

OPERATING BUDGET FISCAL NOTE

DATE OF COUNCIL CONSIDERATION:
CONTACT DEPARTMENT(S):
FUND:

3/24/16
Austin Energy
Austin Energy

SUBJECT: Approve an ordinance amending the Fiscal Year 2015-2016 City of Austin Fee Schedule (Ordinance No. 20150908-003) to reflect a decrease in the Power Supply Adjustment charge.

CURRENT YEAR IMPACT: This fee schedule amendment takes effect April 1, 2016 and reflects a decrease in the Power Supply Adjustment Charge and a corresponding net decrease in the Power Supply Revenue of \$35,565,630. This will be off-set by a net reduction in Power Supply expenses of an equal amount of \$35,565,630 in FY 2015-2016.

FIVE-YEAR IMPACT:

	<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2018</u>	<u>FY 2019</u>	<u>FY 2020</u>
Total Revenue	<u>(35,565,630)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenses	<u>35,565,630</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Change	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

ANALYSIS / ADDITIONAL INFORMATION: This action amends the fee schedule to reflect the required change discussed in Austin Energy's memo sent to City Council members on February 29, 2016, regarding the decrease in the PSA rate for 2016.

Austin Energy customers will see an 11.3% decrease in the Power Supply Adjustment (PSA) charge on their utility bills starting April 1, 2016. For a residential customer using 1,000 kilowatt hours (kWh) per month, the decrease will be \$3.56 per month. This decrease in the PSA is due to the continued unprecedented decrease in natural gas prices and ERCOT power prices, which are directly correlated. The reduction in oil prices has reduced the fuel expenses for our natural gas generators and power expenses for retail customers beyond the levels contemplated under the current PSA rate.