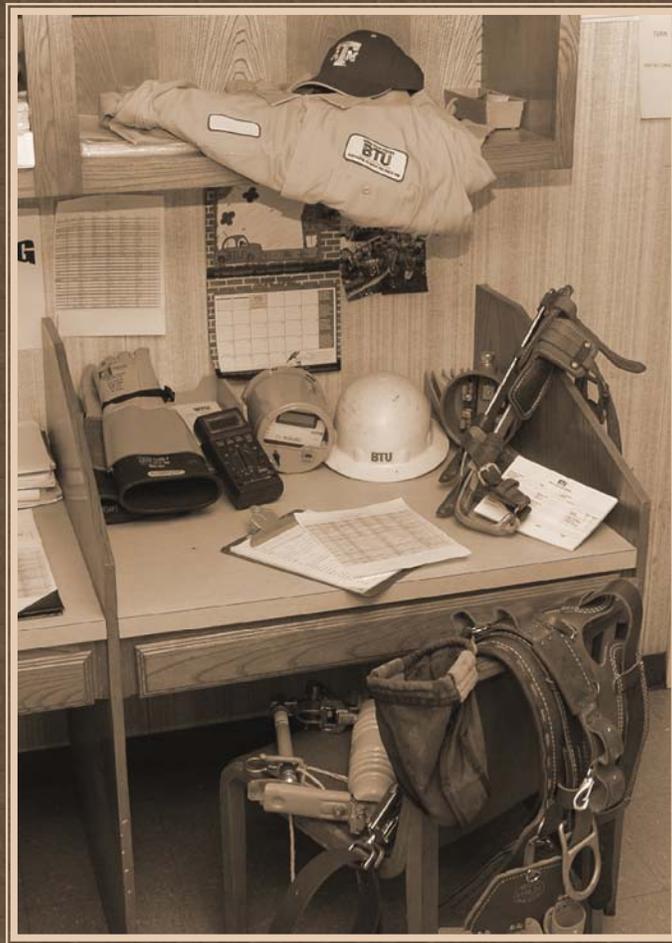


Bryan Texas Utilities

Where We've Been

Where We Are

Where We're Going



2007 Annual Report

Board of Directors



Bill Atkinson
Chairman



Hank McQuaide
Vice Chairman



Frank Thurmond



L. Gene Kornegay
Secretary/Treasurer



Dr. Wendell Davis



Mark Carrabba



Emanuel Glockzin

History of the Bryan Texas Utilities Board of Directors

The BTU Board was created in 2001 by Ordinance of the Bryan City Council to oversee the day to day operations of the electric utility.

The seven member Board is appointed by the City Council and must possess specific experience for each position such as accountant, attorney, engineer, and marketer.



Top Left: Mark Carrabba, Frank Thurmond, Emanuel Glockzin, Dr. Wendell Davis
Bottom Left: L.Gene Kornegay, Bill Atkinson, Hank McQuaide



A Letter from the General Manager

As the 100th Anniversary of Bryan's municipal electric utility approaches, we at BTU see some dramatic changes on the horizon. Energy and construction material prices have been on a two year incline which affects our cost to operate. Transformers, both the substation variety and those at homes and businesses have more than doubled. Natural gas has increased from \$6/mmbtu to \$12/mmbtu. These increases have prompted us to look for better and less expensive ways to do our work since the cost of energy has a huge impact on all of our lives.

It will require change in the way we live and work. There are a variety of solutions for high energy expenses, but the most easily recognized is energy efficiency. In that vane, BTU staff has pulled together a number of helpful ways that you can cut your costs; efficient air conditioning, solar panels, low cost lighting, and better insulation, to name a few. We encourage our customers to visit our website www.btutilities.com and avail themselves of these opportunities. In addition to the known cost of energy, there is the forecast of new costs in a carbon constrained world.

The BTU staff is studying all forms of electric generation to find the most efficient, lowest cost, and environmentally responsible means to meet your needs, both now and in the future. 2007 was a very good year and we look forward to the challenges that await us as we forge past 100 years of serving you.

Sincerely,

Dan Wilkerson



Dan Wilkerson
General Manager

Keep Cool this Summer with BTU's HVAC & Heat Pump Rebate Program



Today's energy efficient air conditioners use as much as 40% less electricity than older models. Reduced consumption results in major savings with the same or greater levels of comfort. If your HVAC (air conditioning) unit is ten years or older it is likely an upgrade to a new more efficient system will save money on your monthly electric bills. BTU offer rebates to customers who install high efficiency central HVAC equipment. Two of the more important requirements to qualify for the rebate are that HVAC units must have an efficiency rating or Seasonal Energy Efficiency Rating (SEER) of 14 or greater and the units must be sized at a minimum of 500 square feet per ton (12,000 Btu) of air conditioning.

What is a Central Air Conditioning system?

Central air conditioners circulate cool air through a system of supply and return ducts. Supply ducts and registers (i.e., openings in the walls, floors, or ceilings covered by grills) carry cooled air from the air conditioner to the home. This cooled air becomes warmer as it circulates through the home; then it flows back to the central air conditioner through return ducts and registers. Air conditioners help to dehumidify the incoming air, but in extremely humid climates or in cases where the air conditioner is oversized, it may not achieve a low humidity.

What is a Heat Pump system?

Heat pumps collect heat from the air, water, or ground outside your home and concentrate it or use inside. Heat pumps operate in reverse to cool your home by collecting the heat inside your house and effectively pumping it outside. Heat pumps have both heating and cooling ratings—both in terms of capacity and efficiency. A heat pump can supply two to three times as much heat as it consumes in electricity because it moves energy from outside to inside (or vice versa). Heat pump efficiency varies with the outdoor temperature. In the cooling mode, a heat pump operates exactly like a central air conditioner.

How do I maintain my HVAC system?

There are some very good reasons to properly maintain your HVAC system, including Lower utility costs. Increase the service life of the HVAC equipment (reduce replacement costs). Greater comfort for the building's occupants. You can maintain your HVAC system and increase your energy savings by Fixing leaks in your duct work each year—very important. Selecting the best filter capacity. Replacing your filters every month. Cleaning the evaporator and condenser coils once or twice a year. Cleaning and adjusting dampers each year. Inspecting the fan, bearings and belts twice annually. Inspecting and cleaning your air ducts, when necessary, every two years. For complete information about the program, please Visit

www.btutilities.com.



The BTU Family



Food for Families

BTU is well represented in our community by its employees who volunteer to work at the annual Food for Families Food Drive. In addition, BTU donated \$1000 to help feed families in the Brazos Valley.



(Photo Courtesy of Bob & Flo Wheeler)

Youth Tour 2007



(Photo Courtesy of Texas Electric Cooperatives, Inc.)



Emily Parsons
BISD

Ben Starnes
St. Joseph



Each year, BTU proudly sends four of our best students to Washington D.C. to represent our community. The participants are selected each year based on the results of an essay contest.

The candidate search begins in January of each year and by June the winners begin their week's excursion and fellowship in our nation's capital.



Eduardo Gomez
BISD

Mark Kleckley
BISD



BTU Kids' Calendar 2007



BTU's Tri-O de Mayo

Sprint Triathlon



(Photos Courtesy of Bob & Flo Wheeler and Louellen Coker)

Athletes competed in multiple events, which included a 500 meter swim, a 5K run, and a 12K bike race, all at Lake Bryan.

Power Pedal 2007



(Photo's Courtesy of Bob & Flo Wheeler and Louellen Coker)



In 2007, at Lake Bryan, BTU offered a trail run, a 5K and 10K road run, Kid's Kup Bike Races and mountain bike races as part of our Public Power Week 2007 celebration.

These events offer BTU a chance to celebrate Public Power Week in October.

Texas Lineman's Rodeo



The Texas Lineman's Rodeo Association, Inc. (TLRA) is a non-profit organization created to offer line-workers in Texas a way to showcase their pride in the profession of high voltage line work.

(Photo's Courtesy of Chick Herrin)

BTU History

Atkins Power Plant

The Atkins Power Plant has long been a dependable, old friend of BTU and the community. These photos offer us a glimpse into the past.



BTU substation work in 2007 included upgrades at Kurten, Briarcrest, Tabor and a new substation, Jack Creek.

Tabor Substation Upgrade



In order to better serve our customers, BTU upgraded the equipment and facilities at the Tabor Substation.



Jack Creek Substation



With a growing customer base, BTU is always taking steps to provide safe, reliable and affordable power.

One of the ways that BTU does this is by adding substations. The Jack Creek Substation is the latest addition.



LM6000 Aero-derivative Gas Turbine

BTU is pleased to announce that we have purchased a second LM 6000 Gas Turbine to be located at the Dansby Power Plant next to the current LM 6000. These two generators offer BTU safe, reliable and cost effective ways to produce electricity. Once the new LM 6000 generator is in place, BTU will have a total of three power generating units located at the Dansby Plant.

The LM6000 is a 49MW gas turbine generator that maintains proven reliable technology and modern design enhancements that improve maintainability, reliability and reduces overall installed costs and installation time. The turbine is derived from the GE commercial CF6-80C2 aircraft engine. This engine first entered aircraft service in 1985 and is used extensively in wide-body commercial airliners.

More than 600 LM6000 power generation packages have been sold, which have accumulated more than ten million operating hours at 97.7 percent gas turbine & generator set availability. Simple cycle aero-derivative gas turbines are typically used to support the grid by providing quick start (10 minutes to full power) and load following capability.



**City Electric System Condensed Financial Statements
For the Fiscal Years Ended September 30, 2007 and 2006**

Condensed Statements of Net Assets	2007	2006
Current assets	\$ 48,983,223	\$ 30,155,596
Capital assets, net	127,735,752	116,378,804
Restricted assets	80,520,647	66,097,672
Other	625,317	332,869
Total assets	257,864,939	212,964,941
Current liabilities	17,039,514	10,112,689
Current liabilities payable from restricted assets	5,376,122	4,079,987
Noncurrent liabilities	60,512,908	30,595,253
Total liabilities	82,928,544	44,787,929
Net assets:		
Invested in capital assets, net of related debt	100,992,721	99,822,651
Restricted	42,169,885	49,309,135
Unrestricted	31,773,789	19,045,226
Total net assets	\$174,936,395	\$168,177,012

Consolidated Statement of Revenues, Expenses and Cash Flows

Operating revenues	\$143,073,607	\$183,563,117
Operating expenses	127,100,116	163,039,450
Depreciation	6,603,789	6,689,092
Operating income	9,369,702	13,834,575
Net adjustments and changes in financial position	3,512,886	17,562,802
Net cash provided by operating activities	12,882,588	31,397,377
Net transfers	(5,158,815)	(5,421,866)
Capital expenditures, net of financing	(17,960,737)	(12,227,496)
Proceeds from capital debt and other financing activities	29,535,425	10,532,650
Net cash provided by (used) investing activities	7,857,680	(8,138,508)
Net increase in cash	27,156,141	16,142,157
Balance - beginning of year	33,542,466	17,400,309
Balance - end of year	\$ 60,698,607	\$ 33,542,466

Rural Electric System Condensed Financial Statements
For the Fiscal Years Ended September 30, 2007 and 2006

Condensed Statements of Net Assets	2007	2006
Current assets	\$ 11,910,245	\$ 10,327,926
Capital assets, net	31,839,677	28,194,774
Restricted assets	332,092	306,819
Total assets	44,082,014	38,829,519
Current liabilities	7,380,566	3,423,951
Current liabilities payable from restricted assets	332,092	306,819
Noncurrent liabilities	91,750	1,045,443
Total liabilities	7,804,408	4,776,213
Net assets:		
Invested in capital assets, net of related debt	31,839,677	28,194,774
Unrestricted	4,437,929	5,858,532
Total net assets	\$ 36,277,606	\$ 34,053,306

Consolidated Statement of Revenues, Expenses and Cash Flows

Operating revenues	\$ 24,991,627	\$ 26,825,404
Operating expenses	21,889,442	23,628,753
Depreciation	1,261,324	1,098,481
Operating income	1,840,861	2,098,170
Net adjustments and changes in financial position	3,027,951	(468,548)
Net cash provided by operating activities	4,868,812	1,629,622
Capital expenditures, net of financing	(4,906,227)	(4,281,078)
Net cash provided (used) by investing activities	385,214	(4,661,640)
Net increase (decrease) in cash	347,799	(7,313,096)
Balance - beginning of year	1,957,865	9,270,961
Balance - end of year	\$ 2,305,664	\$ 1,957,865

Bryan Texas Utilities Contact Information

General Information 979-821-5715

Customer Service 979-821-5700

Power Outage 979-822-3777

Line Design 979-821-5770

Toll Free Number 1-877-363-7448

Banners 979-821-5940

Energy Related Questions 979-821-5715

Physical Address 205 E 28th St.
Bryan, Texas
77803

Website www.btutilities.com

Email UCISMan@btutilities.com

Hours of Operation

Lobby Monday - Friday 7am- 6pm

Drive-Thru Monday - Friday 7:30 am-6pm

