



Keeping Rates Low

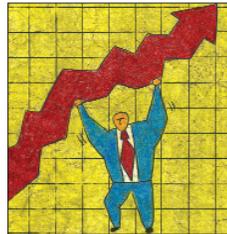
Austin Energy cut the ribbon in November on a new state-of-the-art 300 megawatt (MW) power plant that represents the most efficient natural gas-fueled generation technology available today. Not only is the plant 30% more efficient than traditional power plants, its \$177 million cost was funded without borrowing. When debt is issued to pay for new plants, it is often necessary to increase electric rates to cover the increased principal and interest payments on the new debt.

Austin Energy is also operating a successful hedging program to help protect our customers from wild swings in natural gas prices. Through this program, we purchase natural gas options or futures that lock in prices for a portion of our gas needs. The hedging program is another tool aimed at keeping our fuel charge to customers low. Currently our fuel charge is among the lowest in Texas.

Finally, this year Austin Energy bonds (separate lien bonds backed only by electric revenue) were upgraded by two bond-rating agencies: Standard & Poor's from 'A-' to 'A' and Fitch Ratings from 'A' to 'A+'.

These improved ratings help reduce the interest rate on bonds issued for our capital program and also signal the overall financial health of your electric utility. Staying in good financial shape is the best protector against rate increases.

Rebates For Businesses Boosted By 20%



Rebates that can pay up to 30% of the costs of energy efficiency improvements are now available to Austin businesses. Take advantage of one of the largest commercial rebates in Austin history to help finally make those badly needed energy efficiency improvements! Then, watch. The money saved on reduced energy use and maintenance will significantly improve your bottom line. Eligible equipment includes:

- ✓ High efficiency lighting and air conditioning equipment
- ✓ Ceiling/roof insulation
- ✓ Reflective coatings on windows (solar films/screens)
- ✓ Premium efficiency motors
- ✓ Energy management equipment such as dimmers, and more

The increased rebates are available until May 31, 2005. Maximum rebates per business: \$100,000. Austin Energy also offers high efficiency lighting upgrades at a reduced price through vendor agreements for small and medium sized businesses. No matter how large or small the business, Austin Energy has a program that will save you money. New construction projects also qualify. Call 482-5346 for more details.

Computer Recycling Now Available

Goodwill Industries of Central Texas, Dell, and the City of Austin's Solid Waste Services Department have announced the Austin Computer Recycling Project (ACRP). This pilot project is Austin's first comprehensive computer recovery, reuse and recycling opportunity for unwanted computers and offers both drop-off and curbside pickup recycling options. This is the only ongoing curbside computer pickup in Texas and one of only a few in the United States.



Households can drop off any brand of used computer at local Goodwill locations. Residents who live inside the Austin City limits can also have Goodwill pick up a used computer from their home for a \$10 fee. Goodwill will refurbish systems and sell them through Goodwill's Computer Works. Parts that cannot be refurbished will be recycled in an environmentally friendly way. Goodwill's refurbishment operations provide job skills training to individuals with barriers to employment within the Central Texas community.

For more information or to schedule a curbside pickup by Goodwill of your old computer visit www.computerrecyclingproject.com or call the Austin Computer Recycling Project at 1-866-48RE-USE.

Change a Light To Save Money and Reduce Emissions



Austin Energy partners with the U.S. Environmental Protection Agency (EPA) and the U.S. Department of Energy (DOE) in the ENERGY STAR® Change a Light Change the World Campaign. If every household in the U.S. replaced one light bulb with an ENERGY STAR compact fluorescent light, it would prevent power plant pollution equal to removing one million cars from the road. **Austin Energy provides a coupon for \$2 off per bulb** (limit two bulbs) on the purchase of ENERGY STAR Qualified Compact Fluorescent Light Bulbs at participating Home Depot stores; American Light, 610 West Powell; Breed & Company, 718 West 29th Street; and The Light Bulb Shop, 6313 Burnet Road.

Visit www.austinenergy.com for more energy saving programs, or call 974-7827. Additional information can also be found at www.energystar.gov.

Free Income Tax Preparation Assistance

The Internal Revenue Service estimates that 14,000 low-income Travis County taxpayers qualify for what is called the Earned Income Tax Credit, but do not claim it. This means \$1,700 on average per taxpayer, or \$24 million, goes unclaimed by those with the greatest need in our community.



To help address this problem, free income tax preparation assistance will be available in Austin through the Claim + Save Community Tax Centers operated by Foundation Communities, a Texas-based nonprofit. This assistance is available free of charge to wage earners and retirees raising one or more children and who earn less than \$40,000 a year, or for wage earners and retirees with no children who earn less than \$20,000 a year. This free tax preparation assistance will be provided at five locations around Austin starting January 15th with daytime, evening and weekend hours. Visit www.claimandsave.org or call 2-1-1 for locations and hours.

Public-Private "Heat Island" Project Largest To Date



Austin Energy, Watershed Protection, Parks and Recreation and Stratus Properties have joined forces to produce the largest and most proactive tree mitigation and "Heat Island" initiative in Austin to date. Some 122 trees were planted in response to the removal of trees earlier this year during construction of a transmission line in Southwest Austin — twice the number of trees impacted by the project. About 90 trees were planted in five medians on William Cannon Drive near Southwest Parkway, half of those to shade the roadway, reducing heat buildup and therefore temperatures in the area. A total of 24 additional shade trees were planted around Patton Elementary and Clint Small Middle School in cooperation with the school PTAs there. And, seven more were planted to provide screening vegetation on the perimeter of an area cemetery.

Stratus Properties installed an irrigation system at their expense to maintain the trees on William Cannon. This cooperation among Stratus Properties and the participating City departments sets an example of a successful public-private tree planting partnership.

Austin Energy Speakers Bureau

Austin Energy has excellent speakers on a variety of topics for your business or community group. Topics include:

- ✓ **Energy Efficiency**
- ✓ **Free Thermostat Program**
- ✓ **Customer Assistance Program**
- ✓ **Green Power Program**
- ✓ **Deregulation**
- ✓ **Street Lights**

To schedule a speaker for your group, or to schedule a power plant tour, call 322-6144.



Average Bill Comparison

October '04 Residential - 1000 kWh

* WTU Retail Energy (Abilene)	\$137.90
* CP&L Retail Energy (Corpus Christi)	\$130.06
* TXU Energy (Dallas)	\$113.60
* First Choice Power (Gulf Coast)	\$111.09
* Reliant Energy Retail (Houston)	\$110.78
El Paso Electric	\$104.97
Entergy Gulf States (Beaumont)	\$98.29
Austin Energy	\$90.81
Guadalupe Valley Electric Co-op	\$78.07
Southwestern Public Service (Amarillo)	\$74.14
CPS (San Antonio)	\$68.44

* Participating in deregulation

Source: Public Utility Commission of Texas

Para una Traducción en Español:

Si le gustaría recibir este folleto en Español, llame a Austin Energy al 972-9523.



Customer Service Center: 494-9400

Hours: Saturday 9:00 am - 1:00 pm; Weekdays 7:00 am - 9:00 pm

24-Hour Power Outage Reporting: 322-9100

