

I have made a commitment to keep everyone updated on the Power Factor Correction Charge and I intend to follow through with my commitment.

Austin Energy will begin charging Power Factor Correction for all clients below 97% power factor. As stated in a previous email, prior to this charge new meters must be ordered and installed, council must be briefed, meters tested, and I am sure there are other steps I am not aware of. With this being said I learned yesterday we are projecting to have this completed by March 2009, and implementing the correction charge effective October 2009.

Below please find an example of how the charge is calculated.

ABC Company
Account # 123456

Bill Date	Demand	Billed Demand Reading	Bill Date T/P	Power Factor	kW Penalty	Demand \$	Penalty \$
		Factor	Mult Use Demand Use				
3/14/2008	29,954.4		30,181.65	0.8436	227.25	14.03	\$3,188.32
2/14/2008	29,962.8		29,991.03	0.8492	28.23	14.03	\$396.07
1/15/2008	30,651.6		30,829.32	0.8451	177.72	12.65	\$2,248.16
12/14/2007	31,978.8		31,978.80	0.9802	0.00	12.65	\$0.00
11/14/2007	31,861.2		32,038.35	0.8453	177.15	12.65	\$2,240.95

Again, the anticipated date for implementation may change which would prolong this charge going into effect. However, nonetheless there will be a correction charge for power factor, and this date is our target, so you can make plans accordingly. I will continue to update you as I receive information.

If you have any questions please do not hesitate to contact me.

Respectfully,

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