5	165.5	2.0
Transfers	178.1	178.1	178.1	0.0
Total Requirements	\$1,282.2	\$1,177.8	\$1,256.5	(\$78.7)
Excess (Deficiency)	(51.9)	(37.4)	2.8	40.2
Adjustment to GAAP	0.0	0.0	(11.1)	(11.1)
Operating Fund Ending Balance	\$117.5	\$115.4	\$144.5	\$29.1
Strategic Reserve Fund	\$137.8	\$137.6	\$137.6	\$0.0

* Estimate for Fiscal Year (FY) 2011 reported in FY 2012 Proposed Budget

- Better results than expected - revenue exceeds requirements by \$2.8 million
- Estimate of \$(37.4) million before extreme summer weather-related revenue



2011 Revenue Highlights



Service Area Retail Electric Sales (Base or non-fuel) revenue

- Annual budget of \$613.4 million is 50% of total revenue
- Actual results affected by economic conditions and weather
- \$657.1 million actual is \$32.5 million above estimate

Fuel revenue exceeds estimate by \$81.6 million

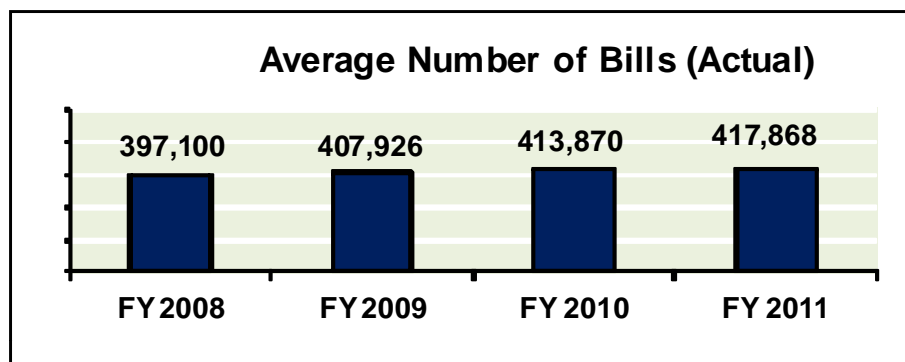
- Pass through of fuel cost totaling \$471.8 million

Billed sales of 12,732 gigawatt hours (GWh)

- 712 GWh higher than estimate and 936 GWh higher than FY 2010

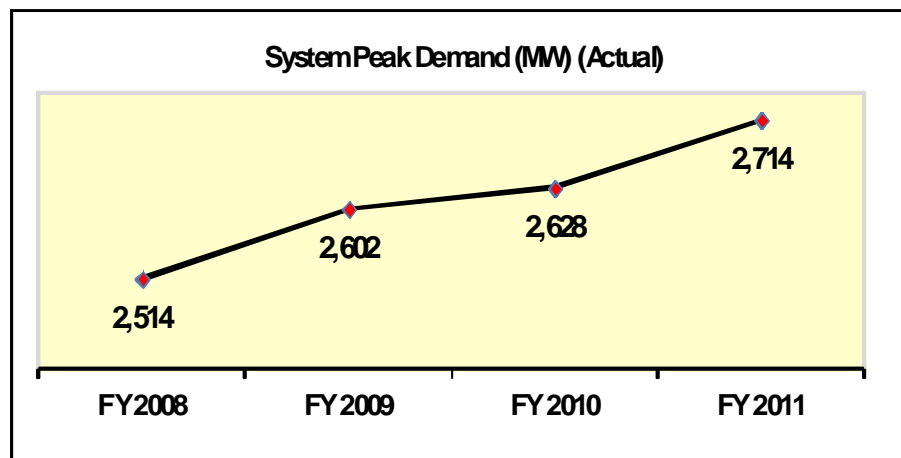


2011 Revenue Indicators



Average Number of Bills

- Key indicator of revenue growth
- 417,868 for FY 2011, increase of 3,998 or 0.97% over FY 2010

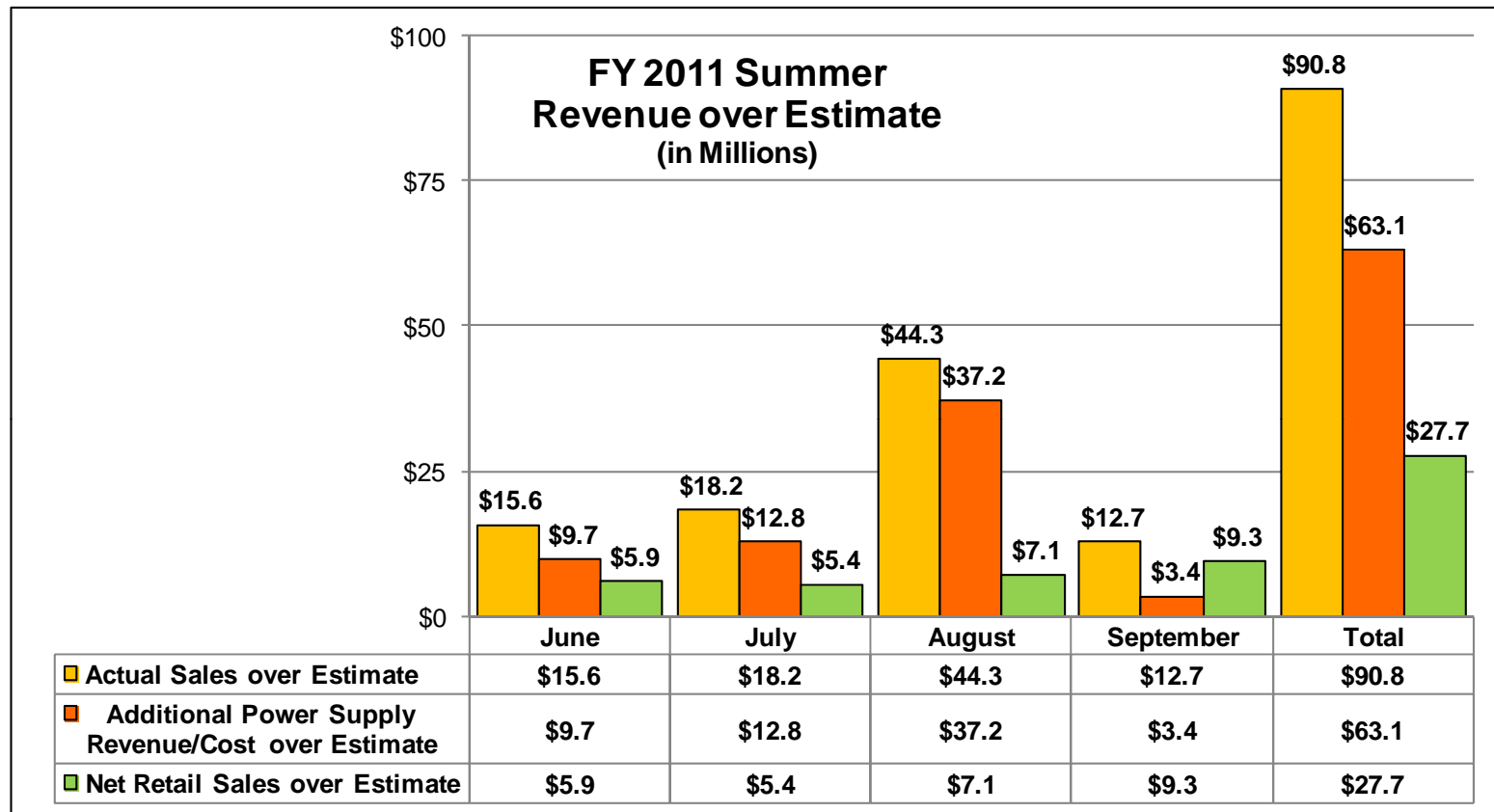


AE System Peak Demand (Megawatts or MW)

- 2,714 MW August 29 at 4 p.m.
 - High temperature of 108 degrees
 - 86 MW or 3.3% higher than FY 2010
- Sufficient owned & purchased power to meet customer demand



Retail Revenue Exceeds Estimate



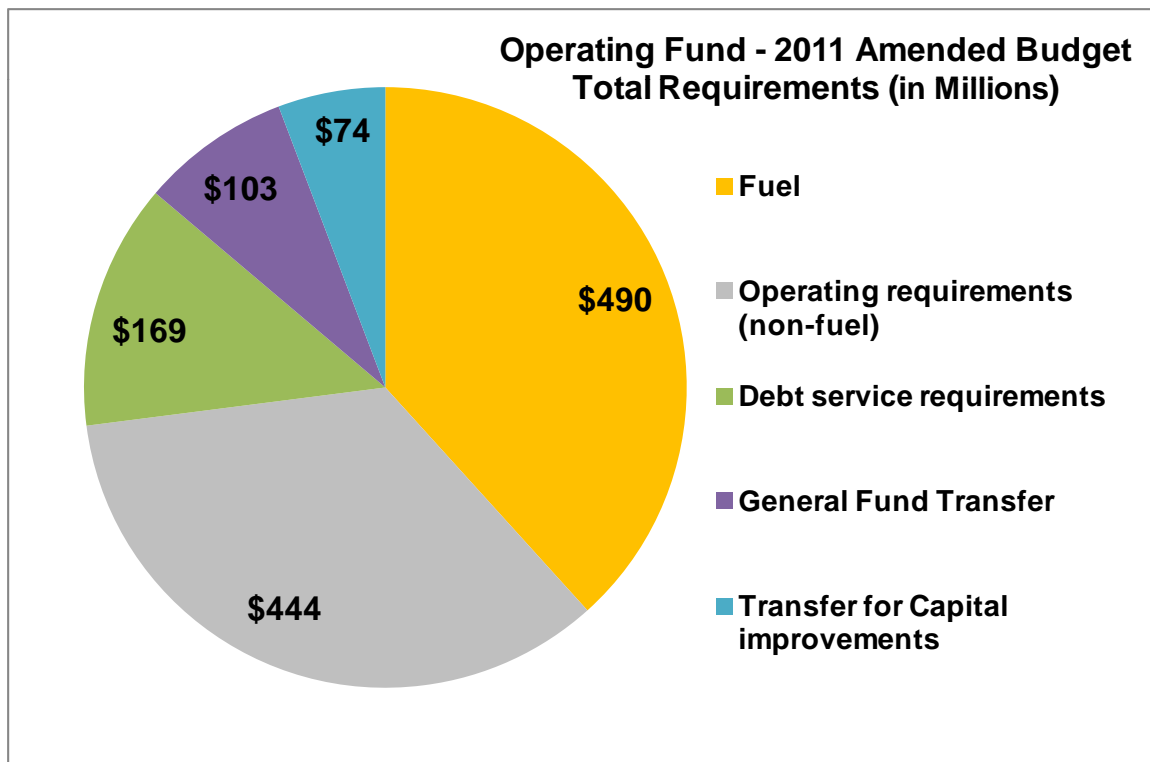
- Summer revenue less power supply cost reduced budget deficiency \$28 M
- June through September - \$90.8 M additional revenue less increased power supply cost of \$63.1 M reduced budget deficiency by \$27.7 M
- August unplanned outages for base load generation increased cost



2011 Amended Budget

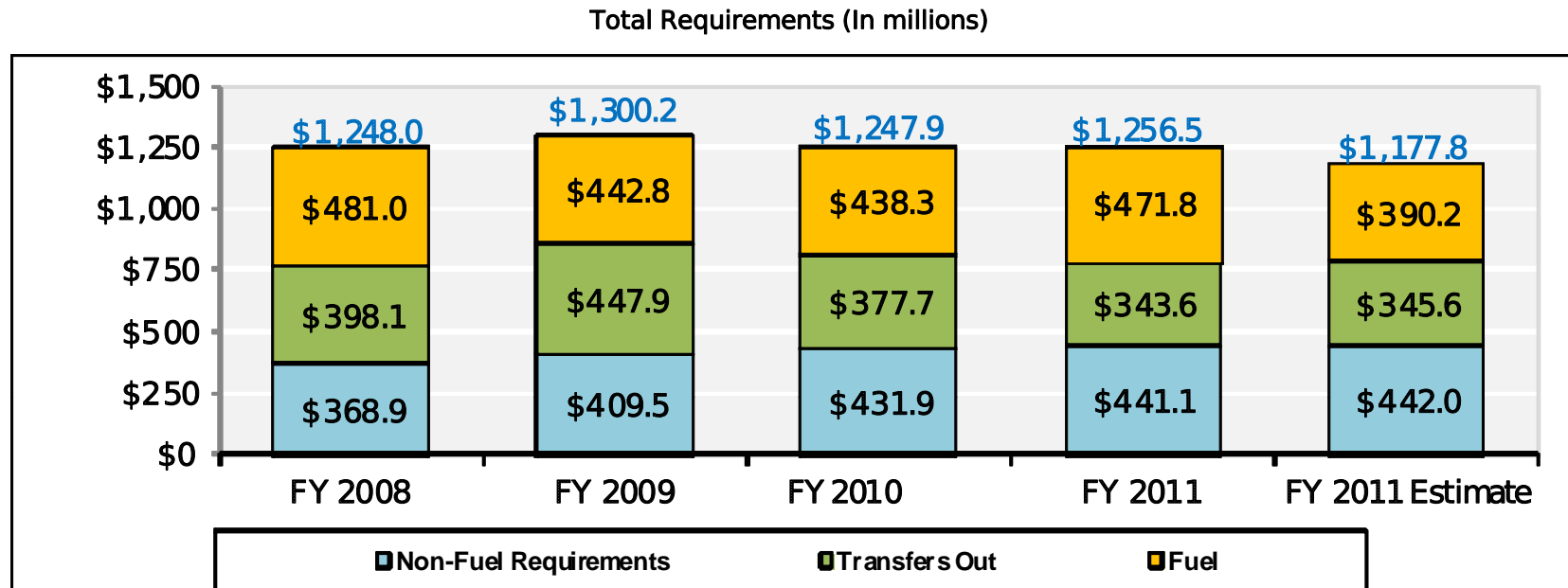
Operating Fund – \$1.28 Billion Requirements

- Budget amended \$5.5 million for Holly Power Plant decommissioning





2011 Requirements Highlights

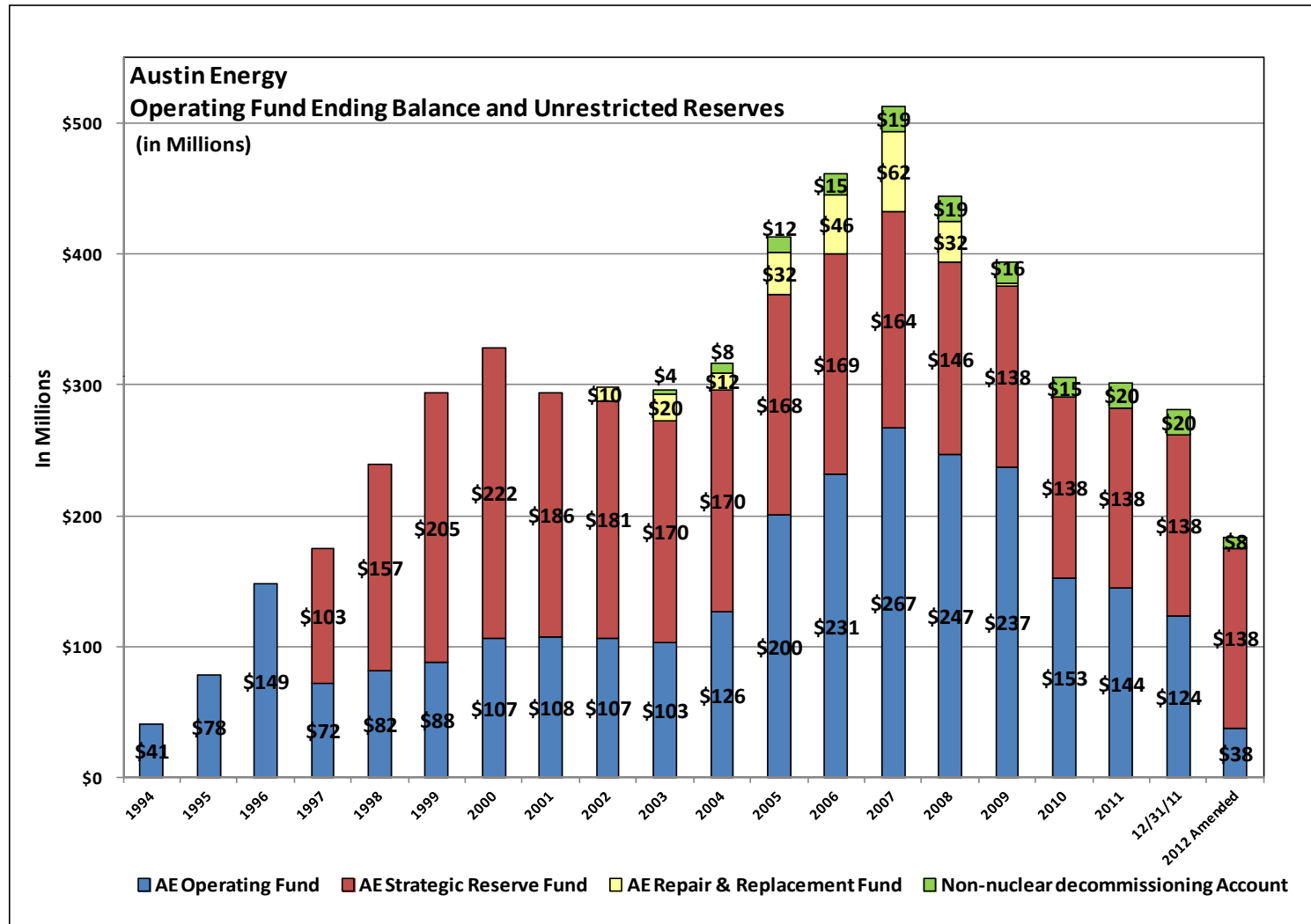


Total Requirements \$78.7 million above estimate, primarily fuel

- Non-fuel operating expenses \$0.9 million below estimate
 - Base load generation expenses higher than estimate related to outages
 - Savings on power plant equipment maintenance with new service contracts
 - Savings on Call Center billing costs and temporary services
- Fuel costs \$81.6 million higher than estimate
 - Unplanned outage for base load generation
 - Increased cost for more expensive replacement power



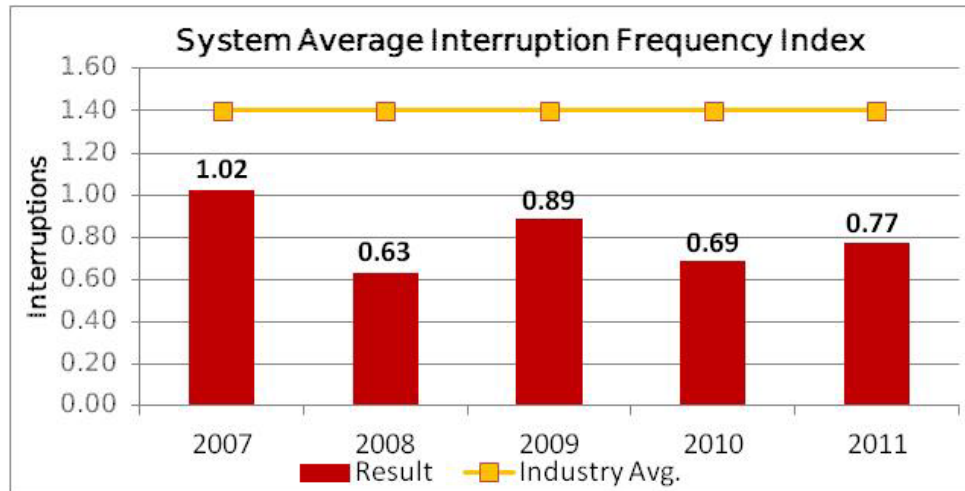
Operating Fund Ending Balance and Unrestricted Reserves



- Actual history including quarter ended 12/31/2011 and 2012 Amended Budget



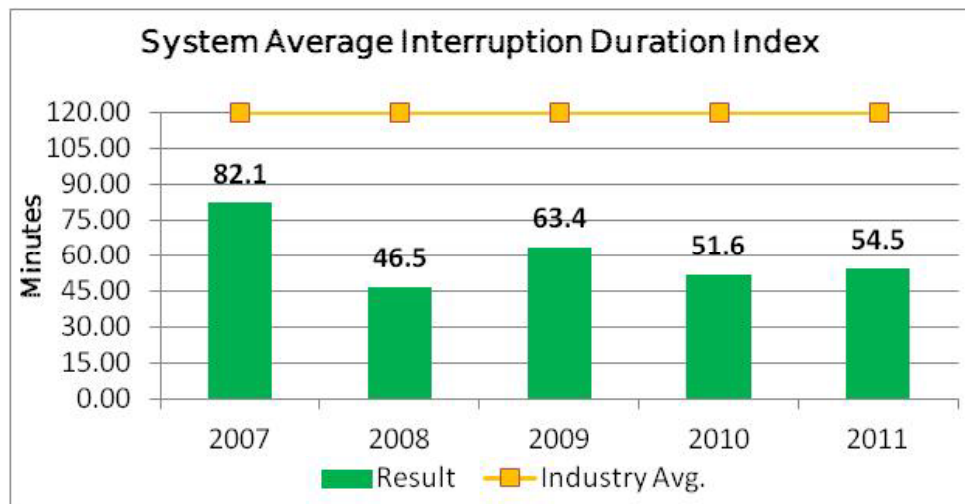
2011 Performance & History



Grid Reliability

- **SAIFI - System Average Interruption Frequency Index**

- Goal = 0.8 interruptions
- Industry average of 1.4 interruptions



- **SAIDI – System Average Interruption Duration Index**

- Goal = 60 Minutes
- Industry average of 120 minutes



Questions





Austin Energy

Financial Update

2nd Quarter ended March 31, 2012





2012 Q2 Financial Results

<i>(\$ millions)</i>	<i>Amended Budget 2011-12</i>	<i>Allotment Q2 FY12</i>	<i>Actual Q2 FY 12</i>	<i>Difference Actual to Allotment</i>
<i>Beginning Balance</i>	<i>\$115.4</i>	<i>\$115.4</i>	<i>\$143.5</i>	<i>\$28.1</i>
<i>Base and Other Revenue</i>	730.5	318.3	335.9	17.6
<i>Fuel Revenue</i>	408.9	184.2	167.0	(17.2)
<i>Total Available Funds</i>	<i>\$1,139.4</i>	<i>\$502.5</i>	<i>\$502.9</i>	<i>\$0.4</i>
<i>Fuel Cost</i>	408.9	184.2	167.0	17.2
<i>Non-Fuel Operating Expense</i>	450.9	241.4	227.5	13.9
<i>Debt Service</i>	175.1	62.5	61.8	0.7
<i>Transfers</i>	182.1	91.0	91.0	0.0
<i>Total Requirements</i>	<i>\$1,217.0</i>	<i>\$579.1</i>	<i>\$547.3</i>	<i>\$31.8</i>
<i>Excess(Deficiency)</i>	(77.6)	(76.6)	(44.4)	32.2
<i>Ending Balance</i>	<i>\$37.8</i>	<i>\$38.8</i>	<i>\$99.1</i>	<i>\$60.3</i>



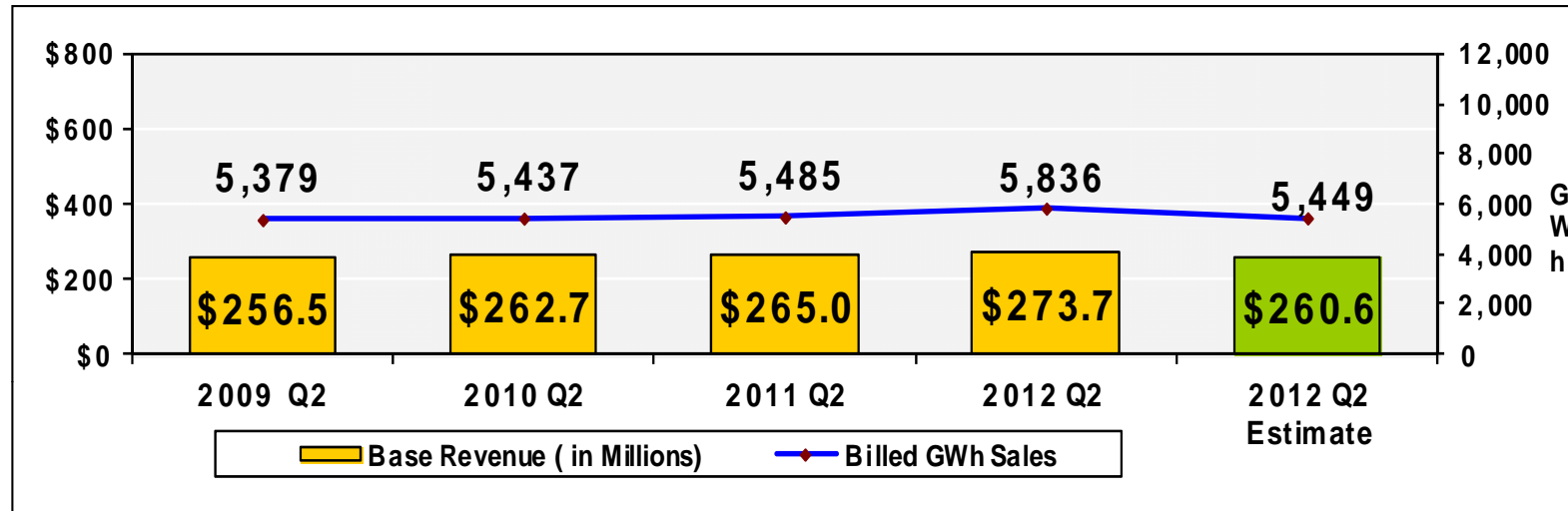
2012 Q2 Results

- Q2 results for six months ended March 31
- Revenue: \$502.9M
 - Service Area Retail Electric Sales \$273.7M (Base or non-fuel)
 - \$13.5 million higher than allotment
 - \$8.7 million higher than Q2 prior year
 - Fuel revenue \$167.0M
 - Other revenue \$62.2M
- Requirements: \$547.3M
 - Fuel cost \$167.0M
 - Non-fuel operating requirements \$227.5M
 - Transfers \$152.8M
- Deficiency: \$44.4M



2012 Q2 Revenue Highlights

Service Area Retail Electric Sales (Base or Non-Fuel) in Millions & Billed GWh Sales



Service Area Retail Electric Sales (Base or non-fuel)

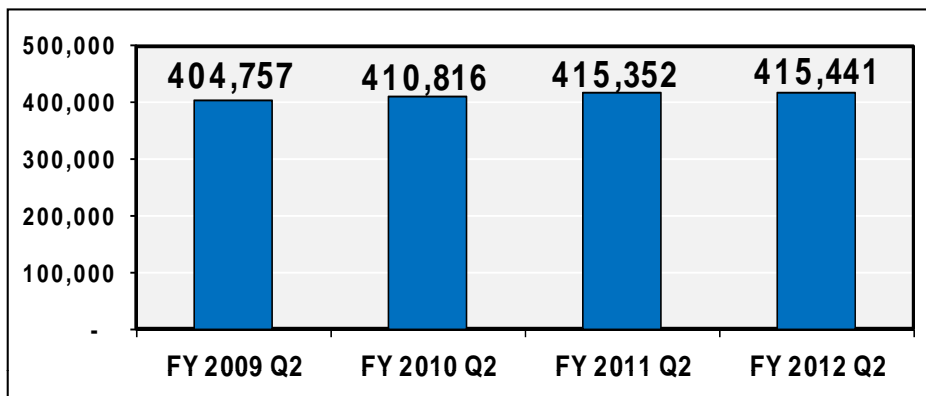
- \$614.4 million annual budget is 54% of total revenue
- \$622.2 million year end estimate with \$7.8 million positive variance
- Actual results affected by economic conditions and weather
- \$273.7 million Q2 exceeds FY 2011 Q2 by \$8.7 million

Billed sales of 5,836 gigawatt hours (GWh)

- 351 GWh higher than FY 2011 Q2 actual of 5,485 GWh
- Billing cycle change in October with conversion to new billing system

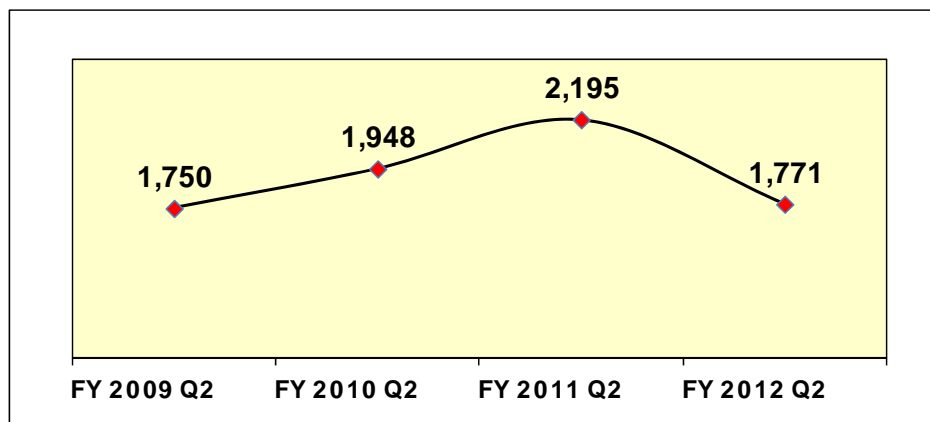


2012 Q2 Revenue Indicators



Average Number of Bills

- Key indicator of revenue growth
- 415,441 for Q2, an increase of 89 or 0.02% over FY 2011 Q2
- Multi-family Partner Program goes from individual bills per unit to single bill for complex.



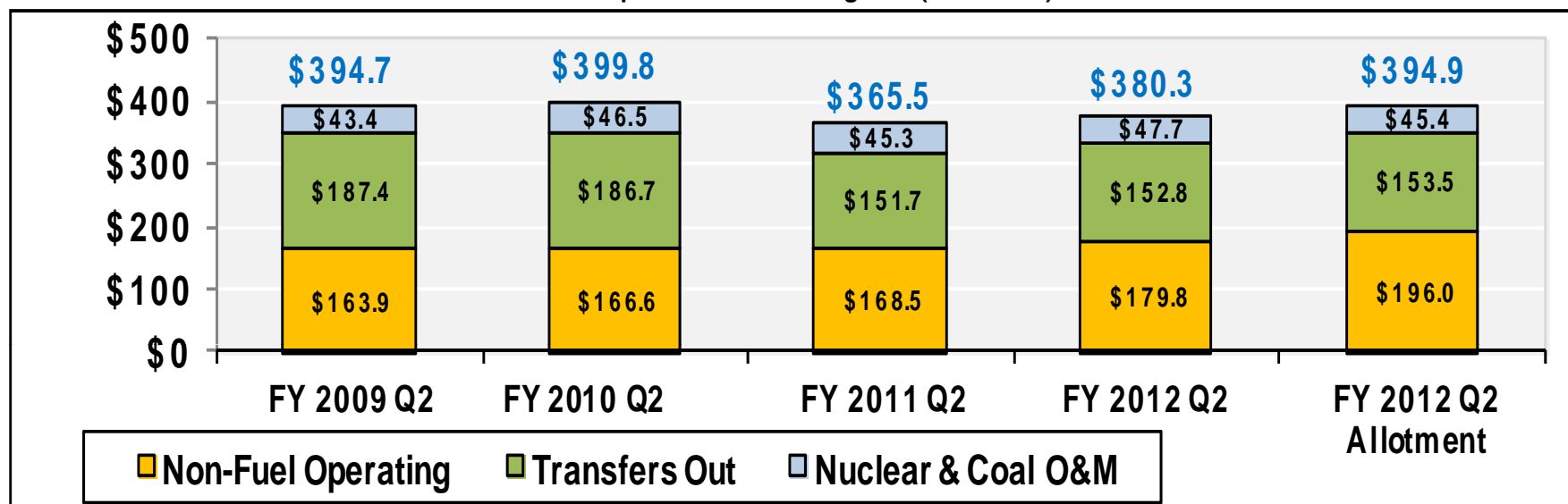
AE System Peak Demand (Megawatts or MW)

- 1,771 MW on March 31 at 5 p.m.
 - Very mild winter compared to FY 2011 when winter peak set
- Sufficient owned & purchased power to meet customer demand



2012 Q2 Requirements Highlights

Total Requirements excluding Fuel (In millions)



Total Q2 Requirements (less Fuel) \$14.6 million below Q2 Allotment

- \$1,217.0 million Total Requirements annual budget including Fuel
- \$808.1 million Total Requirements annual budget (excluding Fuel)
- Non-fuel operating expenses \$16.2 million lower than Q2 allotment
 - Savings on personnel due to higher vacancy rates
 - Savings on Call Center billing costs and meter reading services
 - Savings on engineering and other consultant expenses
- Transfers Out include General Fund, Debt Service, Capital Program cash



2012 Fund Summary - Estimate

<i>(\$ millions)</i>	<i>Amended Budget 2011-12</i>	<i>Estimated 2011-12</i>	<i>Difference Budget to Estimate</i>
<i>Beginning Balance</i>	<i>\$115.4</i>	<i>\$143.5</i>	<i>\$28.1</i>
<i>Base and Other Revenue</i>	730.5	738.3	7.8
<i>Fuel Revenue</i>	408.9	408.9	0.0
<i>Total Revenue</i>	<i>\$1,139.4</i>	<i>\$1,147.2</i>	<i>\$7.8</i>
Transfers In – Strategic Reserve Fund	0	25.0	25.0
<i>Total Available Funds</i>	<i>\$1,139.4</i>	<i>\$1,172.2</i>	<i>\$32.8</i>
<i>Fuel Cost</i>	408.9	408.9	0.0
<i>Non-Fuel Operating Expense</i>	450.9	450.9	0.0
<i>Debt Service</i>	175.1	175.1	0.0
Transfers	182.1	182.1	0.0
<i>Total Requirements</i>	<i>\$1,217.0</i>	<i>\$1,217.0</i>	<i>\$0.0</i>
<i>Excess(Deficiency)</i>	(77.6)	(44.8)	32.8
<i>Ending Balance</i>	<i>\$37.8</i>	<i>\$98.7</i>	<i>\$60.9</i>



Austin Energy Financial Update



Questions



Austin Energy

Financial Update

3rd Quarter ended June 30, 2012

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



2012 YTD Q3 Results



- Q3 results for nine months ended June 30
- Revenue: \$821.7M
 - Service Area Retail Electric Sales \$432.4M (Base or non-fuel)
 - \$22.7 million higher than allotment
 - \$6.6 million higher than Q3 prior year
 - Fuel revenue \$292.0M
 - Other revenue \$97.3M
- Requirements: \$858.6M
 - Fuel cost \$292.0M
 - Non-fuel operating requirements \$328.9M
 - Transfers \$237.7M
- Deficiency: \$36.9M



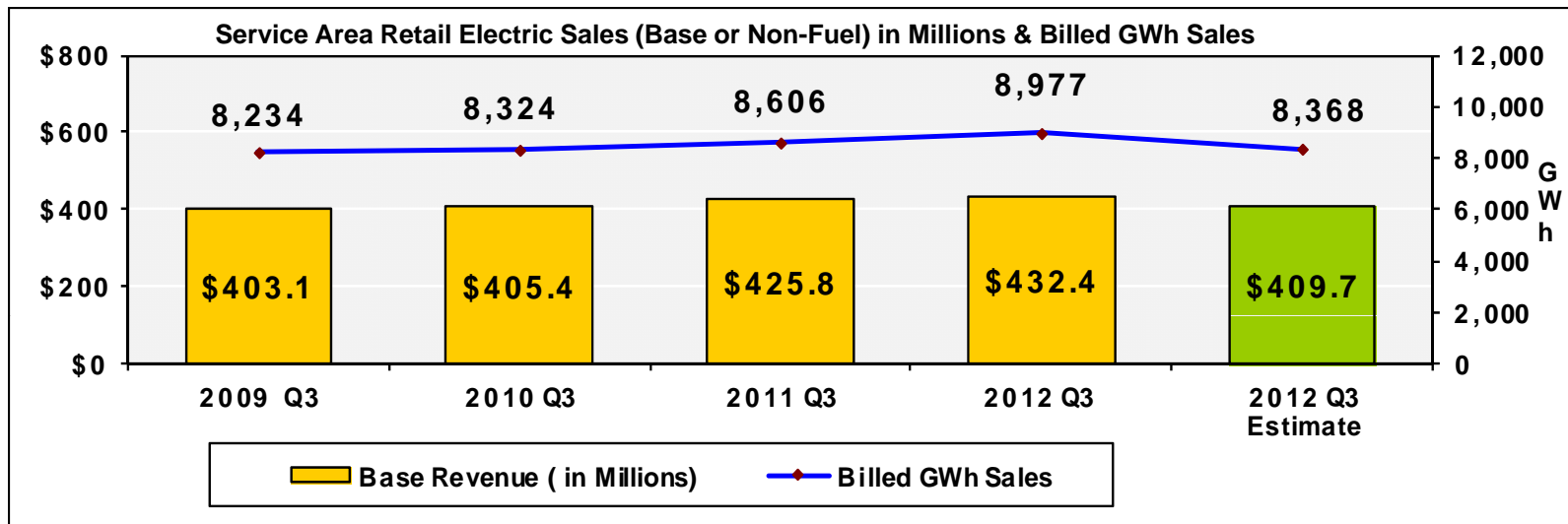
2012 YTD Q3 Financial Results



<i>(\$ millions)</i>	<i>Amended Budget 2011-12</i>	<i>Allotment Q3 FY12</i>	<i>Actual Q3 FY 12</i>	<i>Difference Actual to Allotment</i>
<i>Beginning Balance</i>	<i>\$115.4</i>	<i>\$115.4</i>	<i>\$143.5</i>	<i>\$28.1</i>
<i>Base and Other Revenue</i>	730.5	495.2	529.7	34.5
<i>Fuel Revenue</i>	408.9	282.9	292.0	9.1
<i>Transfers In</i>	0.0	0.0	0.0	0.0
<i>Total Available Funds</i>	<i>\$1,139.4</i>	<i>\$778.1</i>	<i>\$821.7</i>	<i>\$43.6</i>
<i>Fuel Cost</i>	408.9	282.9	292.0	(9.1)
<i>Non-Fuel Operating Expense</i>	452.5	347.3	328.9	18.4
<i>Debt Service</i>	175.1	106.6	101.0	5.6
<i>Transfers</i>	182.1	136.7	136.7	0.0
<i>Total Requirements</i>	<i>\$1,218.6</i>	<i>\$873.5</i>	<i>\$858.6</i>	<i>\$14.9</i>
<i>Excess(Deficiency)</i>	(79.2)	(95.4)	(36.9)	58.5
<i>Ending Balance</i>	<i>\$36.2</i>	<i>\$20.0</i>	<i>\$106.6</i>	<i>\$86.6</i>



2012 YTD Q3 Revenue Highlights



Service Area Retail Electric Sales (Base or non-fuel)

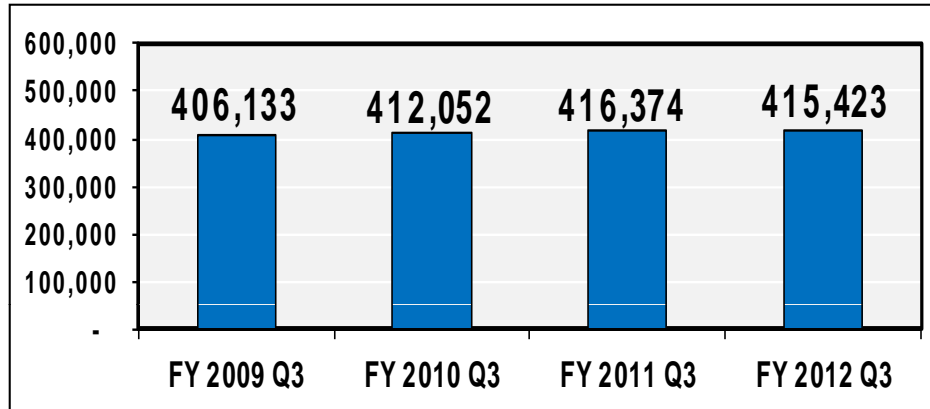
- \$614.4 million annual budget is 54% of total revenue
- \$633.9 million year end estimate with \$19.5 million positive variance
- Actual results affected by economic conditions and weather

Billed sales of 8,977 gigawatt hours (GWh)

- 371 GWh higher than FY 2011 Q3 actual of 8,606 GWh
- Billing cycle change in October with conversion to new billing system

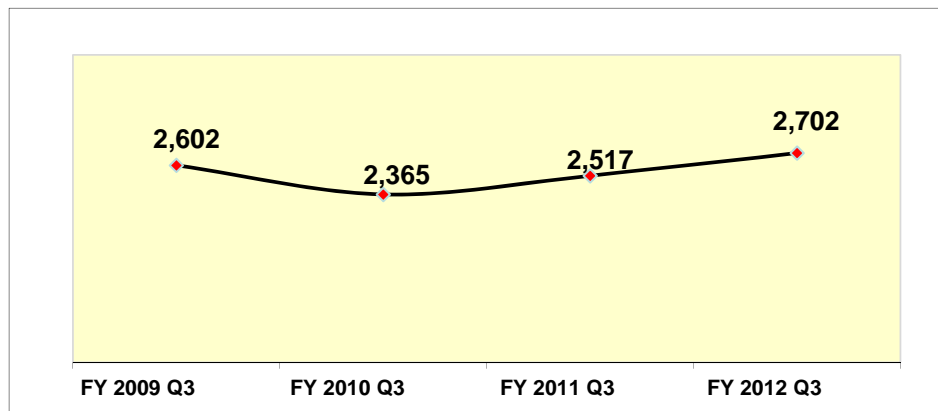


2012 YTD Q3 Revenue Indicators



Average Number of Bills

- Key indicator of revenue growth
- 415,423 for Q3, a decrease of 951 or 0.2% from FY 2011 Q3
- Multi-family Partner Program goes from individual bills per unit to single bill for complex.



AE System Peak Demand (Megawatts or MW)

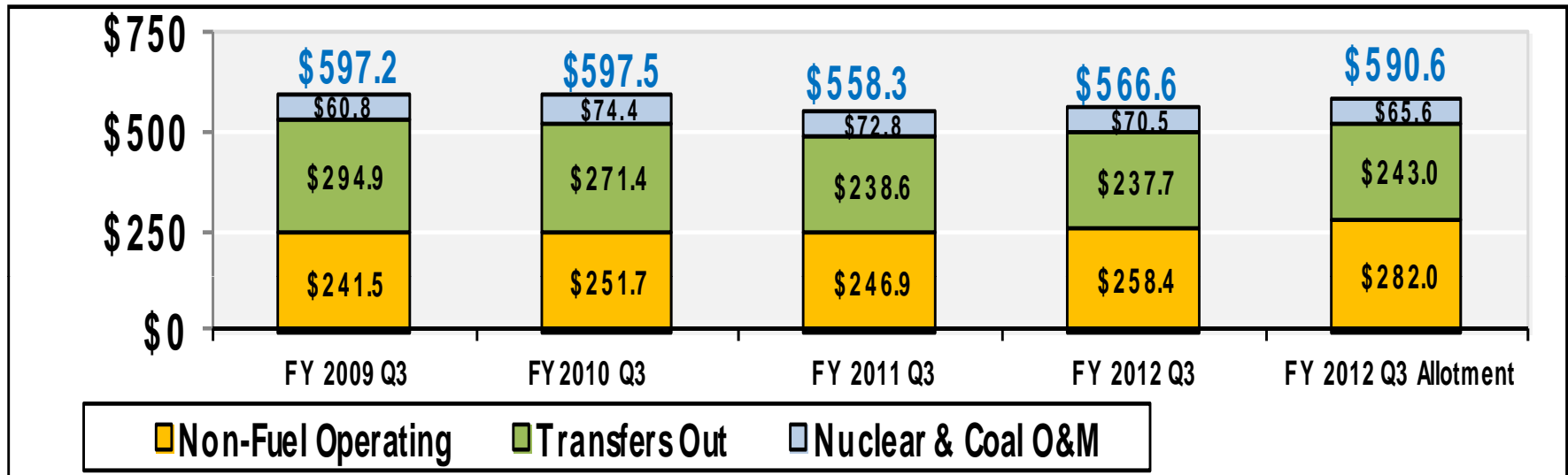
- 2,702 MW on June 26 at 4 p.m.
 - Temperature 105 degrees at peak
 - Weather up to that time relatively mild compared to 2011
- Sufficient owned & purchased power to meet customer demand



2012 YTD Q3 Requirements Highlights



Total Requirements excluding Fuel (In millions)



Total Q3 Requirements (less Fuel) \$24.0 million below Q3 Allotment

- \$1,218.6 million Total Requirements annual budget including Fuel
- \$809.7 million Total Requirements annual budget (excluding Fuel)
- Non-fuel operating expenses \$23.6 million lower than Q3 allotment
 - Savings on personnel due to higher vacancy rates
 - Savings on Call Center billing costs and meter reading services
 - Lower expenditures for conservation rebates (expected to increase in 4th quarter).
- Transfers Out include General Fund, Debt Service, Capital Program cash



2012 Fund Summary - Estimate



<i>(\$ millions)</i>	<i>Amended Budget 2011-12</i>	<i>Estimated 2011-12</i>	<i>Difference Budget to Estimate</i>
<i>Beginning Balance</i>	<i>\$115.4</i>	<i>\$143.5</i>	<i>\$28.1</i>
<i>Base and Other Revenue</i>	730.5	756.2	25.7
<i>Fuel Revenue</i>	408.9	427.1	18.2
<i>Total Revenue</i>	<i>\$1,139.4</i>	<i>\$1,183.3</i>	<i>\$43.9</i>
Transfers In – Strategic Reserve Fund	0	25.0	25.0
<i>Total Available Funds</i>	<i>\$1,139.4</i>	<i>\$1,208.3</i>	<i>\$68.9</i>
<i>Fuel Cost</i>	408.9	427.1	(18.2)
<i>Non-Fuel Operating Expense</i>	452.5	452.5	0.0
<i>Debt Service</i>	175.1	166.5	8.6
Transfers	182.1	182.1	0.0
<i>Total Requirements</i>	<i>\$1,218.6</i>	<i>\$1,228.2</i>	<i>(\$9.6)</i>
<i>Excess(Deficiency)</i>	(79.2)	(19.9)	59.3
<i>Ending Balance</i>	<i>\$36.2</i>	<i>\$123.6</i>	<i>\$87.4</i>



Austin Energy Financial Update



Questions?





Austin Energy

Financial Update

Year Ended September 30, 2012

1st Quarter Fiscal Year 2013

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



2012 Highlights



- Rate Review and increase approved by Council June 7, 2012
- Renewable portfolio at 15% moving to 27% in early FY 2013
Purchase Power Agreements include:
 - 196 MW wind from Penescal project in October, 2011
 - 30 MW Webberville Solar project on-line December, 2011
 - 100 MW Nacogdoches Biomass project on-line June 2012.
- Issued a record number of rebates for residential solar installations
- Maintained excellent system reliability
- Customer Care & Billing System online October 2011
- Bond credit ratings stable in FY 12, upgraded in early FY 2013



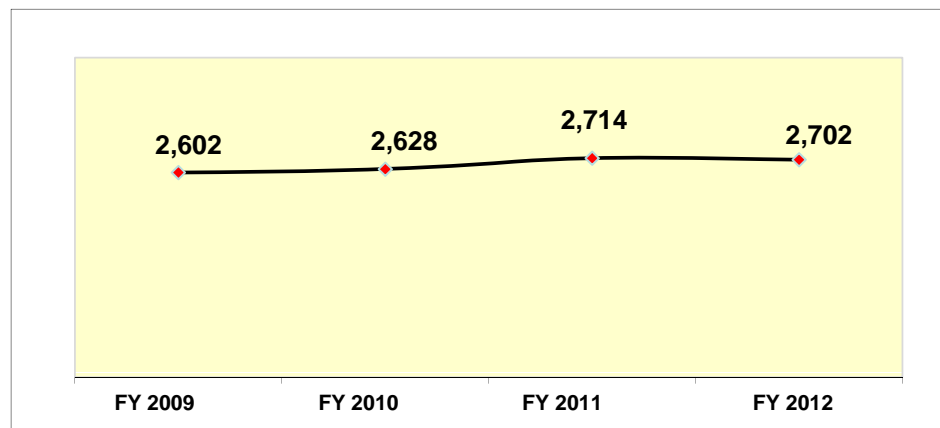
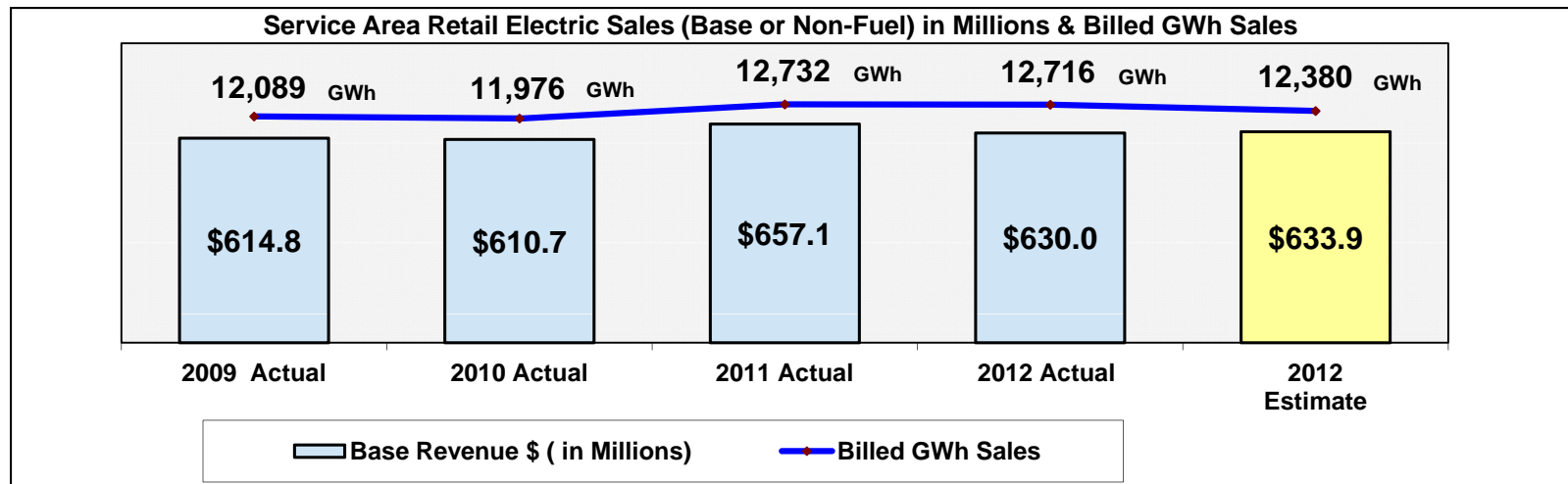
2012 Financial Results

<i>(\$ millions)</i>	<i>Amended Budget 2011-12</i>	<i>FY12 Estimated*</i>	<i>Actual Q4 2011-12</i>	<i>Difference Actual to Estimate</i>
<i>Beginning Balance</i>	<i>\$115.4</i>	<i>\$143.5</i>	<i>\$143.5</i>	<i>\$0.0</i>
<i>Base and Other Revenue</i>	730.5	756.2	760.5	4.3
<i>Fuel Revenue</i>	408.9	427.1	425.9	(1.2)
<i>Transfers In</i>	25.0	25.0	24.8	(0.2)
<i>Total Available Funds</i>	<i>\$1,164.4</i>	<i>\$1,208.3</i>	<i>\$1,211.2</i>	<i>\$2.9</i>
<i>Fuel Cost</i>	408.9	427.1	425.9	1.2
<i>Non-Fuel Operating Expense</i>	452.5	452.5	444.0	8.5
<i>Debt Service</i>	175.1	166.5	167.0	(0.5)
<i>Transfers</i>	182.1	182.1	182.1	0.0
<i>Total Expenditures</i>	<i>\$1,218.6</i>	<i>\$1,228.2</i>	<i>\$1,219.0</i>	<i>\$9.2</i>
<i>Excess(Deficiency)</i>	<i>(54.2)</i>	<i>(19.9)</i>	<i>(7.8)</i>	<i>12.1</i>
<i>Adjustment to GAAP</i>			<i>(8.5)</i>	<i>(8.5)</i>
<i>Ending Balance</i>	<i>\$61.2</i>	<i>\$123.6</i>	<i>\$127.2</i>	<i>\$3.6</i>

* Estimate for Fiscal Year (FY) 2012 reported in FY 2013 Proposed Budget



2012 Revenue Highlights

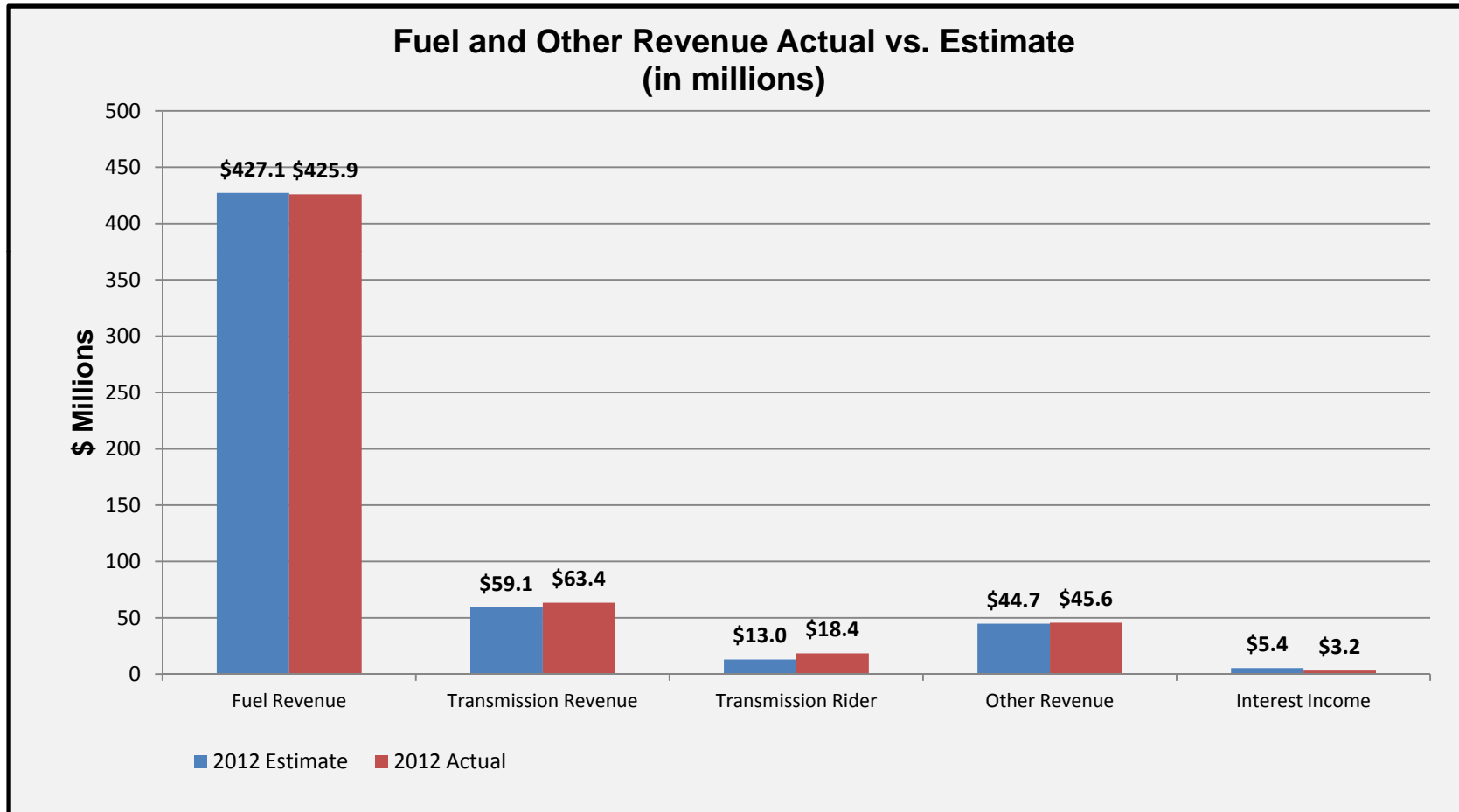


AE System Peak Demand (Megawatts or MW)

- 2,702 MW on June 26 at 4 p.m.
 - Previous years' peak in Jul-Aug
 - Temperature 105 degrees at peak
 - 4th Quarter Peak 2,600 MW
- Sufficient owned & purchased power to meet customer demand

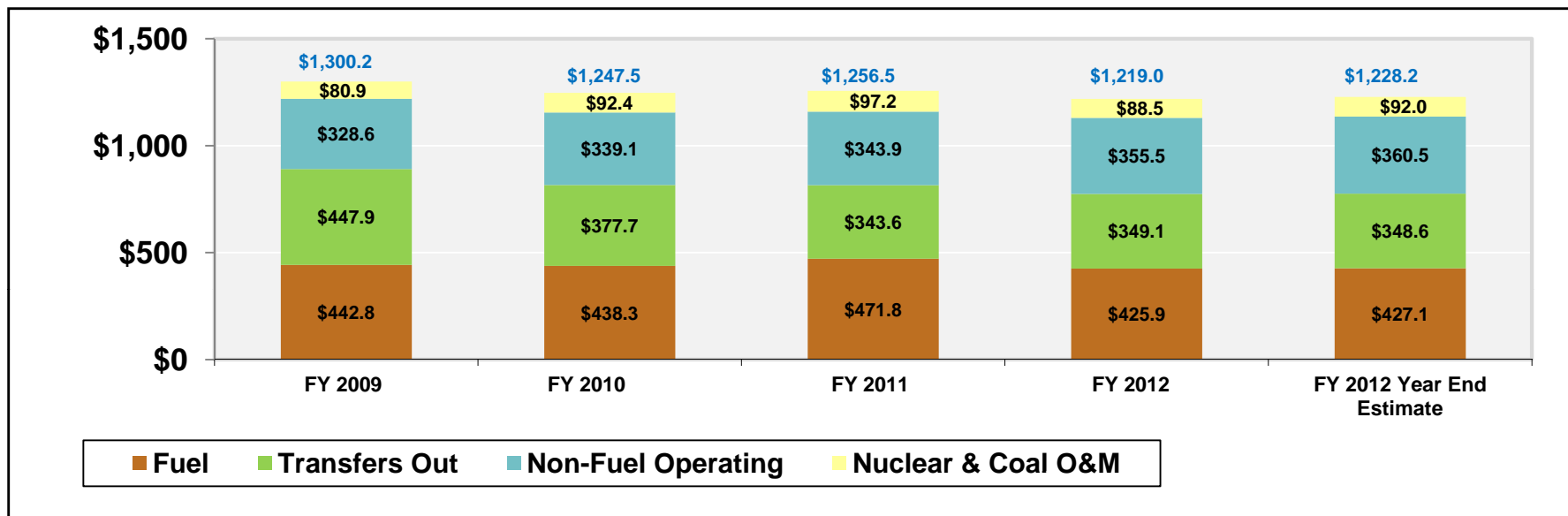


2012 Revenue Highlights





2012 Requirements Highlights



Total Requirements \$9.2 million below estimate

- Non-fuel operating expenses \$5.0M below estimate
 - Savings on personnel due to higher vacancy rates
 - Savings on Call Center billing costs
 - Savings on energy efficiency costs for thermostats/water heater timers
- Nuclear and Coal operating costs \$3.5M below estimate
 - Timing variances for O&M plant maintenance projects at both FPP and STP
- Transfers Out include General Fund, Debt Service, Capital Program cash



Austin Energy FY 2012-13



Financial Update 1st Quarter Fiscal Year 2013



Austin Energy – 2013 Overview



Revenue – \$1.27 Billion Budget

- \$645 million base revenue includes rate increase
- \$414 million Fuel revenue
- \$80 million Regulatory revenue
- \$59 million Transmission System revenue
- \$40 million Other Revenue
- \$33 million Community Benefit revenue
- \$3 million Interest Income
- \$11 million transfer from Strategic Reserve Fund



Austin Energy – 2013 Overview



Operating – \$1.27 Billion Requirements

- \$416 million Operating expenses
- \$414 million Fuel expenses
- \$95 million Recoverable expenses
- \$173 million Debt Service Requirements
- \$ 105 million General Fund Transfer
- \$ 69 million Transfer for Electric Capital Program

1st Quarter Revenue and Expenditures on Target



Austin Energy Financial Update



Questions?





Austin Energy

Financial Update

2nd Quarter ended March 31, 2013

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



2013 Q2 Financial Results

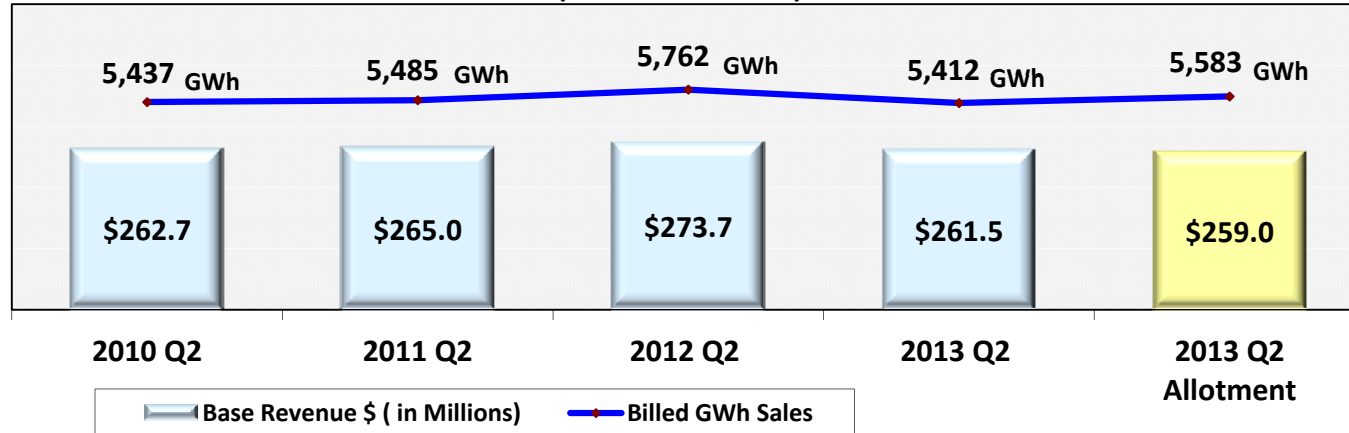
<i>(\$ millions)</i>	<i>Amended Budget 2012-13</i>	<i>Allotment Q2 FY13</i>	<i>Actual Q2 FY 13</i>	<i>Difference Actual to Allotment</i>
<i>Beginning Balance</i>	<i>\$123.5</i>	<i>\$123.5</i>	<i>\$128.5</i>	<i>\$5.0</i>
<i>Base and Other Revenue</i>	859.7	365.2	364.6	(0.6)
<i>Fuel Revenue</i>	414.2	186.9	190.9	4.0
<i>Transfers In</i>	10.9	10.9	10.3	(0.6)
<i>Total Available Funds</i>	<i>\$1,284.8</i>	<i>\$563.0</i>	<i>\$565.8</i>	<i>\$2.8</i>
<i>Non-Fuel Operating Expense</i>	511.1	285.2	251.4	33.8
<i>Fuel Cost</i>	414.2	186.9	190.9	(4.0)
<i>Debt Service</i>	173.2	91.4	63.7	27.7
<i>Transfers</i>	174.4	87.1	87.1	0.0
<i>Total Expenditures</i>	<i>\$1,272.9</i>	<i>\$650.6</i>	<i>\$593.1</i>	<i>\$57.5</i>
<i>Excess(Deficiency)</i>	<i>11.9</i>	<i>(87.3)</i>	<i>(27.3)</i>	<i>60.0</i>
<i>Ending Balance</i>	<i>\$135.4</i>	<i>\$36.2</i>	<i>\$101.2</i>	<i>\$65.0</i>



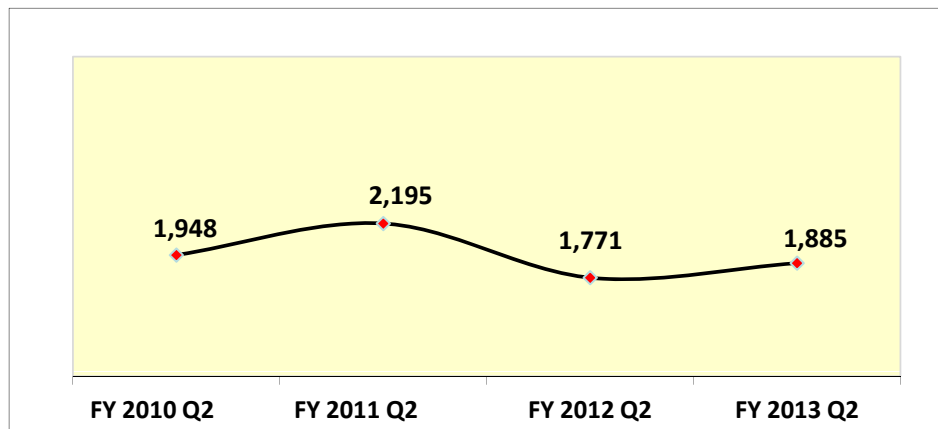
2013 Q2 Revenue Highlights



Service Area Retail Electric Sales (Base or Non-Fuel) in Millions & Billed GWh Sales



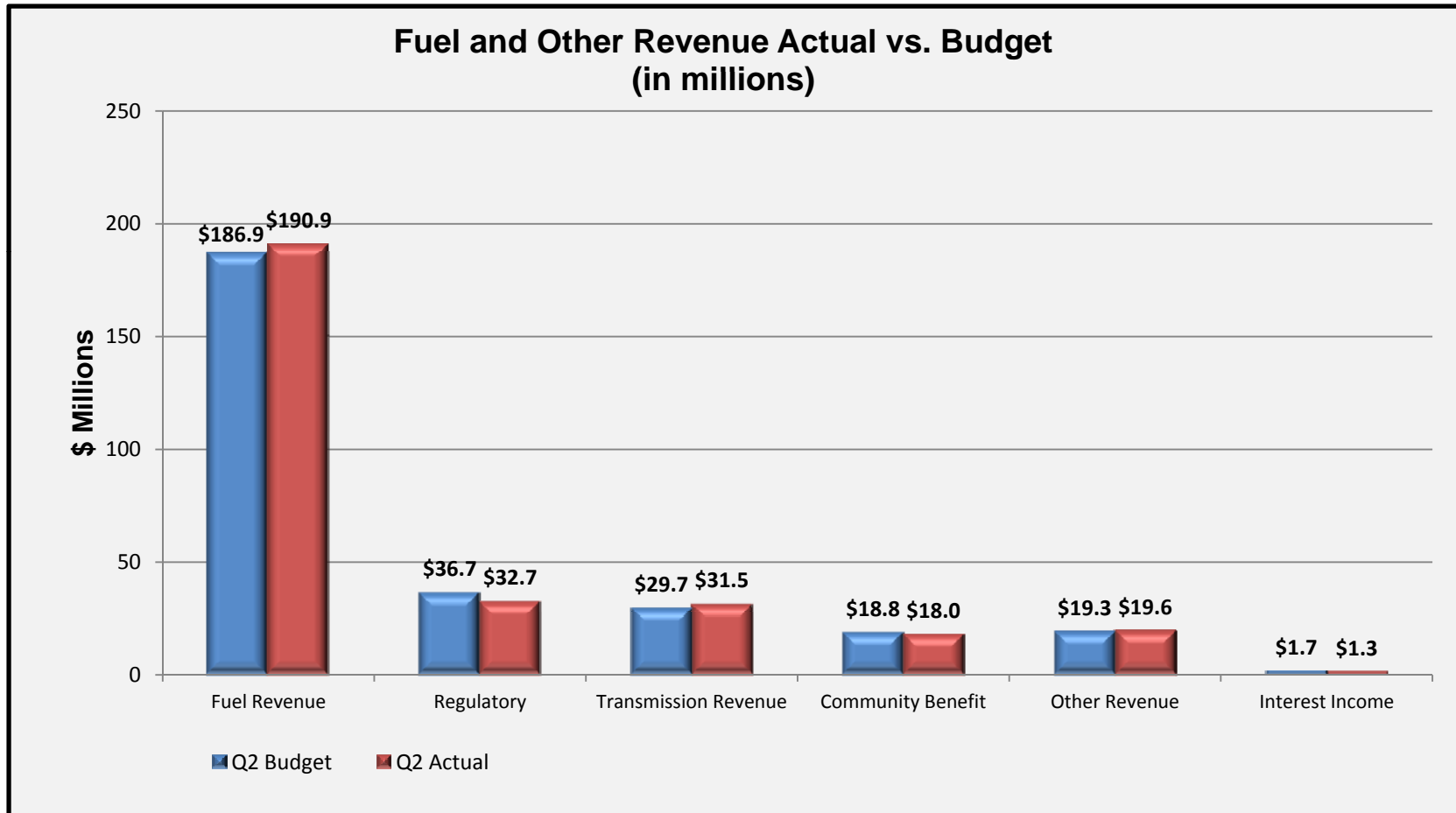
AE System Peak Demand (Megawatts or MW)



- 1,885 MW on January 16 at 8 a.m.
 - Temperature 31 degrees at peak
 - FY 2012 Q2 peak on March 31
 - FY 2011 Q2 peak record for quarter during extreme cold winter
- Sufficient owned & purchased power to meet customer demand

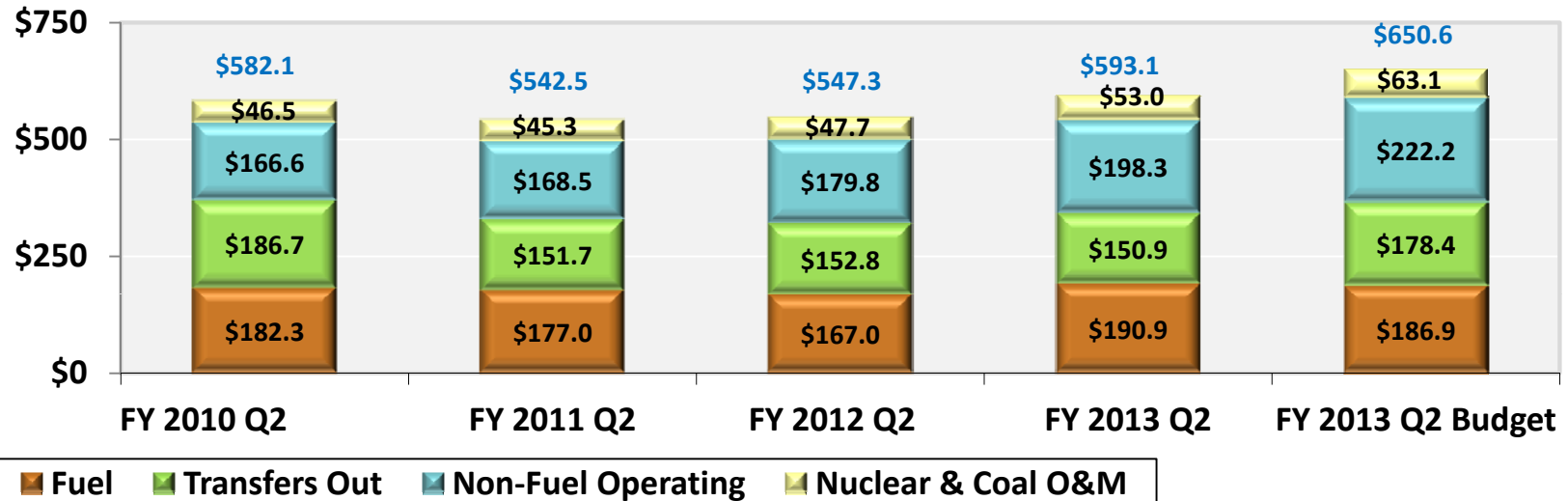


2013 Q2 Revenue Highlights





2013 Q2 Requirements Highlights



Total Requirements \$57.5 million below budget estimate

- Non-fuel operating expenses \$23.9M below estimate
 - Below allotment in Call Center temporaries and billing costs
 - Below allotment on energy efficiency costs for thermostats/water heater timers
- Nuclear and Coal operating costs \$10.1M below estimate
 - Delay of STP spring outage due to forced outage in winter/early spring
- Transfers Out include General Fund, Debt Service, Capital Program cash
 - Savings in debt service due to restructuring during bond sale in Fall 2012



Austin Energy Financial Update



Questions?



Austin Energy

Financial Update

FY 2012 - 13 through the 3rd Quarter ended June 30, 2013

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



2013 YTD Q3 Financial Results



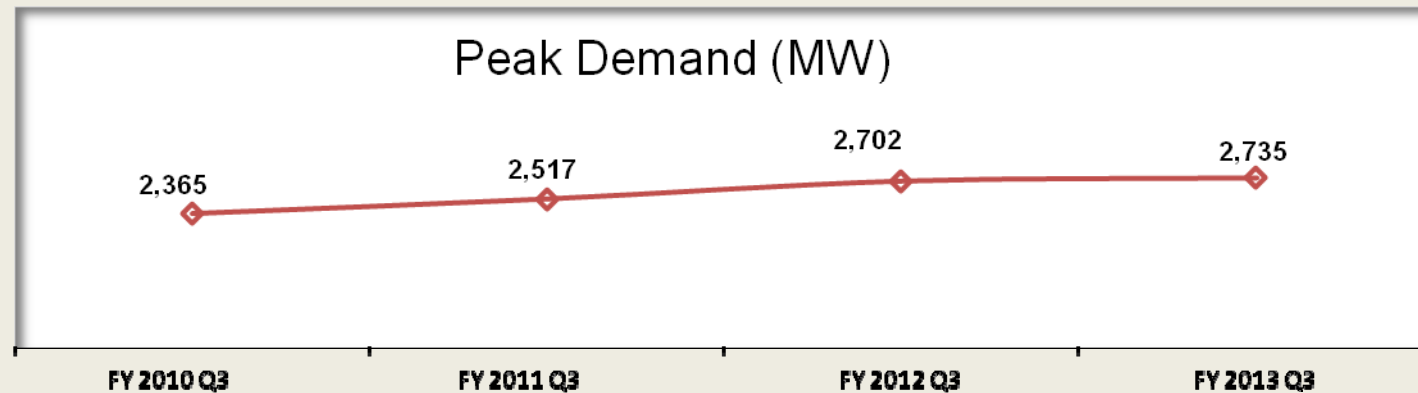
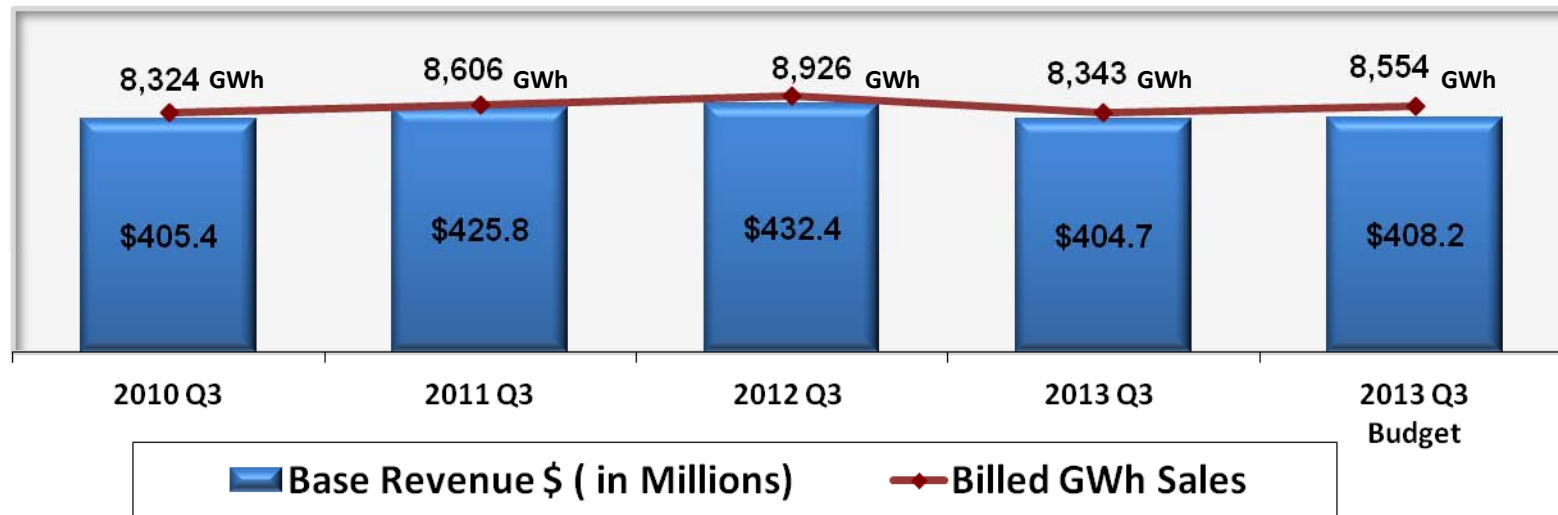
(\$ millions)	Amended Budget 2012-13	Budget Q3 2012-13	Actual Q3 2012-13	Difference Actual to Budget
Beginning Balance	\$123.5	\$123.5	\$128.5	\$5.0
Base and Other Revenue	859.7	568.6	562.3	(6.3)
Power Supply Adjustment (PSA) Fuel Revenue	414.2	286.1	310.6	24.5
Transfers In	10.9	10.9	10.9	0.0
Total Available Funds	\$1,284.8	\$865.6	\$883.8	\$18.2
Non-Fuel Operating Expense	518.1	400.1	359.1	41.0
Power Supply Adjustment (PSA) Fuel Cost	414.2	286.1	310.6	(24.5)
Debt Service	173.2	127.7	86.3	41.4
Transfers	174.4	130.6	130.9	(0.3)
Total Expenditures	\$1,279.9	\$944.5	\$886.9	\$57.6
Excess(Deficiency)	4.9	(78.9)	(3.1)	75.8
Ending Balance	\$128.4	\$44.6	\$125.4	\$80.8



2013 YTD Q3 Revenue Highlights

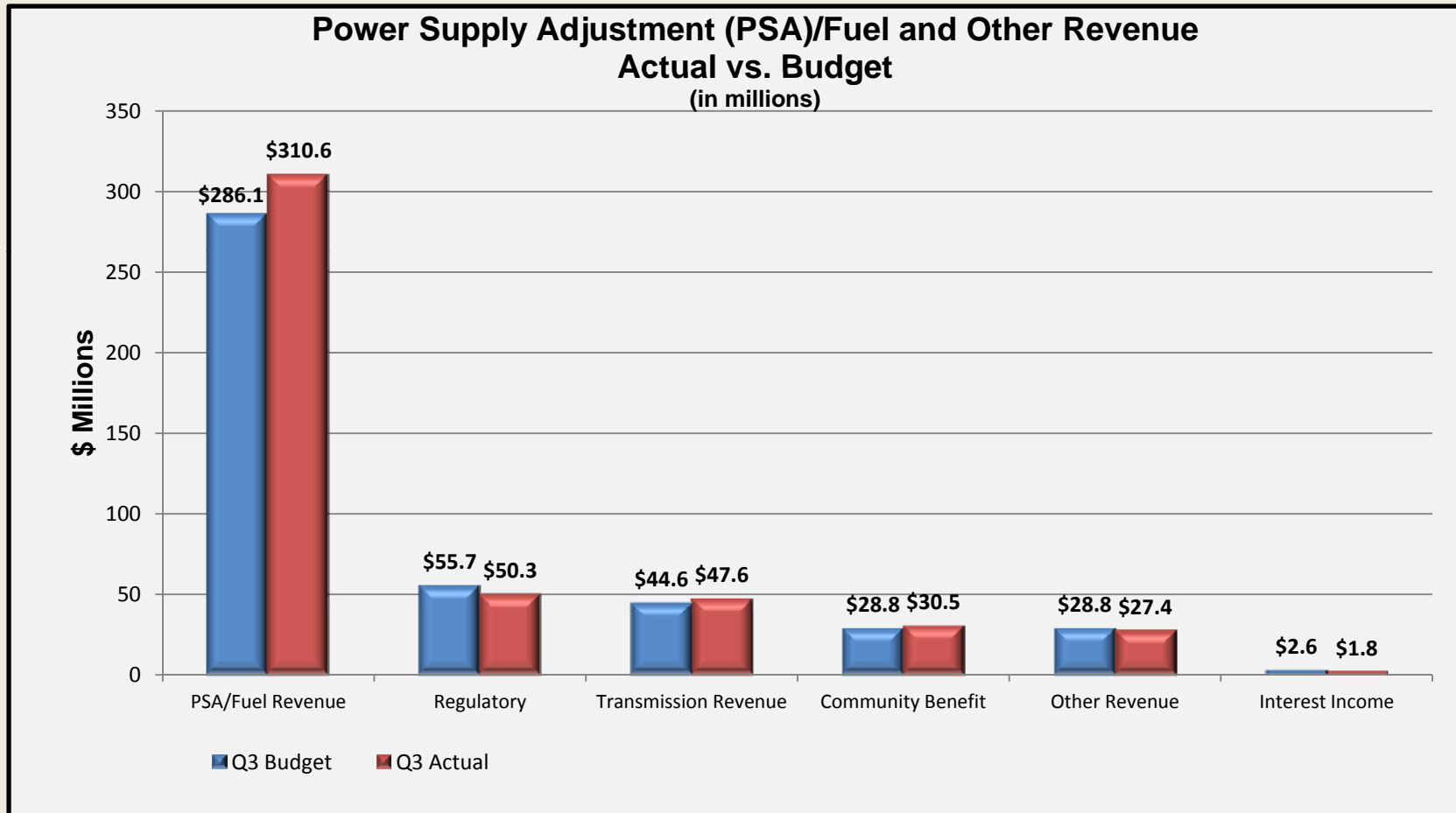


Service Area Retail Electric Sales (Base or Non-Fuel) in Millions & Billed GWh Sales





2013 YTD Q3 Revenue Highlights

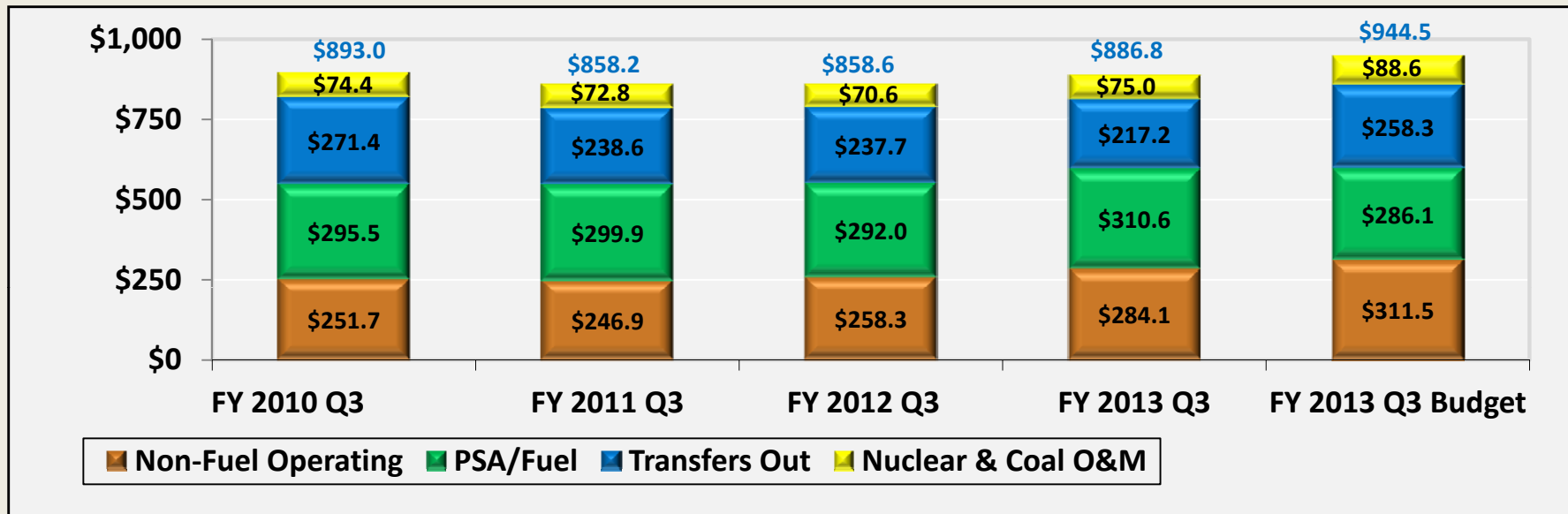




2013 YTD Q3 Requirements Highlights



(millions)



Total Requirements \$57.7 million below budget

- Non-fuel operating expenses \$27.4M below estimate
 - Below budget in Call Center temporaries and billing costs
 - Savings in maintenance of turbine generator & auxiliary equipment
- Nuclear and Coal operating costs \$13.6M below estimate
 - Deferment of STP spring outage due to forced outage in winter/early spring
- Transfers Out include General Fund, Debt Service, Capital Program cash
 - Savings in debt service due to restructuring during bond sale in Fall 2012



2013 YTD Q3 Financial Results



(\$ millions)	Amended Budget 2012-13	Current Year Estimate	Difference Budget to Estimate
Beginning Balance	\$123.5	\$128.5	\$5.0
Base and Other Revenue	859.7	866.8	7.1
Power Supply Adjustment (PSA) Fuel Revenue	414.2	421.0	6.8
Transfers In	10.9	10.9	0.0
Total Available Funds	\$1,284.8	\$1,298.7	\$13.9
Non-Fuel Operating Expense	518.1	503.4	14.7
Power Supply Adjustment (PSA) Fuel Cost	414.2	421.0	(6.8)
Debt Service	173.2	133.3	39.9
Transfers	174.4	174.4	0.0
Total Expenditures	\$1,279.9	\$1,232.1	\$47.8
Excess(Deficiency)	4.9	66.6	61.7
Ending Balance	\$128.4	\$195.1	\$66.7



Austin Energy Financial Update



Questions?





Austin Energy

Financial Update

Year Ended September 30, 2013

1st Quarter Fiscal Year 2014

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



2013 Highlights



- First year of new rates and structure (Council approved FY 12)
- Bond credit ratings upgraded in early FY 2013
- Over 20% of energy sold generated from renewable sources
 - Negotiated two new wind contracts for a net 400MW
 - Ahead of schedule to meet 35% goal by 2020
- Best system reliability in Austin Energy history
 - American Public Power Association (APPA) Diamond Level Designation as reliable public power provider
- Highest peak demand savings in last five years



2013 Financial Results

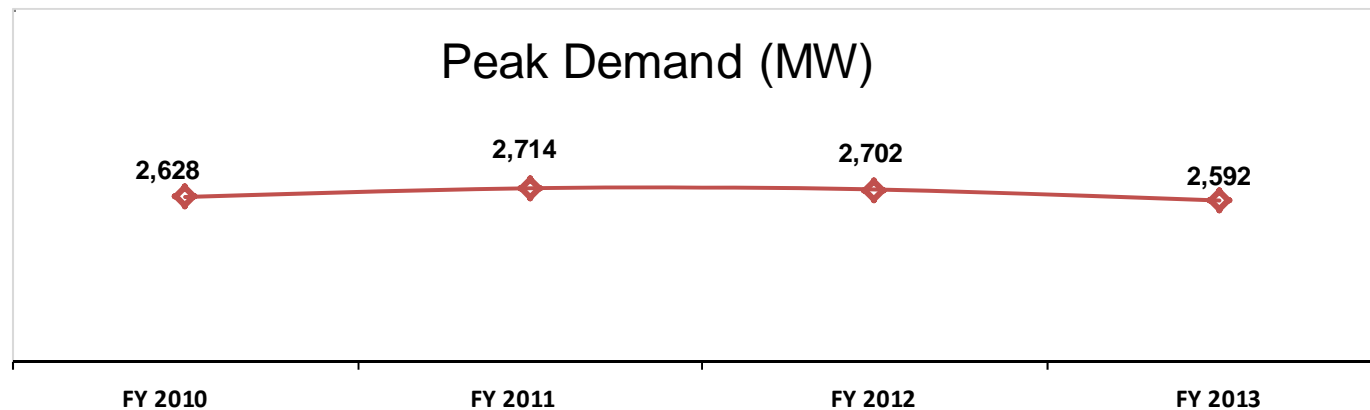
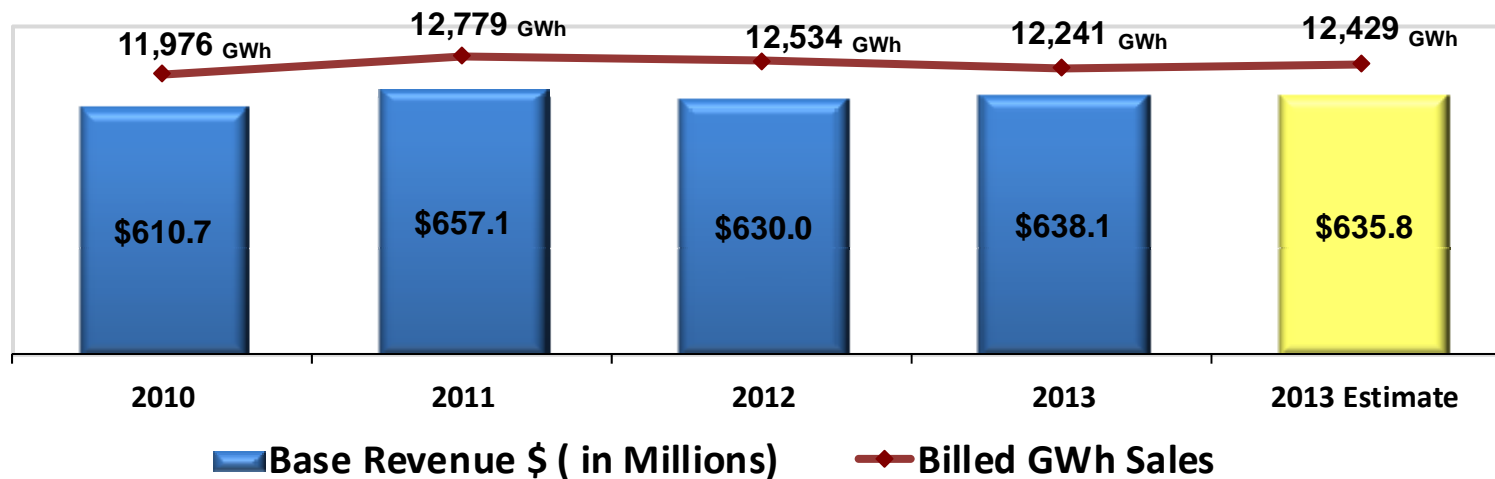
(\$ millions)	Amended Budget 2012-13	FY 13 Estimated	Actual 2012-13	Difference Actual to Estimate
Beginning Balance	\$123.5	\$128.5	\$128.5	\$0.0
Base and Other Revenue	859.7	866.8	854.7	(12.1)
Power Supply Adjustment (PSA) Fuel Revenue	414.2	421.0	453.8	32.8
Transfers In	10.9	10.9	11.7	0.8
Total Available Funds	\$1,284.8	\$1,298.7	\$1,320.2	\$21.5
Non-Fuel Operating Expense	518.1	503.4	483.4	20.0
Power Supply Adjustment (PSA) Fuel Cost	414.2	421.0	453.8	(32.8)
Debt Service	173.2	133.3	130.9	2.4
Transfers	174.4	174.4	174.4	0.0
Total Expenditures	\$1,279.9	\$1,232.1	\$1,242.5	(\$10.4)
Excess(Deficiency)	4.9	66.6	77.7	11.1
Adjustment to GAAP	0	0	18.2	18.2
Ending Balance	\$128.4	\$195.1	\$224.4	\$29.3

* Preliminary. Final audited numbers not yet available.



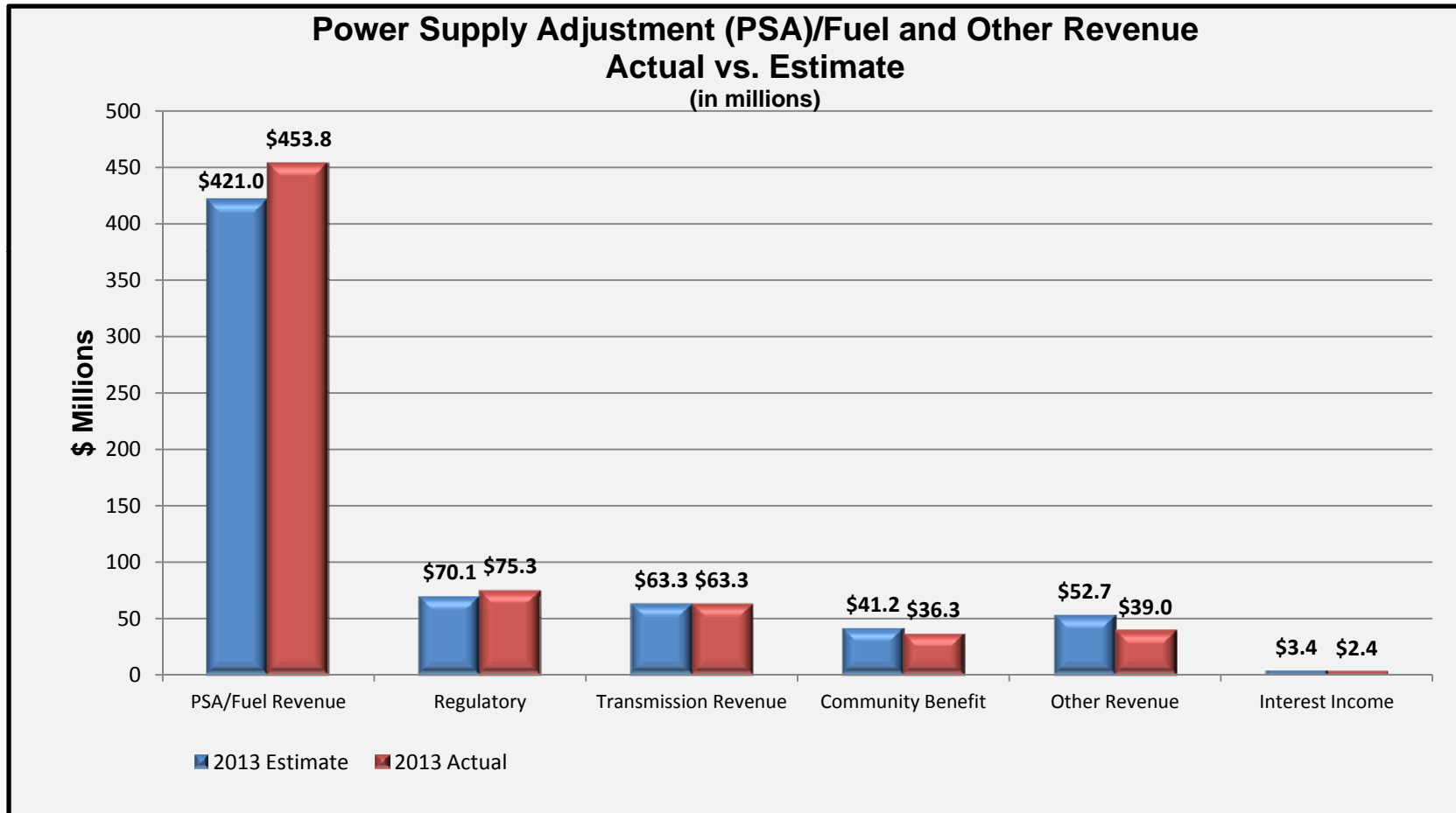
2013 Revenue Highlights

Service Area Retail Electric Sales (Base or Non-Fuel) in Millions & Billed GWh Sales



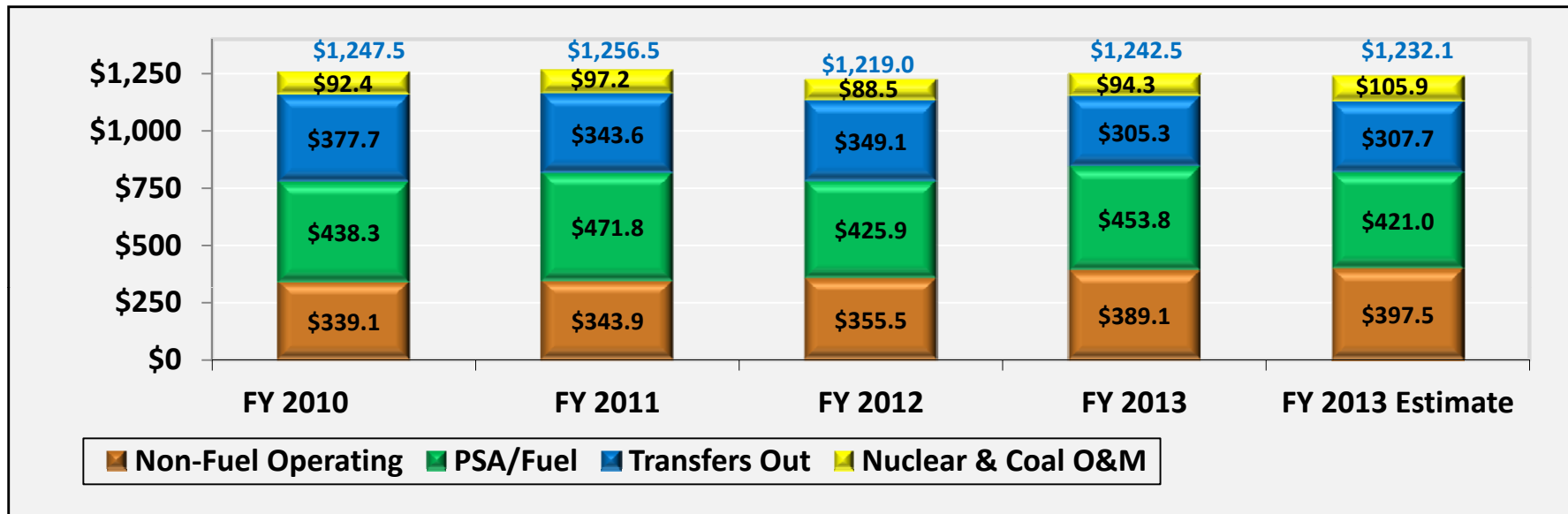


2013 Revenue Highlights





2013 Requirements Highlights



Total Requirements \$10.4 million above estimate, primarily PSA/Fuel

- Non-fuel operating expenses \$8.4M below estimate
 - Savings on personnel due to higher vacancy rates
 - Savings on Call Center billing costs
 - Savings on energy efficiency costs for thermostats/water heater timers
- Nuclear and Coal operating costs \$11.6M below estimate
 - Delay of planned outage due to unplanned outage at STP
- Transfers Out include General Fund, Debt Service, Capital Program cash



Austin Energy FY 2013-14



Financial Update 1st Quarter Fiscal Year 2014



Austin Energy – 2014 Overview



Revenue – \$1.36 Billion Budget

- \$654 million base revenue
- \$470 million Power Supply Adjustment (PSA)
- \$ 75 million Regulatory revenue
- \$ 62 million Transmission System revenue
- \$ 53 million Community Benefit revenue
- \$ 47 million Other Revenue
- \$ 2 million Interest Income



Austin Energy – 2014 Overview



Operating – \$1.33 Billion Requirements

- \$470 million Power Supply Adjustment (PSA)
- \$394 million Operating expenses
- \$ 98 million Recoverable expenses
- \$137 million Debt Service Requirements
- \$105 million General Fund Transfer
- \$ 84 million Transfer for Electric Capital Program
- \$ 43 million Other transfers
 - Includes Admin Support, CTM, Economic Development included in Operating Expenses in FY 2013

1st Quarter Revenue and Expenditures on Target



Austin Energy Financial Update



Questions?





Financial Update

2nd Quarter

ended March 31, 2014

Audit & Finance Committee
May 28, 2014





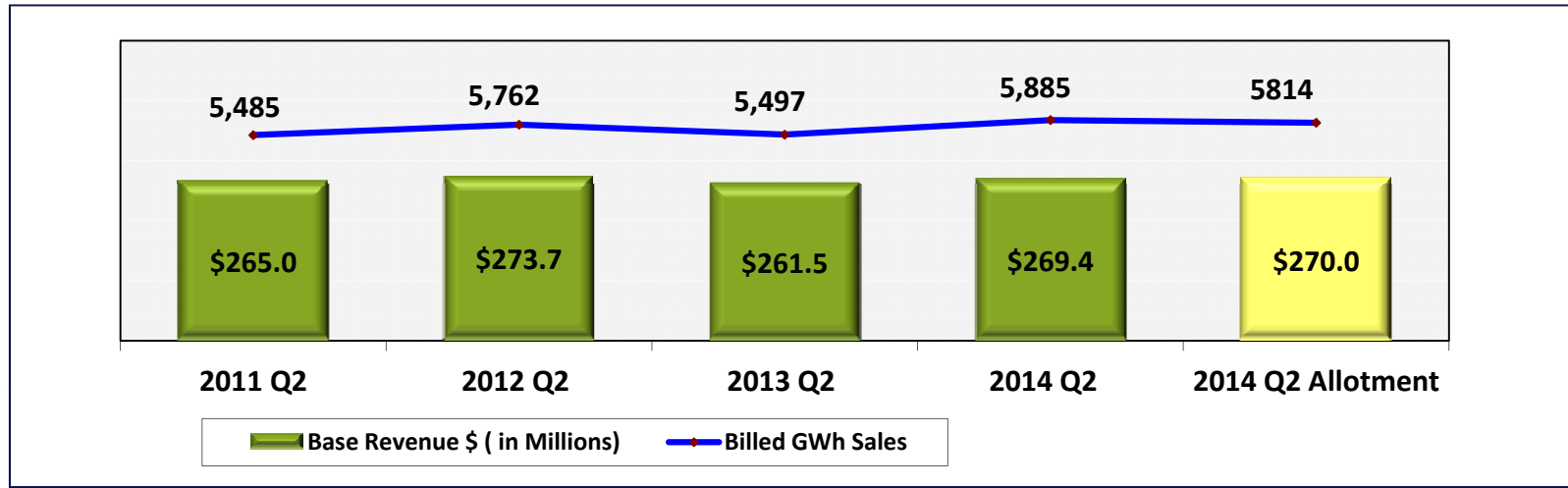
2014 Q2 Financial Results

(\$ millions)	Amended Budget 2013-14	Allotment Q2 FY 14	Actual Q2 FY 14	Difference Actual to Allotment
Beginning Balance	\$195.1	\$195.1	\$207.9	\$12.8
Base and Other Revenue	893.9	381.8	385.9	4.1
Power Supply Adjustment (PSA) Fuel Revenue	470.5	212.9	220.8	7.9
Transfers In	0.0	0.0	0.0	0.0
Total Available Funds	\$1,364.4	\$594.7	\$606.7	\$12.0
Non-Fuel Operating Expense	492.0	278.2	263.1	15.1
Power Supply Adjustment (PSA) Fuel Cost	470.5	212.9	220.8	(7.9)
Debt Service	137.1	63.7	63.0	0.7
Transfers	231.6	115.8	115.8	0.0
Total Expenditures	\$1,331.2	\$670.6	\$662.7	\$7.9
Excess(Deficiency)	33.2	(75.9)	(56.0)	19.9
Ending Balance	\$228.2	\$119.2	\$151.9	\$32.7



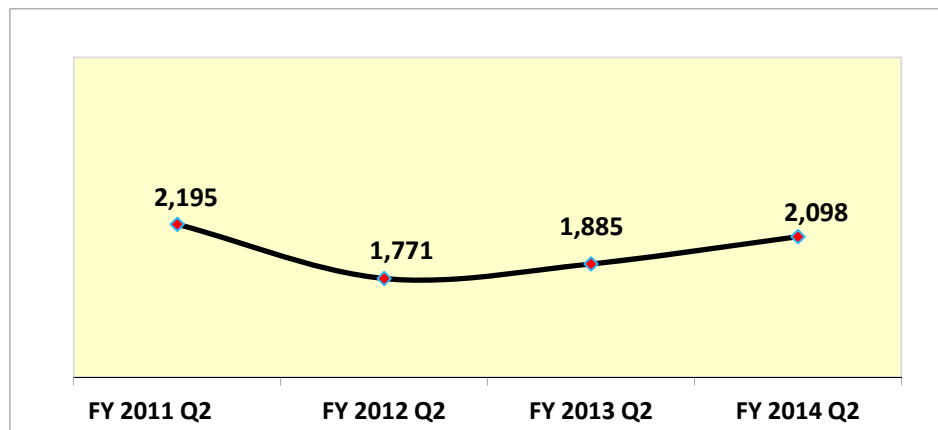


2014 Q2 Revenue Highlights



AE System Peak Demand

(Megawatts or MW)

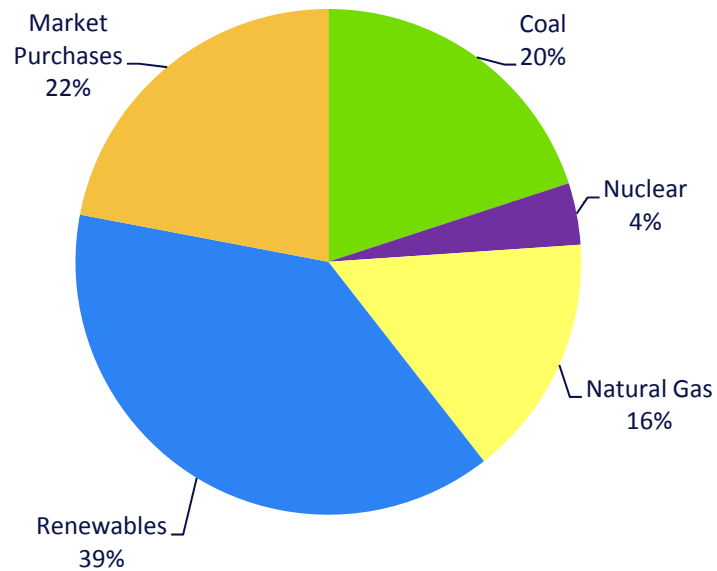


- 2,098 MW on February 6 at 7 p.m.
 - Temperature 31 degrees at peak
 - Record peaks in January and March
 - FY 2013 Q2 peak on January 16
 - FY 2012 Q2 peak on March 31
- Sufficient owned & purchased power to meet customer demand

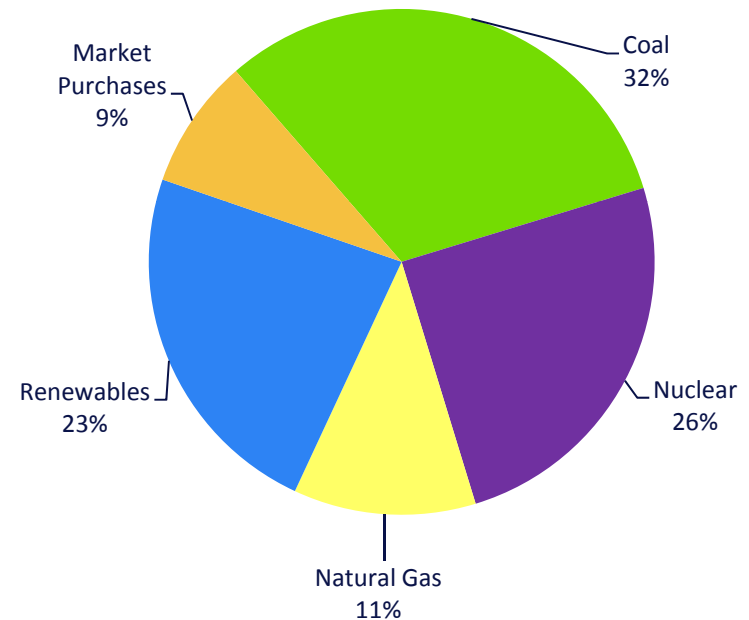


2014 Q2 YTD Power Supply

Power Supply Costs by Type
\$221 Million

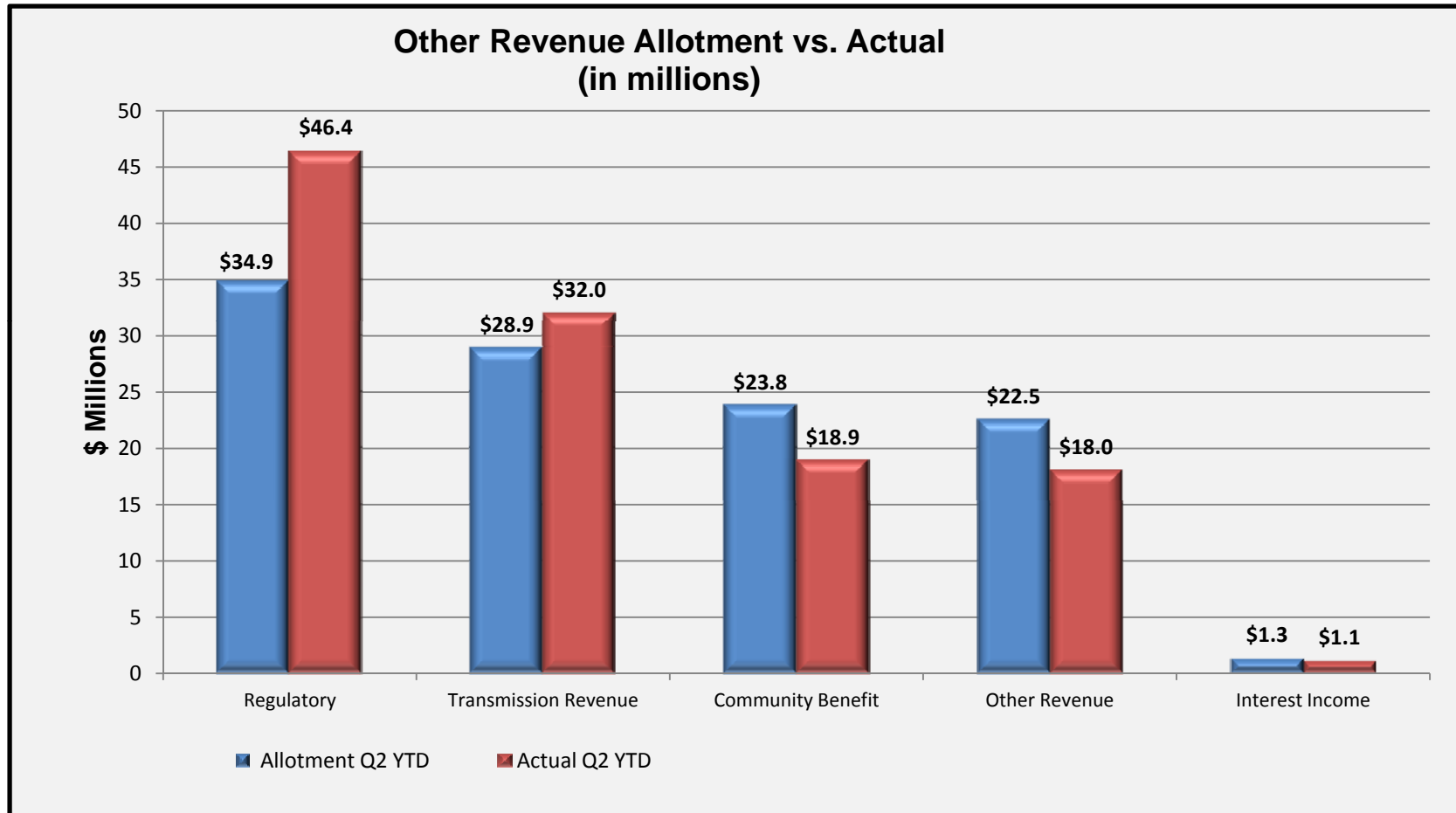


Percent of Energy Supply
5.9 Million MWh



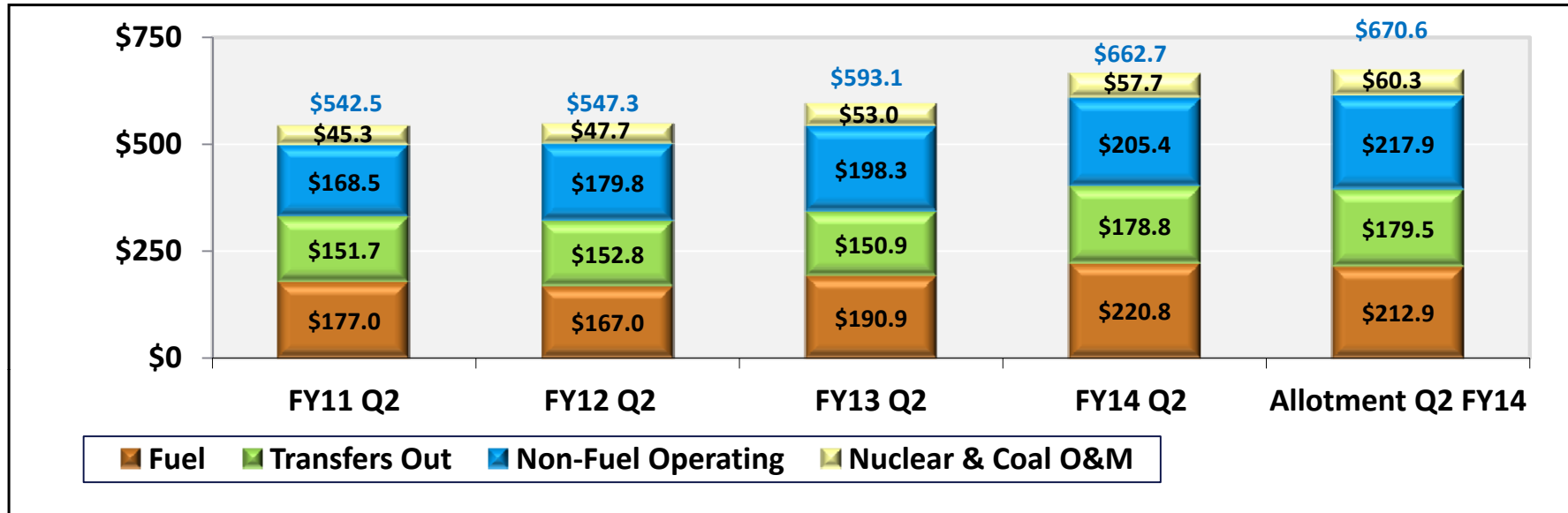


2014 Q2 Revenue Highlights





2014 Q2 Requirements Highlights



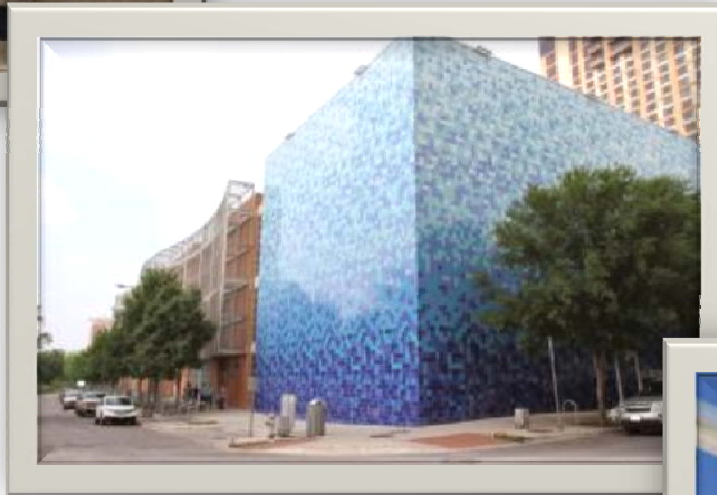
Total Requirements \$7.9 million below budget allotment

- Non-fuel operating expenses \$12.5M below allotment
 - Below allotment in personnel costs, contractual services (pole audit, vehicle leases, temp services)
 - Below allotment on energy efficiency rebates. Expected to pick up last half of year.
- Nuclear and Coal operating costs \$2.6M below estimate
 - Savings realized during Fall Unit 2 refueling outage at South Texas Project
- Transfers Out include General Fund, Debt Service, Capital Program cash
 - On target through the second quarter





Austin Energy Financial Update



Questions?

