



CEO'S REPORT

PRESENTED BY:

Paula Gold-Williams

President & CEO

October 28, 2019

THIS MONTH'S TOPICS

- **CPS ENERGY BOARD AGENDA INSIGHTS**
- **ELECTRIFICATION – FALL SA SYMPOSIUM** ✓

AGENDA INSIGHTS – 1 of 6

ITEM 7A – COST SAVINGS

- OPERATIONAL – WIRELESS COMMUNICATIONS:
 - ❑ **Wireless communications are critical to carrying out effective operations**
 - ❑ **By re-evaluating our wireless provider contracts & eliminating non-value add redundancies, we will save a total of \$778,000 from FY 2020 through FY 2023!**

ITEM 7B – FINANCIAL UPDATE

- STRONG PERFORMANCE:

- Continued Prudent Cost Control

- Optimized Wholesale Revenues

- Metrics – Generally are Strong:

- Debt Coverage = 

- Cash Levels = 

- Debt Levels = 

- ❖ We remained focused on our long-term goal to reduce our debt ratio to 60% or below

ITEM 11 – MIDTOWN SUBSTATION SITING UPDATE

- We already seeing **increased population density across S.A.**
- This includes **central** parts of our community
- This substation investment **will help us maintain & improve reliability**
- Additionally, as more growth is expected, this capital investment **will continue to support better system functionality & less disruptions** in the future

ITEM 12 – PENSION ACTUARIAL SERVICES

- **We successfully managed our pension & other benefit plans for almost 40 years, while maintaining high credit ratings**
- This is due to **controlling costs & being prudent**
- **Solid financial returns** on our Pension Plan assets:
 - ❑ 10 Years = **9.4%**
 - ❑ Since 1982 = **9.6%**
- **5-Year Independent Actuarial Review - Completed** ✓
 - ❑ **≈ Clean Opinion!**

ITEM 13 & 14 – FLEXIBLE PATH UPDATES

- **We are actively surveying residential & business customers + other stakeholders to determine their interests, priorities, & concerns:**
 - ***Flexible Path* → *FlexPower Bundle* & *FlexSTEP***
 - **Results:**
 - **Will see summarized information**
 - **This is a preview before we close out the formal survey periods**
 - **We will continue interaction & outreach**

ITEM 16 – GRIDEX V PREVIEW

- This exercise is conducted by:
 - The North American Electric Reliability Corporation (**NERC**)
- **5th** National Effort
- The exercise will take place mid **November**
- We have **numerous entities participating** from across S.A.

ELECTRIFICATION

ELECTRIFICATION U.S. SYMPOSIUM SERIES

The Electrification Experience

October 2-3, 2019
San Antonio, Texas

Hosted by  CPS ENERGY

Registration is now
**REGISTER
NOW**
open for this event!!

**PARTNERSHIP:
CPS Energy & EPRI**

- **Brought a Content-Rich Conference to S.A.!**
 - ❑ **Thought Leaders / Solid Speakers**
 - ❑ **New Technology, Regionalism, & many other topics covered**



Great that **Trustee Gonzalez** joined us!



Also great to have a Former Secretary of Energy, **Ernest Moniz** provide our **Keynote** & participate in a panel!

VIDEO



Thank You

GENERAL GLOSSARY / DEFINITIONS



- CAAP Climate Action and Adaptation Plan
- CEO Chief Executive Officer
- CFO Chief Financial Officer
- CRU Customer Response Unit
- EPRI Electric Power Research Institute
- FY Fiscal Year
- M Million
- MW Megawatts
- NERC North American Electric Reliability Corporation
- PFC SA Energy Acquisition Public Facility Corporation
- S.A. San Antonio
- RFP Request for Proposal