
BTU PRESENTATION TO THE CITY COUNCIL

JANUARY 14, 2020

BRYAN TEXAS UTILITIES

BTU

THE DIFFERENCE IS **YOU**

BTU Achievements and Future Objectives

- City Electric System
- Rural Electric System

CITY ELECTRIC SYSTEM

CITY SYSTEM - ACHIEVEMENTS

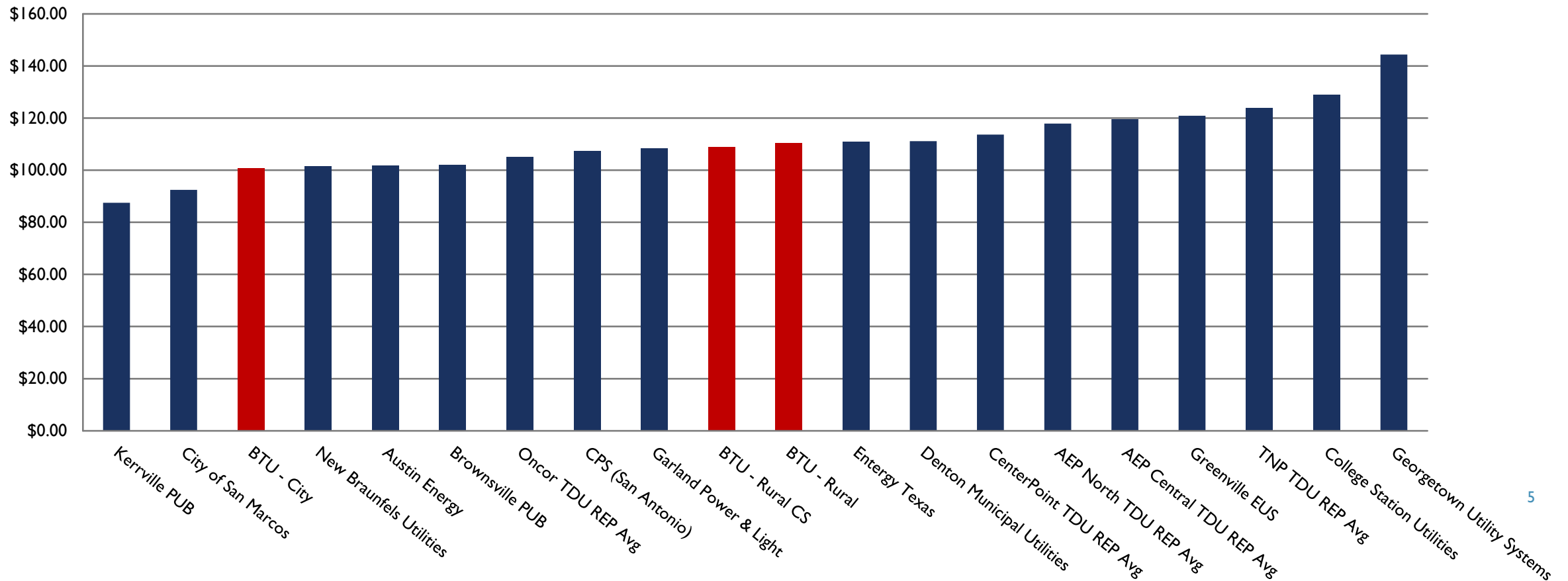


- ❑ TMLPA generation debt paid off
- ❑ Gibbons Creek plant retired and generation replaced
- ❑ Power supply costs stable through 2027
- ❑ Reduced Rural System wholesale rates to reflect elimination of TMLPA generation debt
- ❑ Established \$18.5M TMLPA decommissioning fund

CITY SYSTEM – RATES



Residential Rate Comparison
September 2019
Monthly Billing at 1000 kWh



CITY SYSTEM – CAPITAL PROJECTS

- ❑ Thoroughfare plan
 - ❑ South College Phase I (complete)
 - ❑ WJB (construction)
 - ❑ South College Phase II (design)
 - ❑ Texas Ave Phase I (design)
- ❑ Continuation of transmission investments
- ❑ Reliability and customer growth projects
- ❑ System modernization
- ❑ Administrative building
- ❑ Distribution Service Center

CITY SYSTEM – FINANCIAL METRICS



- ❑ Work with BTU Board to establish new target financial metrics
 - ❑ Mitigate market risk
 - ❑ ERCOT reserve margins
 - ❑ Environmental regulations
 - ❑ Cyber security
 - ❑ Improved credit position

CITY SYSTEM – BOND RATINGS

- ❑ Achieved rating upgrade from A+ to AA- from Fitch Ratings
- ❑ Positive outlook for upgrade from S&P
- ❑ Based on improved financial metrics

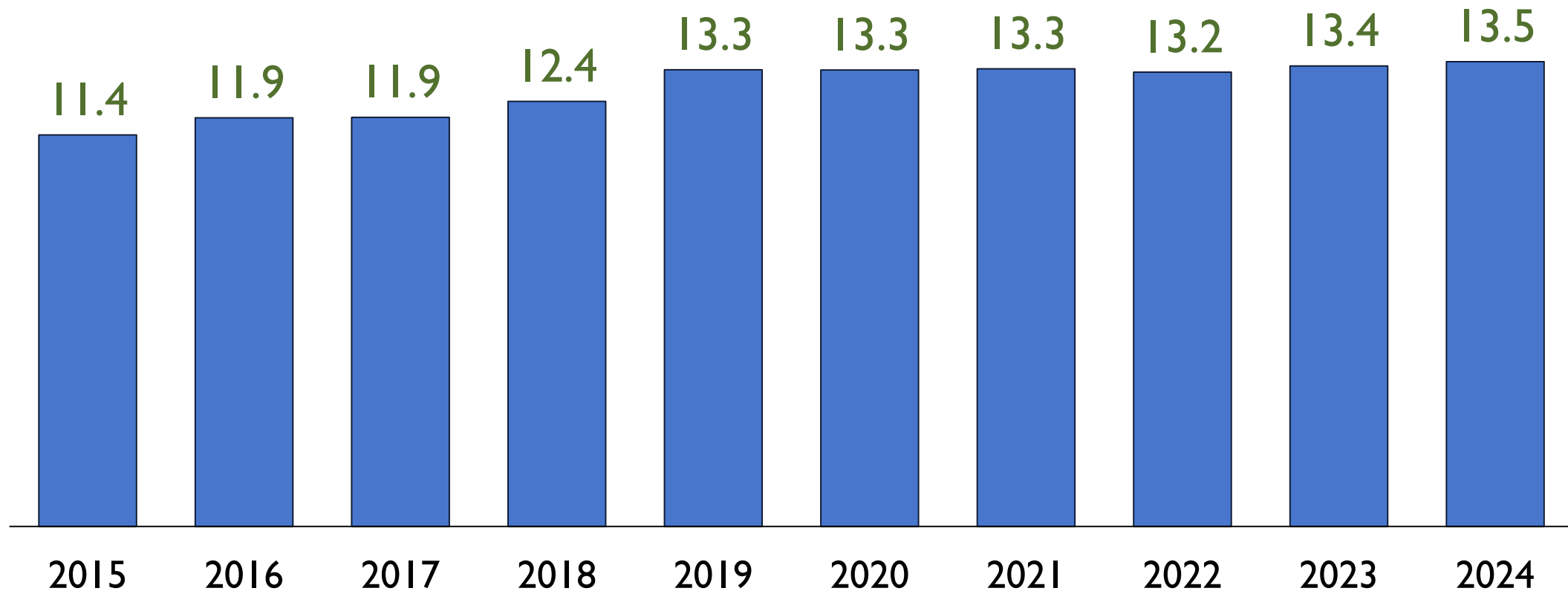
	STANDARD & POOR'S		Fitch Ratings	
	Rating	Outlook	Rating	Outlook
City System	A+	Positive	AA-	Stable

A+ = Upper Medium AA- = High Grade

CITY SYSTEM – GENERAL FUND TRANSFER



General Fund Transfer – Fiscal Year (\$M)



RURAL ELECTRIC SYSTEM

RURAL SYSTEM - ACHIEVEMENTS

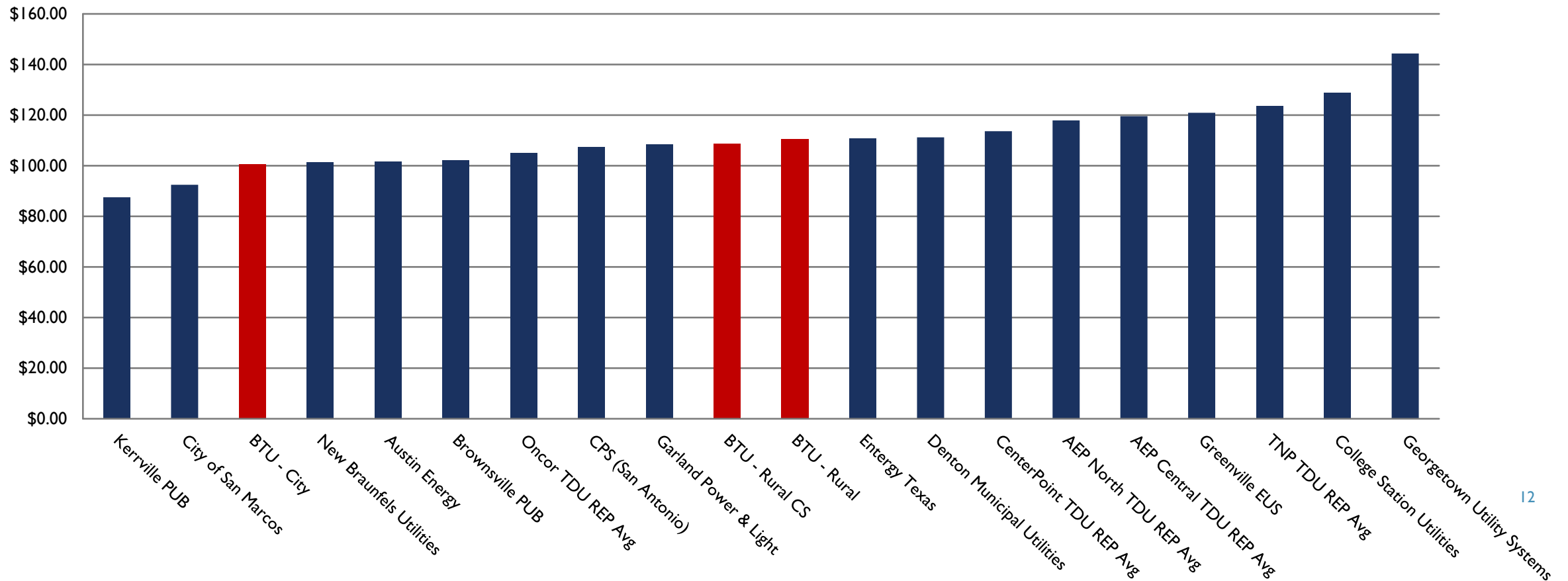


- ❑ Reduced wholesale power supply costs reflect elimination of TMPA generation debt
- ❑ Received bond rating upgrade to AA- from both S&P and Fitch

RURAL SYSTEM – RATES



BTU City Residential Billing Comparison
September 2019
Monthly Billing at 1000 kWh



RURAL SYSTEM – CAPITAL PROJECTS



- Reliability and customer growth projects
- System modernization

- ❑ Staff's understanding of Council Direction
 - Maintain competitive rates
 - Increase BTU City System cash reserves from 110 days to 175 days
 - Continue system maintenance efforts
 - Assign excess funds from the City Electric System to COB Capital Reserve Fund