



RESOLUTION REGARDING A RATES ADVISORY COMMITTEE (RAC)

WHEREAS, CPS Energy continually strives to be financially responsible and a strong steward of the community's assets while effectively balancing its value pillars of Security, Safety, Reliability, Resilience, Customer Affordability and Environmental Impact; and

WHEREAS, to achieve the most effective balance among these important pillars, CPS Energy management and the CPS Energy Board of Trustees are constantly exploring new technologies, considering ways to innovate and improve current operations, and listening to our customers' ideas and concerns; and

WHEREAS, the utility's rate design is an important factor affecting all customers and the amount they pay for retail and gas services; and

WHEREAS, the Board of Trustees has charged CPS Energy's management to develop and execute diligently its *Flexible Path* strategy, over the short-, medium- and long-terms; and

WHEREAS, it is critical that CPS Energy's community be informed about and given an opportunity to provide input about the utility's approach and key decisions regarding rate design so that our customer concerns and interests are consistently understood and considered by the Board; and

WHEREAS, rate design will include helpful information about the assets owned by the utility and CPS Energy's approach to recover for their costs in the company's rates; and

WHEREAS, the Board is committed to providing forums for customers and stakeholders to share ideas and observations when important decisions are being made; and

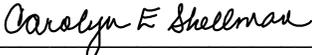
WHEREAS, a way to further this goal of ensuring public participation is to provide balanced and objective information to assist the public in understanding alternatives and involve customers in an organized structure that can lead to public feedback including formal comments regarding rate design and recommendations for the management team and the Board of Trustees to consider; and

WHEREAS, the Mayor of San Antonio, an ex-officio member of the Board of Trustees, has recommended that the Board consider creating a customer committee to review CPS Energy's rates and provide input to the Board on different rate designs that might be considered.

NOW, THEREFORE, BE IT RESOLVED that, after careful reflection and in light of the foregoing, the CPS Energy Board of Trustees expresses its support for the Mayor's request and hereby directs CPS Energy executive management and staff to develop for discussion and subsequent additional consideration a rate committee framework and initiative that would achieve the goal of providing input to management and the Board on rate design issues and generation planning.

I, Carolyn E. Shellman, Secretary of the Board of Trustees of CPS Energy, do hereby certify that the foregoing is a true and exact copy of a resolution which was unanimously passed and approved at the meeting of the Board of Trustees of CPS Energy, held on March 2, 2020, at which a quorum was present.

WITNESS MY HAND AND SEAL OF THE CPS ENERGY BOARD OF TRUSTEES on the 14th day of September 2020.



Carolyn E. Shellman
Secretary of the Board