



Austin Energy's (AE) Proposed Fiscal Year 2009-2010 Budget includes the following electric rate tariff addition:

PROPOSED ELECTRIC RATE TARIFF CHANGE

Adding a TRANSMISSION SERVICE ADJUSTMENT RIDER to read as follows:

**CITY OF AUSTIN
ELECTRIC RATE SCHEDULE
TRANSMISSION SERVICE ADJUSTMENT RIDER**

Application:

The charge set forth in this rider applies to each City of Austin retail electric customer unless the application of this charge would conflict with a written service contract executed before the effective date of this rider.

Monthly Rate:

The customer's transmission service adjustment charge will be determined by multiplying the customer's billed kilowatt hours (kWh) or, in the case of a customer subject to a billing demand charge, the customer's billed kilowatt demand (kW), by the Transmission Service Adjustment Factor (TSAF) applicable to the customer's rate classification. The TSAF shall be calculated for each rate class using the following formula:

$$\text{TSAF} = \frac{((\text{PSR}_{\text{cym}} - \text{PSR}_{08\text{m}}) \times 4\text{CP}_{\text{cym}} \times \text{CLS}_{\text{cym}}) + \text{OU}}{\text{B}}$$

Where:

PSR_{cym} is the transmission postage stamp rate published in the Electric Reliability Council of Texas (ERCOT) wholesale transmission service charge matrix most recently approved by the Public Utility Commission of Texas pursuant to PUCT Substantive Rule 25.192.

$\text{PSR}_{08\text{m}}$ is the 2008 matrix-year ERCOT postage stamp rate of \$22.72772 per kW.

4CP_{cym} is the City electric utility's average kilowatt share of the ERCOT average coincident peak demand for the months of June through September used in the calculation of the PSR_{cym} .

CLS_{cym} is the rate class's percentage load share of the 4CP_{cym} , determined using the City's metering data.

B is the total billed kWh for the rate class, or the total billed kW for the rate class if the class is subject to a billing demand charge, for the time period used in the calculation of the PSR_{cym} .

OU is the amount of the City's over-collection or under-collection of ERCOT transmission service charges with respect to the prior wholesale transmission service charge matrix, calculated as follows:

$$OU = (TSC_{pym} - (PSR_{08m} \times 4CP_{pym}) - TSR_{pym}) \times CLS_{pym}$$

Where:

TSC_{pym} is the amount of actual ERCOT transmission service charges incurred by the City since the last adjustment to the TSAF.

$4CP_{pym}$ is the City electric utility's average kilowatt share of the ERCOT average coincident peak demand for the months of June through September used in the calculation of the postage stamp rate for the prior wholesale transmission service charge matrix.

TSR_{pym} is the amount billed by the City to all rate classes under this rider since the last adjustment to the TSAF.

CLS_{pym} is the rate class's percentage load share of the $4CP_{pym}$, determined using the City's metering data.

Until the first adjustment of the TSAF after the effective date of this rider, OU shall equal zero. The TSAF applicable to each rate class may be administratively adjusted to reflect any change made to the annual ERCOT wholesale transmission service charge matrix.