



Annual Performance Report

For the Fiscal Year Ended September 30, 2018 (FY18)

Prepared in compliance with Resolution No. 3337, adopted by the Bryan City Council on December 14, 2010

Bryan Texas Utilities
Report of Customers and Revenues by Customer Class and
Average Residential Usage and Average Residential Bill

	FY18		FY17		FY16		FY15		FY14	
	Average Number of Customers	Total Revenue	Average Number of Customers	Total Revenue	Average Number of Customers	Total Revenue	Average Number of Customers	Total Revenue	Average Number of Customers	Total Revenue
City Electric System										
Residential	32,537	\$41,214,932	31,777	\$39,111,757	30,982	\$ 38,743,627	30,573	\$ 37,994,138	29,951	\$ 37,528,503
Commercial	4,547	36,403,741	4,493	36,017,676	4,379	36,833,406	4,335	36,089,688	4,232	35,880,572
Large Industrial	17	10,861,228	17	10,307,465	19	9,721,163	19	9,020,189	19	8,597,081
Transmission Service	1	2,584,825	1	2,468,989	1	1,757,245	1	1,199,685	1	10,171
Security&Street Lights *	N/A	1,242,642	N/A	1,247,533	N/A	1,214,451	N/A	1,162,539		
Total	37,102	\$ 92,307,367	36,288	\$ 89,153,422	35,381	\$ 88,269,892	34,928	\$ 85,466,239	34,203	\$ 82,016,327
Average Monthly Residential Usage (Kwh)	1,037		1,000		1,009		1,049		1,032	
Average Residential Bill	\$ 105.18		\$ 101.94		\$ 104.21		\$ 103.56		\$ 104.42	
Average cents/kwh - Residential	10.14		10.20		10.33		9.88		10.12	
Average regulatory cents/kwh - Residential	1.33		1.33		1.34		1.12		1.15	
All other average cents/kwh - Residential	8.81		8.87		8.99		8.76		8.97	
	FY18		FY17		FY16		FY15		FY14	
	Average Number of Customers	Total Revenue	Average Number of Customers	Total Revenue	Average Number of Customers	Total Revenue	Average Number of Customers	Total Revenue	Average Number of Customers	Total Revenue
Rural Electric System										
Residential	16,990	\$29,757,029	16,475	\$29,757,029	15,520	\$ 28,293,319	14,872	\$ 27,113,275	14,351	\$ 25,060,389
Commercial	4,391	13,462,635	4,207	13,462,635	4,009	12,671,991	3,808	11,226,511	3,582	10,254,341
Security&Street Lights *	N/A	543,925	N/A	543,925	N/A	540,471	N/A	524,509		
Total	21,382	\$ 43,763,589	20,682	\$ 43,763,589	19,529	\$ 41,505,781	18,680	\$ 38,864,295	17,933	\$ 35,314,730
Average Monthly Residential Usage (Kwh)	1,489		1,376		1,419		1,559		1,580	
Average Residential Bill	\$ 145.95		\$ 150.51		\$ 151.92		\$ 151.93		\$ 145.52	
Average cents/kwh - Residential	10.75		10.94		10.62		9.74		9.21	
Average regulatory cents/kwh - Residential	1.16		1.16		1.17		0.98		0.74	
All other average cents/kwh - Residential	9.59		9.77		9.45		8.76		8.47	

* Beginning in FY15, Security & Street Lights are reported as a separate category.

Bryan Texas Utilities

Known or Projected Changes in Base and Fuel Rates

During fiscal year 2018, the City Electric System did not adjust the Power Supply Adjustment (PSA) component of its rates for retail customers. The PSA is a pass-through used to recover fuel costs, net purchased power costs, and adjustments for the over or under recovery for such costs from preceding periods. To more accurately reflect the impact of electric line losses, there was a 6.2% reduction to the Rural Electric System's PSA on July 1, 2018.

During fiscal year 2018, the City Electric System did not adjust the Regulatory Charge (RC) component of their rates for retail customers or the Rural Electric System wholesale rate. The RC is a pass-through used to recover BTU's Transmission Cost of Service charges as established by the Public Utility Commission of Texas and for other fees assessed by regulatory bodies. The Rural Electric System also did not adjust the RC component of their retail rate.

During fiscal year 2018, BTU completed a cost-of-service and rate study. As a result of the study, there were no changes to the City Electric System or Rural Electric System retail customers' base rates, but on October 1, 2018 the Rural Electric System wholesale rate decreased by 38% to reflect capacity cost reductions from TMPA. BTU also implemented minor changes to regulatory charges and fuel rates at that time which were revenue neutral to the City System and Rural System.

Bryan Texas Utilities Average Customer Outages

	SAIFI			SAIDI		
	Average Number of Outages per Customer per Year			Average Minutes of Outages per Customer per Year		
	APPA*	City	Rural	APPA*	City	Rural
2011	0.81	0.20	0.63	46.36	10.52	37.97
2012		0.39	0.56		19.72	32.91
2013	1.11	0.34	0.40	58.49	11.83	31.38
2014		0.23	0.50		12.78	38.44
2015	1.50	0.18	0.35	94.02	11.13	26.52
2016		0.23	0.54		11.28	38.99
2017		0.25	0.36		12.39	32.33
2018		0.19	0.39		12.02	34.93

SAIFI - System Average Interruption Frequency Index

SAIDI - System Average Interruption Duration Index

*APPA's most recently published SAIFI and SAIDI numbers

Bryan Texas Utilities
Equivalent Availability Factor for Generation Facilities
Twelve Months Ended September 2018 *

	Equivalent Availability Factor	Unplanned Outages of More than 12 hours
Dansby 1	83.73%	2
Dansby 2	94.20%	1
Dansby 3	90.03%	3
Atkins 7	70.52%	3

*** reported based on FY to be consistent with the remainder of the Annual Performance Report**

**Bryan Texas Utilities
Operating and Capital Expenditures**

	FY2018		FY2017		CITY ELECTRIC SYSTEM FY2016		FY2015		FY2014	
	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET
OPERATING EXPENSES										
Energy Cost	\$ 76,505,781	\$ 71,190,903	\$ 69,993,591	\$ 77,678,795	\$ 71,333,494	\$ 81,237,423	\$ 74,683,129	\$ 84,941,256	\$ 84,178,564	\$ 72,353,799
Capacity Cost	17,565,562	18,077,594	28,370,440	27,494,469	29,998,113	30,672,501	27,202,304	28,744,823	21,956,707	22,462,543
TCOS Expense	17,058,219	16,582,464	16,063,152	15,245,133	15,840,864	15,721,121	13,498,758	14,778,356	11,151,480	13,424,705
TCOS Expense - Wholesale	2,259,209	2,422,329	3,081,627	3,083,291	3,072,887	3,473,579	2,900,296	3,257,310	2,711,867	4,170,562
Departmental Expenses	24,009,678	24,539,504	23,879,734	23,841,914	22,663,829	23,976,157	21,545,100	21,811,868	19,358,083	21,609,181
Administrative Reimbursement to COB	664,967	877,368	754,049	921,487	768,630	894,648	881,813	868,590	774,208	773,783
Administrative Reimbursement from COB	(1,640,870)	(1,598,520)	(1,762,263)	(1,505,592)	(1,515,748)	(1,575,675)	(1,529,782)	(1,529,782)	(1,331,857)	(1,331,857)
TOTAL OPERATING EXPENSES	136,422,545	132,091,641	140,380,330	146,759,498	142,162,068	154,399,754	139,181,618	152,872,421	138,799,051	133,462,716
NON-OPERATING EXPENDITURES										
Annual Capital Expenditures from Rates	6,481,407	12,569,886	12,903,718	17,920,167	11,319,894	9,584,420	7,621,312	8,572,977	6,335,750	10,045,610
Right of Way Payments to COB	12,379,099	13,051,257	11,918,376	12,435,095	11,908,617	12,299,680	11,411,380	11,619,122	10,598,712	10,202,226
Debt Service Requirements	17,279,316	17,279,316	23,304,109	23,263,080	22,176,065	22,240,941	22,369,965	22,369,965	19,511,538	21,563,753
TOTAL NON-OPERATING EXPENDITURES	36,139,822	42,900,458	48,126,204	53,618,342	45,404,576	44,125,041	41,402,656	42,562,064	36,446,000	41,811,589
TOTAL OPERATING AND OTHER EXPENDITURES	\$ 172,562,367	\$ 174,992,099	\$ 188,506,534	\$ 200,377,840	\$ 187,566,644	\$ 198,524,795	\$ 180,584,274	\$ 195,434,485	\$ 175,245,051	\$ 175,274,305
AMENDED BUDGET		\$ 184,992,101		\$ 200,377,840		\$ 198,524,795		\$ 195,434,485		\$ 184,518,304
FINANCED CAPITAL IMPROVEMENTS										
Annual Capital Expenditures from Bonds	\$ 10,921,704	\$ 33,483,049	\$ 29,035,480	\$ 53,256,857	\$ 16,194,138	\$ 47,730,810	\$ 13,346,896	\$ 17,397,470	\$ 25,479,698	\$ 34,816,132
TOTAL FINANCED CAPITAL IMPROVEMENTS	\$ 10,921,704	\$ 33,483,049	\$ 29,035,480	\$ 53,256,857	\$ 16,194,138	\$ 47,730,810	\$ 13,346,896	\$ 17,397,470	\$ 25,479,698	\$ 34,816,132

	FY2018		FY2017		RURAL ELECTRIC SYSTEM FY2016		FY2015		FY2014	
	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET
OPERATING EXPENSES										
Purchased Power										
Purchased Power - Base	\$ 19,446,505	\$ 18,423,616	\$ 17,162,790	\$ 17,053,855	\$ 16,374,791	\$ 16,531,434	\$ 15,878,248	\$ 14,817,878	\$ 13,510,263	\$ 12,041,419
Purchased Power - Fuel	15,818,424	15,382,749	14,405,520	14,943,280	13,933,366	14,467,848	12,279,545	14,092,628	12,925,728	12,078,996
Regulatory Charge	5,382,410	5,012,405	4,779,258	4,299,280	4,540,617	4,469,453	3,910,141	4,040,567	2,768,191	2,542,270
Departmental Expenses	1,677,657	1,764,309	1,673,282	1,835,721	1,664,352	1,701,309	1,162,435	1,539,346	1,266,929	1,389,532
All Other	36,829	35,000	35,291	35,000	35,688	25,000	34,457	25,000	31,645	25,000
TOTAL OPERATING EXPENSES	42,361,826	40,618,079	38,056,141	38,167,136	36,548,814	37,195,044	33,264,826	34,515,419	30,502,756	28,077,217
NON-OPERATING EXPENDITURES										
Annual Capital Expenditures from Rates	2,373,155	4,826,027	3,043,910	3,664,749	4,461,957	2,816,752	4,234,453	3,338,737	4,349,656	4,291,296
Debt Service Requirements	1,824,759	1,824,759	1,822,098	1,968,879	1,201,009	1,890,887	1,204,659	1,204,659	1,204,362	1,144,668
TOTAL NON-OPERATING EXPENDITURES	4,197,914	6,650,786	4,866,008	5,633,628	5,662,965	4,707,639	5,439,112	4,543,396	5,554,018	5,435,964
TOTAL OPERATING AND OTHER EXPENDITURES	\$ 46,559,740	\$ 47,268,865	\$ 42,922,149	\$ 43,800,765	\$ 42,211,780	\$ 41,902,683	\$ 38,703,938	\$ 39,058,815	\$ 36,056,774	\$ 33,513,181
AMENDED BUDGET		\$ 52,268,865		\$ 46,800,765		\$ 43,902,683		\$ 39,058,815		\$ 37,202,180
FINANCED CAPITAL IMPROVEMENTS										
Annual Capital Expenditures from Bonds	\$ 5,017,277	\$ 4,503,953	\$ 3,775,974	\$ 4,308,359	\$ 2,833,604	\$ 4,225,128	\$ 1,653,883	\$ 2,134,603	\$ 2,525,299	\$ 2,107,852
TOTAL FINANCED CAPITAL IMPROVEMENTS	\$ 5,017,277	\$ 4,503,953	\$ 3,775,974	\$ 4,308,359	\$ 2,833,604	\$ 4,225,128	\$ 1,653,883	\$ 2,134,603	\$ 2,525,299	\$ 2,107,852

Bryan Texas Utilities
System Average Production Costs

	FY18	FY17	FY16	FY15	FY14	FY13
Total Cost*	\$ 78,862,666	\$ 89,029,262	\$ 87,997,702	\$ 89,128,942	\$ 88,643,908	\$ 85,473,065
Total MWh	1,542,302	1,458,868	1,422,071	1,429,844	1,377,209	1,326,544
\$/MWh	\$51.13	\$61.03	\$61.88	\$62.33	\$64.36	\$64.43

** Includes power production expenses as defined by FERC accounting guidelines. Costs are offset by any revenues from wholesale sales.*

Bryan Texas Utilities
Annual Bad Debt Expense

	FY18	FY17	FY16	FY15	FY14
City Electric System	\$124,136	\$175,262	\$66,319	\$125,520	\$146,887
Rural Electric System	\$50,394	\$30,356	\$24,711	\$25,321	\$29,411

Bryan Texas Utilities City and Rural Bond Ratings

	FY19*	FY18	FY17	FY16	FY15	FY14
BTU - City Electric System						
Moody's	N/A	A2	A2	A2	A2	A2
S&P	A+	A+	A+	A+	A+	A+
Fitch	AA-	A+	A+	A+	A+	A+
	FY19*	FY18	FY17	FY16	FY15	FY14
BTU - Rural Electric System						
Moody's	N/A	A2	A2	A2	A2	A2
S&P	A+	A+	A+	A+	A+	A+
Fitch	AA-	A+	A+	A+	A+	A+

* - Fitch upgraded BTU's rating on November 6, 2018 to AA- (High Investment Grade) with a stable outlook.
At BTU's request, Moody's withdrew their rating on November 26, 2018.

Bryan Texas Utilities
SmartHOME & SmartBUSINESS Programs FY18

Rebate Programs	Budget FY18	Total Amount Rebated FY18	Number of Customers Participating	kW Saved
SmartHOME	\$100,000	\$59,743	149	57
SmartBUSINESS	\$300,000	\$143,235	45	425
Total for FY17	\$400,000	\$202,978	194	482

Bryan Texas Utilities Wind and Solar Energy Utilized in 2018

Utility Scale

Wind Generation	180,288,000 kWh*
Solar Generation	24,698,000 kWh*

*BTU has sold all Renewable Energy Credits (RECs) associated with this generation. As such, BTU cannot claim that we utilized any renewable energy from these sources.

Distributed Renewable Generation

Solar (Photo Voltaic) Generation	No longer available ⁽¹⁾
Solar (Photo Voltaic) Generation Systems > 100 kW	161,896 kWh
Solar Thermal (Water Heating) Generation Offset**	No longer available ⁽¹⁾

**Solar thermal generation is used to heat water, offsetting electricity that would have otherwise been consumed.

⁽¹⁾ BTU no longer requires a meter that tracks solar generation on residential and commercial solar installations that are <50kW due to the discontinued solar rebate offer.

Bryan Texas Utilities
Customers Enrolled In Special Programs
On December 31, 2018

Program Name	Program Description	Participants
Bank Draft	Allows bill ayment through automatic draft of customers bank accounts.	8,998
E-Billing	Customers receive their invoice in electronic format via e-mail.	9,628
Pay Arrangement	Schedules final payments on inactive accounts.	24
Medical Alert	Identifies customers that have a medical necessity for electricity.	81
Budget Billing	Allows customers to be billed based on average historical usage.	508