

**CPS ENERGY**  
**MINUTES OF THE SPECIAL MEETING OF THE BOARD OF TRUSTEES**  
**HELD ON NOVEMBER 8, 2023**

A Special Meeting of the Board of Trustees of CPS Energy was held on Wednesday, November 8, 2023, in the Board Room on the First Floor of the CPS Energy headquarters located at 500 McCullough, San Antonio, Texas.

**I. CALL TO ORDER**

Chair Gonzalez called the meeting to order at 11:01 a.m.

Present were Board members:

Ms. Janie Gonzalez, Chair  
Dr. Francine Romero, Vice Chair  
Dr. Willis Mackey (arrived at 11:02 a.m.)  
Mr. John Steen  
Mayor Ron Nirenberg (arrived at 11:04 a.m.)

Also present were:

Mr. Rudy Garza, President & CEO  
Ms. Shanna Ramirez, Chief Legal & Ethics Officer, General Counsel & Board Secretary  
Mr. Cory Kuchinsky, Chief Financial Officer & Treasurer  
Ms. DeAnna Hardwick, Chief Customer Strategy Officer  
Mr. Evan O'Mahoney, Chief Information Officer  
Ms. Lisa Lewis, Chief Administrative Officer  
Ms. Elaina Ball, Chief Strategy Officer  
Mr. Benny Ethridge, EVP for Energy Supply  
CPS Energy staff members  
City of San Antonio officials  
Interested Citizens

**II. SAFETY MESSAGE, INVOCATION AND PLEDGE OF ALLEGIANCE**

A safety message, invocation, and the Pledge of Allegiance were delivered by Ms. Nathalia Lopez, Legal Program Manager.

**III. PUBLIC COMMENT**

Ms. Henrietta LaGrange, community member, thanked every CPS Energy employee for being the backbone of CPS Energy. She also noted that members of the community she speaks to are against a rate increase because they are on a fixed budget.

Dr. Terry Burns, former leader of the local Sierra Club, thanked CPS Energy for its progress over the last few years. He noted that the culture and operations have greatly improved under Mr. Garza's leadership and that they are excited about the hiring of Ms. Elaina Ball as the Chief Strategy Officer. He also noted that the Rate Advisory Committee was an example of excellent community work, and it had great

recommendations. He stated they could not support another rate increase without rate reform to assist low-income customers.

Mr. Joe Garcia, community member, stated he was against the rate increase and noted that there was already an increase two years ago and one planned for FY2027. He understands that with the growth, there must be new technology, but he urged the Board of Trustees to employ new technologies and stop the increases in rates.

Ms. DeeDee Balmares, Public Citizen, stated the rate case process is happening fast. She stated that the amount of increase was announced last week, and that CPS Energy would be moving forward with a rate increase during the holidays. She also urged a tiered rate structure and rates that would encourage conservation, and she urged the Board of Trustees to hold management to a timeline to explore time of use and tiered rates.

Mr. Jack M. Finger, community member, stated his objection in signing up to speak. He also stated that there is a proposed rate increase even with the better-than-expected revenues for the City of San Antonio, and cannot see the need for a rate increase.

Ms. Debra Ponce, community member, stated she has always paid her bills and staggered investments in her home as she can afford. She is asking the same – there was a rate request two years ago and already another one planned in two years. She also expressed concern about her rates being increased permanently for expenses like upgrades to technology.

#### **IV. CHAIR'S REMARKS**

Chair Gonzalez stated that she has spoken to several members of the community and heard the following: 1) we must not lose sight of the most vulnerable, 2) we continue to support economic development, especially in areas that have not seen economic development, 3) we must plan for the future to address growing needs of both residential and commercial customers, 4) we must protect the investments made by and 5) consider tiered rates.

She stated that CPS Energy staff has provided the Board with thoughtful guidance on the challenges and opportunities that need to be addressed driven by community engagement. She also noted that staff has kept the Board informed of the need for a rate request, and the Board has the responsibility to guide the organization through the energy transformation while staying focused on growing customer needs. She also noted key partnerships with SAWS and the City of San Antonio will be important as CPS Energy looks to the future. She thanked all individuals who have participated in the process.

#### **V. FY2025 RATE REQUEST UPDATE**

Mr. Rudy Garza stated he appreciated all the work of the CPS Energy and City of San Antonio staff that has worked diligently to ensure that the rate increase request is appropriate and that future increases will be based on need. He stated CPS Energy's job is to provide the best electric and gas services as affordably as possible.

Then, he recognized:

- Mr. Kenny Byrom, Journeyman Lineman, with CPS Energy for 15 years.
- Mr. Blaine Saenz, Journeyman, in the Corrosion Control Division, with CPS Energy for 8 years.

Mr. Garza stated that to bring a rate case forward is never easy and never done lightly. It is done with singular focus of ensuring that our crews and people have what they need to get their jobs done.

Mr. Cory Kuchinsky, Chief Financial Officer & Treasurer, shared our preliminary rate request amount and the investments it will support and protect. He walked through the community commitments and key benefits for the community that resulted from the last rate increase. He stated that the proposed increase to base rates of 4.25% is lower than anticipated due to stronger than expected performance in the wholesale market. He reviewed the planned use of the one-time wholesale revenue and then detailed the customer benefits to be achieved with the proposed rate increase. Finally, he detailed that the additional revenue generated from rate support will help the financial stability of our utility.

Ms. DeAnna Hardwick, Chief Customer Strategy Officer, presented on customer assistance and community outreach. She covered the proposed changes to the Affordability Discount Program (ADP) to 1) increase the amount received by participants to cover 50% of the rate increase, and 2) to enroll at least an additional 15,000 customers with severe energy burden. She also covered community outreach efforts by CPS Energy, including the residential and small commercial bill estimators.

The Board of Trustees asked questions and discussed the update on the FY2025 rate request.

Ms. Ramirez noted several action items: 1) request for cost of fuel trends over the 15 years, 2) update the appendix slide of financial metrics to forecast 5 years, 3) verify how long ADP has been in existence, 4) share the statutory reference which allows for ADP, and 5) ADP breakdown between residential and commercial customers.

## **VI. EXECUTIVE SESSION**

Chair Gonzalez noted that the executive session item was withdrawn.

## **VII. ADJOURNMENT**

There being no further business to come before the Board, upon a motion duly made by Trustee Dr. Mackey, seconded by Vice Chair Romero and upon an affirmative vote by all members present, the meeting was unanimously adjourned at 12:56 p.m. by Chair Gonzalez.



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Shanna M. Ramirez  
Secretary of the Board