



Budget Plan

FY2024

CONNECTING • LISTENING • ENGAGING • SERVING





FISCAL YEAR 2024 FINANCIAL PLAN

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FISCAL YEAR 2024 FINANCIAL PLAN

FORWARD

Honorable Mayor and CPS Energy Board of Trustees:

We are pleased to present the FY2024 Annual Operating Budget and Capital Improvement Program for CPS Energy. The objective of this document is to inform our community, credit rating agencies, and investors of our financial plan for the current fiscal year, as well as to promote transparency.

In FY2023, we successfully navigated through high fuel costs, inflation, past due receivables, significant supply chain disruptions, and extreme weather. Additionally, we provided critical outreach to customers in need of assistance and made important decisions regarding the future of our generation resources, all while maintaining stable financial health.

FY2024 will be a year of continued execution on community commitments such as infrastructure resilience, technology improvements, supporting new infrastructure needs, and evolving our generation fleet. We will work to achieve these goals in the face of sustained inflation, continued supply chain interruptions, volatile weather patterns, and a tight labor market.

Our budget is designed to provide value to our customers while ensuring our community still enjoys the benefits of owning a financially stable utility. This budget provides funding for key community strategic objectives. Highlights of these investment include:

Non-fuel Operational Expenses (\$773M)

- People
- Power Sustainability and Resiliency
- Electric and Gas Infrastructure Reliability
- Technology Improvements
- Customer and Community Engagement

Capital Improvement Projects (\$941M)

- Infrastructure Modernization
- Customer Growth
- System Growth
- Environmental / Legislative & Regulatory Projects
- Civic Improvements

It has been a privilege and honor to serve this community for over 160 years. Our 3,200+ employees are committed to meeting our community's energy needs now and in the future. This plan communicates our comprehensive process for building an equitable and modern energy infrastructure, creating accountability for the commitments we have made to our community, and ensuring transparency.

Sincerely,

Cory Kuchinsky, CPA

CPS Energy

Chief Financial Officer (CFO)

VISION 2027 – AN EVOLVING UTILITY

The utility industry is witnessing rapid change and our strategic plan, [Vision 2027 – An Evolving Utility](#), is designed to guide CPS Energy through this transformation. Vision 2027 sets out how we will serve our customers and community while ensuring we have the flexibility to adapt to new technologies in the years beyond 2027. As we look forward, a key element of change is our commitment to transition from coal generation by 2028 to alternative sources of fuel to generate power.

San Antonio is one of the fastest growing cities in America, and the utility industry is faced with integrating new technology while balancing societal and regulatory expectations, managing volatile weather events, and remaining competitive to retain and attract local talent.

To prepare for and take advantage of these changes we established a set of five strategic objectives with goals and key initiatives:

- Operational Evolution
- Financial Stability
- Customer Experience
- Team Culture
- Community Partnership & Growth

Annually we review our progress with our Board of Trustees and stakeholders to identify progress toward community goals and future opportunities. With our Board of Trustees, we will update initiatives and goals to continually deliver on our mission of service.

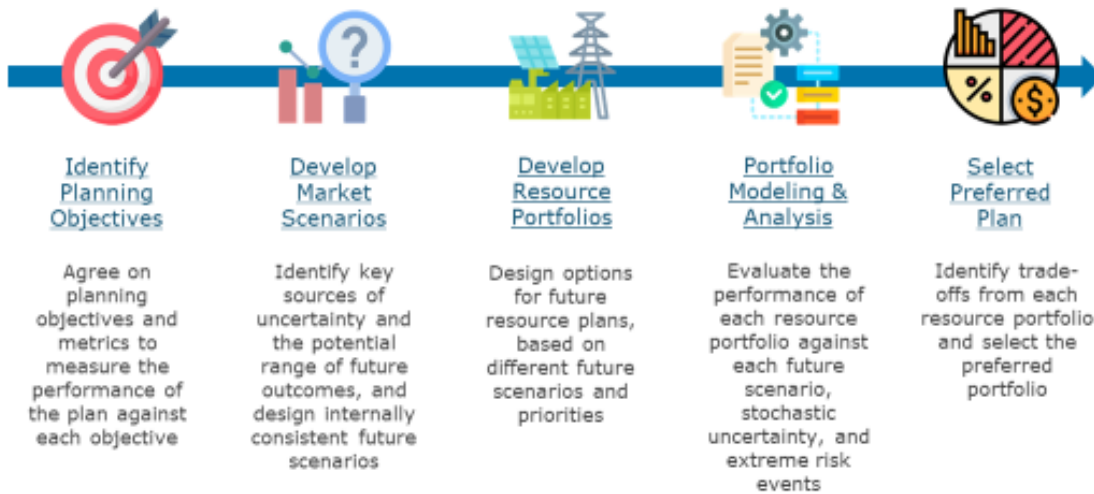
For more information about Vision 2027, visit <https://www.cpsenergy.com/en/about-us/vision-2027.html?linkvar=sidenavigation>

POWER GENERATION PLANNING

We recently conducted a comprehensive resource planning effort to evaluate generation alternatives that involved the engagement of the community. We received various perspectives which ultimately allowed our Board of Trustees to align on a path forward for our generation fleet.

Our resource planning process was methodical, inclusive & transparent. The graphics below summarize this intensive resource planning approach.

POWER GENERATION RESOURCE PLANNING APPROACH



BY THE NUMBERS

LEVERAGING BROAD PERSPECTIVES & EXPERTISE

<p>2,100 MW Fossil Generation Impacted by 2030</p>	<p>16 Month Process Held 19 meetings with the RAC to inform, listen, and discuss</p>
<p>9 Diverse Portfolios Developed Potential generation solutions developed in partnership with the RAC</p>	<p>50 Portfolio Results Analyzed Across 4 Market Scenarios, 9 Portfolios, and 4 Sensitivities</p>
<p>2 Industry Leading Consultants</p> <ul style="list-style-type: none"> Charles River Associates (CRA) Burns & McDonnell 	<p>600,000 Touch Points with Customers</p>

We partnered with community leaders and representatives to define a balance set of resource planning objectives, and we conducted an extensive public outreach and engagement effort to ensure that we had feedback from every area of our community.

PLANNING OBJECTIVES

 <p>System Reliability & Climate Resiliency Consistent delivery and ability to cope with extreme events</p>	 <p>Environmental Sustainability Support for community's environmental goals</p>	 <p>Affordability Customers' ability to pay for service</p>	 <p>System Flexibility Ability to respond to changing conditions</p>	 <p>Workforce Impact Employees needed to operate effectively</p>
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PUBLIC OUTREACH & ENGAGEMENT

DIVERSE APPROACH TO LISTENING & CONNECTING

The Powering Our Community's Future engagement strategy focused on continuous awareness and dialogue with the community.

Engagement Summary

- Four open house AM & PM sessions : 59
- Commercial Customers Webinar: 47
- Community Town Hall: 35
- CoSA Council District Community Event: 60
- Virtual Tele-Town Hall: 3,515
- SA Chamber Infrastructure Committee & Public Policy Council Meeting: 20
- Social Media Impressions: 44,098
- Path Forward Webpage: 18,783+
- Paid Media Impressions: 541,970+
- Media News Coverage: 10+
- Toolkit Distribution Shares: 50+
- HOA & Neighborhood Alliances: 409
- University & Colleges Outreach: 6
- Flyers @ CPS Energy Customer Walk-In Centers: 4
- Employee Communications: 3,100+
- Influencer Marketing Impressions: 22,155
- CEO Engage Newsletter: 8,900
- Online Community Calendars: 6
- Community Engagement Outreach: 123
- BoT Meetings Since February Resolution: 9
 - Public Input Speakers: 11
- RAC meetings: 14
 - Public Input Speakers: 14
- Municipal Utilities Committee Updates: 4
- Survey: 1,268 participants

Management recommended (and our Board of Trustees approved) a blended portfolio of generation resources.

BLENDED PORTFOLIO IS THE RECOMMENDATION TO OUR BOARD

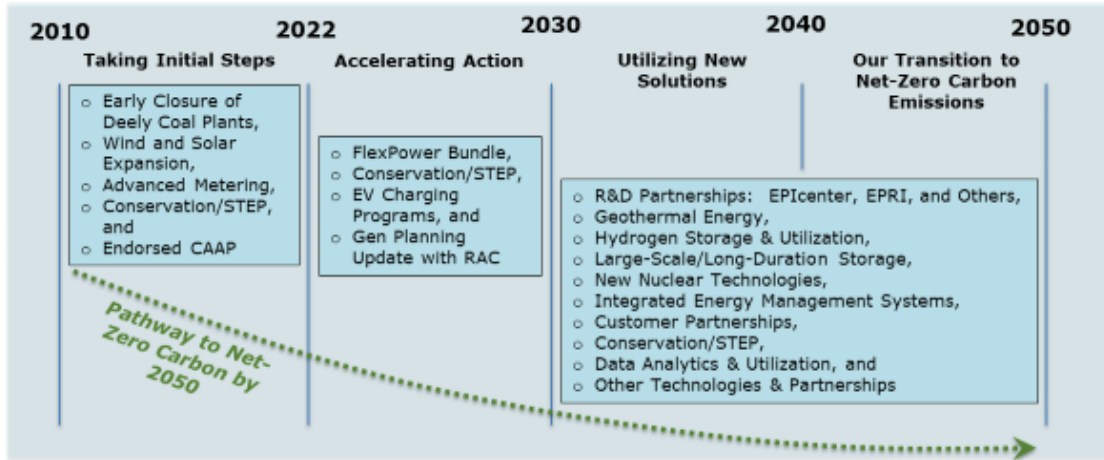
TRANSFORMATIONAL CHANGE WITH FLEXIBILITY

- ✓ Balances reliability with affordability
- ✓ Continues transition to a lower carbon future
- ✓ Retains experienced workforce to support transition
- ✓ Retains a greater degree of fuel diversity to manage cost risk
- ✓ Supports expansion of renewables while providing greater protection from extreme weather risk
- ✓ Aligns with community survey results
- ✓ With majority support, the RAC recommended Blended Portfolio (P2) to our Board

Details on the generation planning analysis can be found at: <https://www.cpsenergy.com/rac>

As always, we remain committed to having frequent, transparent discussions with our community about our ongoing transition to a sustainable future.

PATHWAY TO 2050 OUR TRANSITION TO NET-ZERO CARBON EMISSIONS



[Visit CPSEnergy.com](https://www.cpsenergy.com) for more information about our recent generation resource planning efforts including:

- Generation portfolios evaluated
- Economic implications of these portfolios
- Description of input received & decisions made

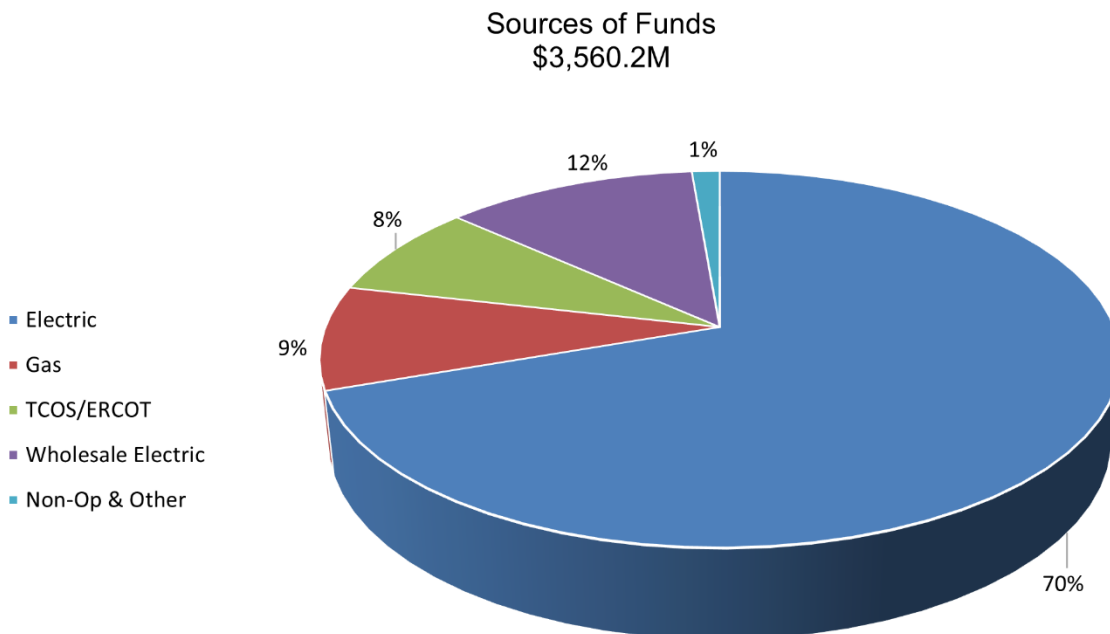
BUDGET SUMMARY

CPS Energy’s financial planning process enables us to allocate our community resources in a method that promotes the achievement of strategic priorities, while maintaining the financial stability required to meet obligations to our Board of Trustees (Board), bondholders, credit rating agencies, and our community. Such a process is required to ensure the proper vetting of budget assumptions, to evaluate the financial impact of proposed initiatives, and to solicit enterprise feedback through a robust management review process. It is a thorough process that requires engagement of many resources across the company. The CPS Energy management team is committed to meeting financial expectations by driving operational efficiencies while managing risk.

This budget summary describes a comprehensive projection of CPS Energy’s operations for FY2024 (February 1, 2023, through January 31, 2024). A summary of Sources and Uses of Revenue are provided in the tables and charts below.

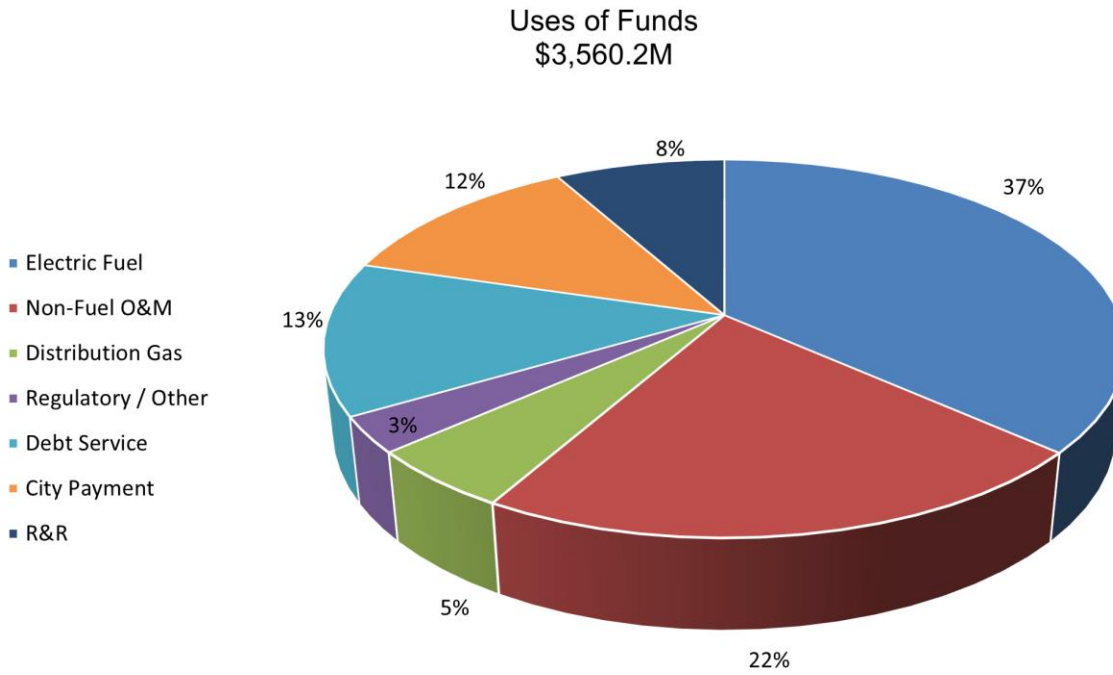
SOURCES OF REVENUE

(\$ in Millions)	FY2024
Local Customer Electric	\$2,789.9
Distribution Gas	321.2
Wholesale Electric	427.7
Non-Operating	21.4
Total Sources	\$3,560.2



USES OF REVENUE

(\$ in Millions)	FY2024
Operating Expenses	\$2,369.4
Debt Requirements	465.4
R&R 6% of Revenue	213.6
City Payment	436.8
R&R Remaining	75.0
Total Uses	\$3,560.2



The FY2024 Budget presents a financial plan designed to achieve CPS Energy's Vision 2027. This will allow us to continue being a community leader and work towards building an equitable and modern energy infrastructure with the following objectives:

1. **Operational Evolution** - We embrace innovation and balanced solutions to bring overall value and resiliency to our customers through improved efficiency, sustainability, and management of risk.
2. **Financial Stability** - We focus on sound budget discipline and key financial metrics to leverage our strong brand in the financial markets.
3. **Customer Experience** - We strive to connect with our diverse customers in an equitable manner.
4. **Engaged & Service-oriented Culture** - We focus on talent management, building a culture of empowerment & engagement in meeting our mission to serve.
5. **Community Partnership & Growth** - We are a community partner that works transparently and collaboratively to support key decisions, innovation, and economic growth.

The budget balances revenue requirements with available revenues and other funding sources. Some of the key investment objectives of the plan include:

Infrastructure

- Awareness and control of system performance
 - Ongoing spend on distribution including pole replacement, underground line strategy, upgrading gas mains and supply lines.
 - Continue adding reclosers and other distribution automation equipment to increase control over system circuits, which will improve how we manage rolling outages.
 - Ongoing spend on vegetation management and overhead line maintenance.
- Improved durability and performance of power plants
 - Ongoing plant maintenance and overhauls.
 - Purchase of a major natural gas supply line.

Technology

- Upgrade of current technology platform.
- Future state design and implementation plan.
- Work with vendors and partners to support deployment (ERP assessment partner, digital and data strategy partner, delivery assurance partner, transformation partner).

Growth

- Extending the electric distribution system, re-routing electric lines to accommodate new construction, substation additions and expansions, installing new gas distribution lines, and additional gas and electric meters.
- Growth requires significant up-front investment in fixed assets and rates are designed to recover this shared cost over time from all customers.

People

- Continue to attract and retain knowledgeable and talented employees in a competitive environment

OPERATIONS AND MAINTENANCE (O&M) BUDGET HIGHLIGHTS

CPS Energy strives to deliver exceptional value to our customers, and mitigate financial risk, through human capital development, generation diversification, infrastructure modernization, and the adoption of innovative technology. Our ongoing business operational expenses include labor, maintenance activities, contract services and materials, which allow for delivery of safe, reliable, energy that provides value to our customers.

For FY2024, Non-Fuel O&M is estimated at \$773.0 million. Significant elements of this budget include:

- Tree trimming over power lines, overhead line maintenance, pole attachment services, and related customer growth.
- Contract services related to call center, billing and collection contracts.
- Facilities maintenance costs.
- Costs for labor, employee insurance, pension, and other post-employment benefits.
- Gas leak repair, gas line locates, and regulatory assessments.
- Maintenance and improvements at the power plants.
- Security contracts.
- Material and equipment price escalations due to supply chain disruptions and inflation.

CAPITAL IMPROVEMENT PROGRAM ("CIP") HIGHLIGHTS

CPS Energy plans for current and future electric generation, electric transmission and distribution, gas system capital construction programs, and supporting technology and facilities.

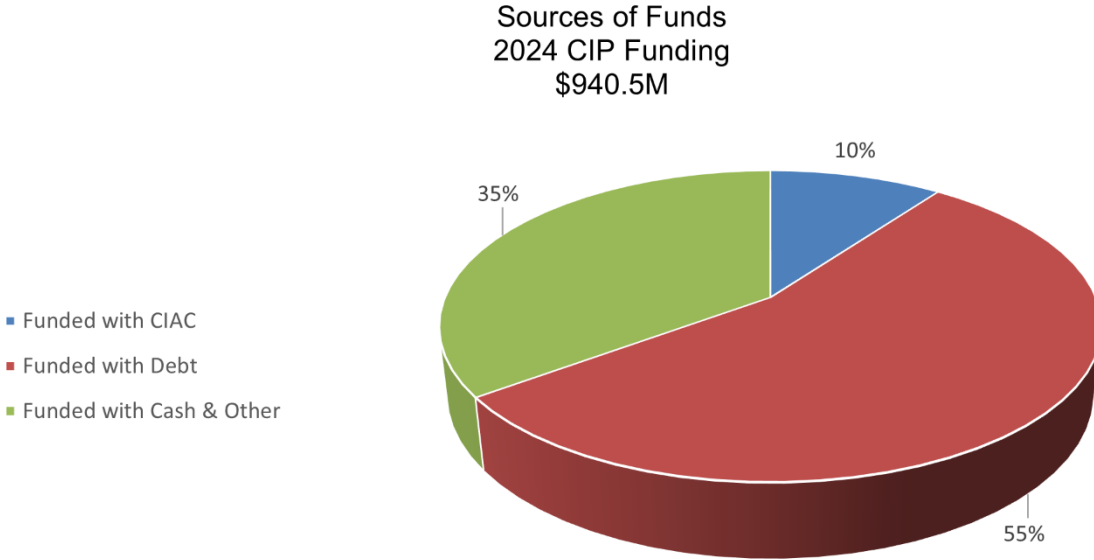
For FY2024, Capital is estimated at \$940.5 million. Significant elements of this budget include:

- Electric and gas distribution infrastructure such as transformers, meters and underground infrastructure required to connect new residential subdivision and commercial customers.
- Civic improvements to support highway and other infrastructure expansion.
- System growth and projects associated with new substations.
- Power plant performance and reliability enhancements.
- Technology requirements to support future operations.
- Natural gas pipelines to Rio Nogales.
- Distribution programs to refresh our aging infrastructure such as reclosers for circuit reliability, cable rehabilitation, pole replacement, and a strategic initiative to replace overhead line with underground line.
- Compliance requirements, such as Spruce Wastewater Treatment/Effluent addressing EPA wastewater treatment compliance by December 31, 2023.
- Physical and cyber security costs.
- Fleet vehicle and equipment purchases.

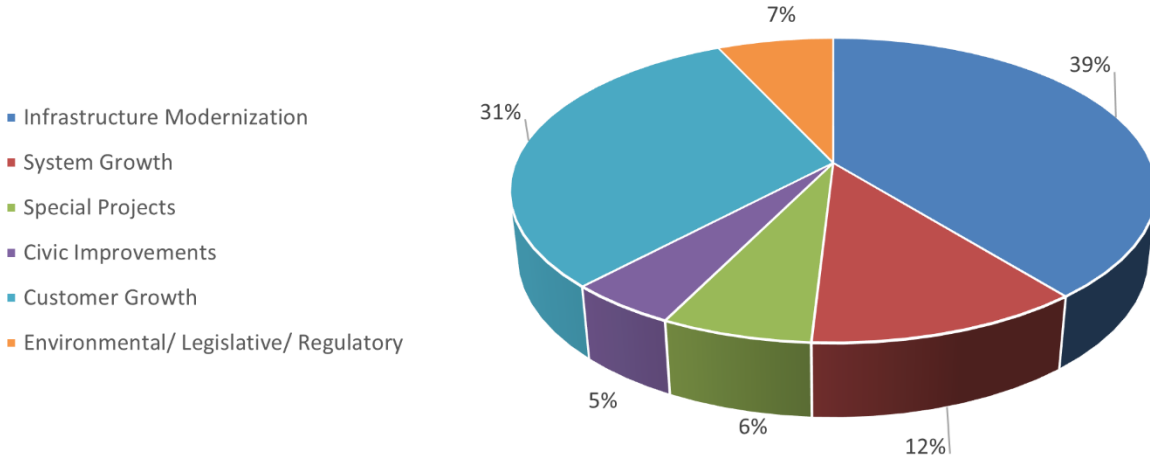
EXPECTED CIP FINANCING PLAN

FY2024 Debt Statistics (\$ in millions)	
Total Long-Term Debt	\$6,827.4
Debt Capitalization Ratio	62.62%
Adjusted Debt Service Coverage (ADSC) Ratio	1.62
Planned Capital:	\$940.5
Debt Proceeds	\$515.7
Estimated Average Tax-Exempt Coupon	5.38%

Current financing assumptions include funding the capital portfolio with \$515.7 million of debt proceeds and \$424.8 million from the Repair and Replacement (R&R) Account and other contributed capital (CIAC). We continue to monitor debt refinancing opportunities as they arise and look for further ways to optimize our financing plan. Proceeds from all sources, including interest earned, will be primarily used to fund electric transmission and distribution, including grid modernization, gas distribution, generation, and facilities improvement construction projects, as well as enhancements to our customer service operations. This financing plan is projected to result in an Adjusted Debt Service Coverage Ratio of 1.62x, a Debt to Capitalization Ratio of 62.62%, and Days Cash on Hand of 170 days.



Uses of Funds
2024 CIP Funding
\$940.5M



RATE PLAN

CPS Energy is currently engaging the community via the Rate Advisory Committee on rate design. Significant community discussions will be occurring this year regarding the evolution of our rate structures and opportunities. The most current information about this effort can be found on <https://www.cpsenergy.com/rac>

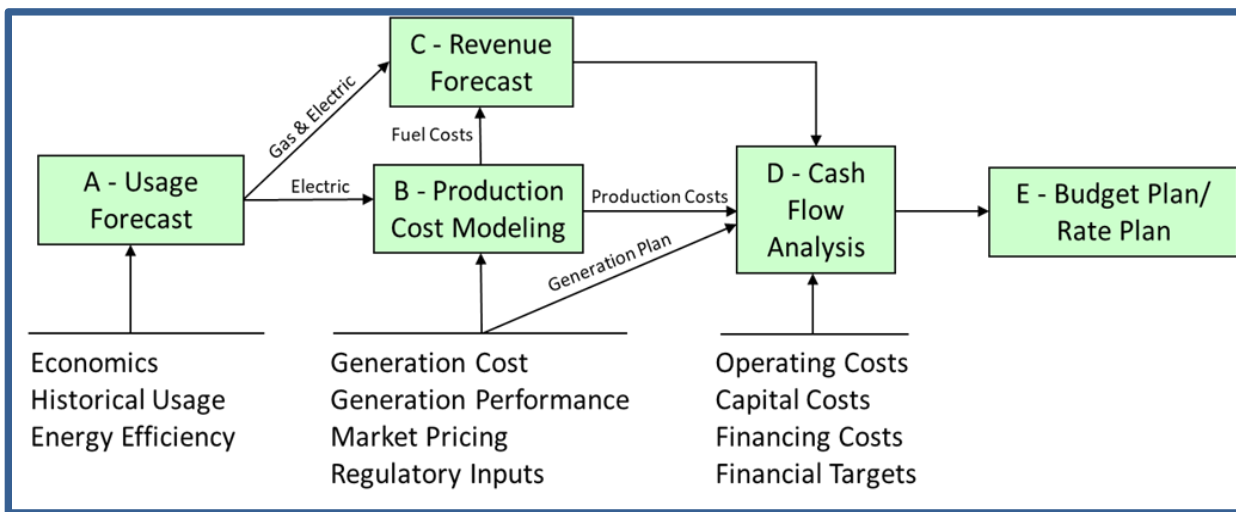
As discussed during our last rate increase, CPS Energy expects to periodically seek electric and gas base rate increases that are intended to provide community value for our customers and maintain the benefits of a stable utility for our customers. Our current budget reflects rate requests on a cadence of approximately every 2 years.

FINANCIAL PLANNING PROCESS

The Financial Planning Process enables the creation of the FY2024 budget. Understanding the high-level inputs that feed any budget plan are critical. The process guides leadership, Subject Matter Experts (SME's), and staff through near term and long-term planning decisions. At each step, our leaders are provided with the opportunity to review and evaluate relevant data and challenge key inputs during the planning cycle. Having a strategy goal in mind, such as Vision 2027 is a key litmus tests in prioritizing.

The final approved financial cashflow model run is recognized as our Financial Plan and serves as the basis of our request for budget approval by the CPS Energy Board of Trustees.

FINANCIAL PLANNING INPUTS



The major components of the process are:

1. Customer Usage Forecast, including energy efficiency programs: CPS Energy forecasts the electrical and gas needs of our community. Retail customer electric and gas usage makes up the majority of CPS Energy's operating revenue. Thus, it is important to accurately forecast this usage. Customer usage is forecasted by inputting variables such as economics, historical demand, and energy efficiency. This component simulates hourly customer usage over the 25-year planning horizon.
2. Generation Production Cost Modeling: Generation production cost is a large portion of CPS Energy's operating and capital cost. Thus, it is important to our company to accurately forecast these costs. This component simulates the hourly generation production costs over the 25-year planning horizon.
3. Revenue Forecast: Projected bills and sales, as well as forecasted fuel, regulatory, and STEP expenses are utilized to estimate retail electric and gas revenue by customer group.
4. Cash Flow Analysis: The financial model used is Excel-based and translates energy demand, resource planning, and other company cost assumptions into financial statement projections. The model solves to maintain key financial metrics at targets. Meeting financial metrics is necessary to maintain the company's financial health and to support Aa2/AA-/AA- credit ratings, which also results in low bills for our customers.
5. Budget Plan/Rate Plan: Customer bill impacts are calculated using revenue forecast and cash flow results to assess customer value and rate competitiveness.

LONG RANGE FINANCIAL PLANNING

The financial plan is organized into three distinct planning timelines to facilitate short-term and long-term forecasting: 1 Year Planning, 2-5 Year Planning, and 6-25 Year Planning. The planning timelines play a key role in prioritizing CPS Energy’s short-term and long-term strategic operational and financial needs.

Long-range financial planning is critical for CPS Energy to accomplish its mission and vision. Long-term financial planning combines financial forecasting and analysis to project revenue and expenses over a long-term period. The overall goal is to create a long-range plan that maintains financial stability for the organization.

Resource planning is managed comprehensively across multiple time horizons, and many iterations are analyzed through the year to continue to optimize the long-range plan.

As we optimize and develop a plan each year, we ensure the plan includes long term assumptions driven by macro-economic and population trends to assess electric and gas demand. This helps inform our strategic planning to meet the appropriate level of customer demand and manage our cost recovery strategies throughout the planning horizon. Generation planning is a focus of our 25-year plan, planning for new resources and retirements, while considering our customer and demand growth projected for the long term. Our recent generation plan approved by our Board of Trustees that focuses on transitioning away from coal is a key input to that forecast. While this is a 25-year view, it is constantly revisited annually to take into consideration community and stakeholder input.

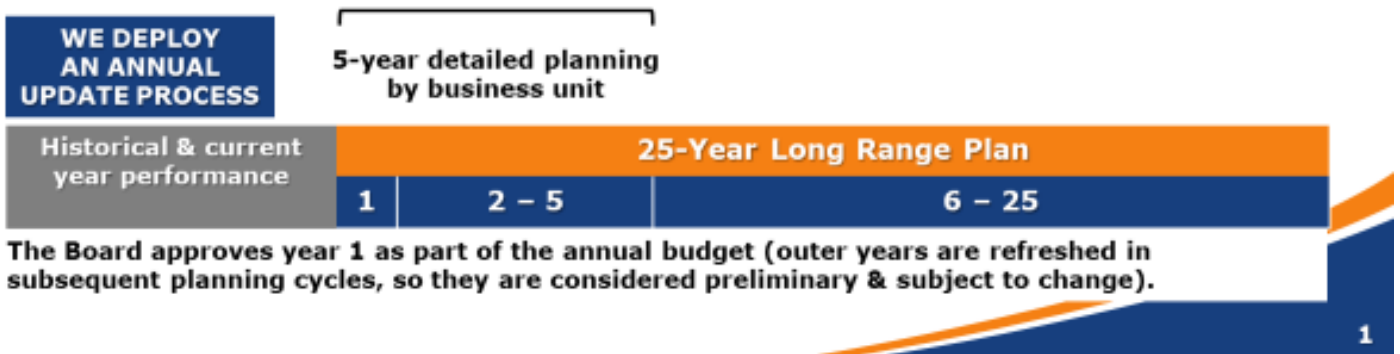
FORECASTING OVERVIEW



Generation Resource = Load (Demand) + Reserve Margin

FORECAST INPUTS

- Customer Growth (Electric & Gas Sales)
- Regulatory Costs (TCOS, ERCOT)
- Fuel Cost (gas, coal, nuclear, renewables)
- Generation Resource Plan
- Market Power Prices
- Wholesale price, revenue & margin
- Interest Rates



BUSINESS UNIT FINANCIAL PLANNING

Each business unit creates an operational plan that is consistent with enterprise objectives and strategies. This results in a bottom-up build of O&M and Capital requirements.

CPS Energy consists of the following business units:

Energy Supply - provides the expert knowledge, skills, and abilities required to safely and reliably operate CPS Energy's generation fleet in compliance with regulatory requirements while protecting the environment. The team works closely with Energy Supply & Market Operations to coordinate unit dispatch, deliver on our wholesale obligations, and respond to market opportunities. Efficiency and effectiveness are key objectives for the group.

Energy Delivery Services (EDS) - consists of delivery engineering, integrated planning, substation & transmission engineering, transmission and distribution field services & operations, grid modernization, and natural gas distribution. EDS exists to provide safe, reliable and economical energy delivery services to our customers. We do this by focusing on customer satisfaction, working safely, improving the reliability of our services, focusing on process alignments, effectively utilizing our resources, being sensitive to the environment, and challenging and developing our employees.

Customer Strategy - The vision of Customer Strategy is to be recognized as the industry leader in creating intentional, exceptional customer experiences while delivering valued products and services through our customers' preferred channels. Our vision acknowledges that customers' expectations are changing. Accordingly, we are moving from 'one size fits all customers' to delivering tailored and personal experiences to every customer.

Support Services - Administrative, Corporate Communications & Marketing, Finance, Legal & Integrated Security, Government & Regulatory Affairs, and Enterprise Information Technology all provide operational support for the organization such as procurement of resources (parts, services, materials), the upkeep and maintenance of our facilities and vehicle fleet, and managing our staffing and administration.

CORPORATE PRIORITIZATION

Corporate prioritization discussions occur between the business areas and a broader Financial Planning team. Budget targets are set, and the expected outcomes of the financial model drive the corporate prioritization discussion for operating expense and capital planning. Management discussions take place to challenge the contents of the entire plan. The plan is also reviewed by strategic category to make sure that it is aligned to company strategic priorities, such as Vision 2027. In addition, cross-functional owners of Enterprise Risk and Business Planning review the proposed plan to ensure proper funding of risk mitigation plans and strategic business plans.

PERFORMANCE METRICS AND BENCHMARKS

As a vital part of the planning process, the Enterprise Performance Measures Program provides a quantifiable approach to measure our performance. The FY2024 Board Measures are subject to revision and are currently under review for approval from CPS Energy's Management and Board of Trustees.



FISCAL YEAR 2024 FINANCIAL PLAN

ANNUAL OPERATING BUDGET DETAILS

The following table summarizes the consolidated Sources and Uses of Funds that comprise the CPS Energy Operating Budget.

(\$ In Millions) Description	Budget FY2024
Revenue	
Electric Revenue	\$2,789.9
Wholesale Revenue	427.7
Gas	321.2
Total Operating Income	3,538.9
Less	
Electric Fuel, distribution Gas & Regulatory	1,602.1
Payments to the City of San Antonio	436.8
Net Operating Revenue	\$1,499.9
Net Retail revenue	1,369.7
Net Wholesales Revenue	45.4
Net Gas Revenue	91.9
Net URI Fuel Recovery Revenue	7.2
Net Non-Operating Revenue	43.3
Total revenue available for nonfuel expenses	\$1,543.1
Expenses	
Operations & Maintenance	\$773.0
Depreciation, amortization, & decommissioning	535.6
Interest & debt-related	255.3
Total nonfuel expenses	\$1,564.0
Net Income	\$(20.8)
Capital Expenditures	940.5
ADSC	1.62
DCOH	170
Debt Capitalization	62.6%



FISCAL YEAR 2024 FINANCIAL PLAN

SOURCES OF REVENUE

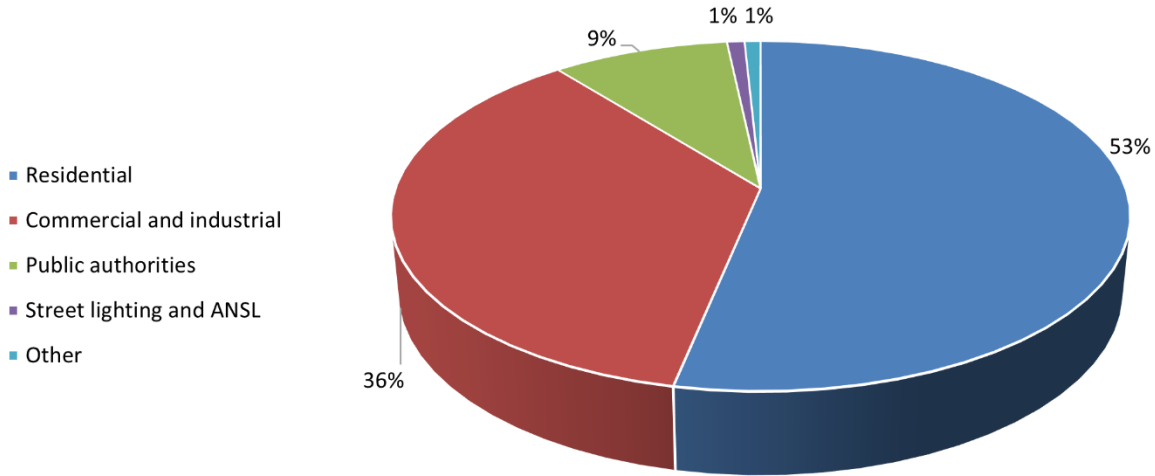
(\$ in Millions) FY2024	
Total Sources:	
Local Customer Electric	\$2,789.9
Distribution Gas	321.2
Wholesale Electric	427.7
Other	21.4
Total Sources of Revenue	\$3,560.2

LOCAL ELECTRIC CUSTOMER REVENUE

(\$ in Millions) FY2024	
Local Customer Electric:	
Residential	\$1,485.3
Commercial and Industrial	1,005.6
Public Authorities	251.4
Street Lighting and ANSL	24.9
Other	22.7
Total Local Customer Electric	\$2,789.9

The major source of CPS Energy revenue is from Residential and Commercial / Industrial customers which comprises ~90% of total electric revenue. Drivers of revenue include weather (which significantly impacts consumption), customer growth, and recovery of fuel and regulatory costs.

Sources of Revenue
Local Customer Electric Revenue FY2024
\$2,789.9M

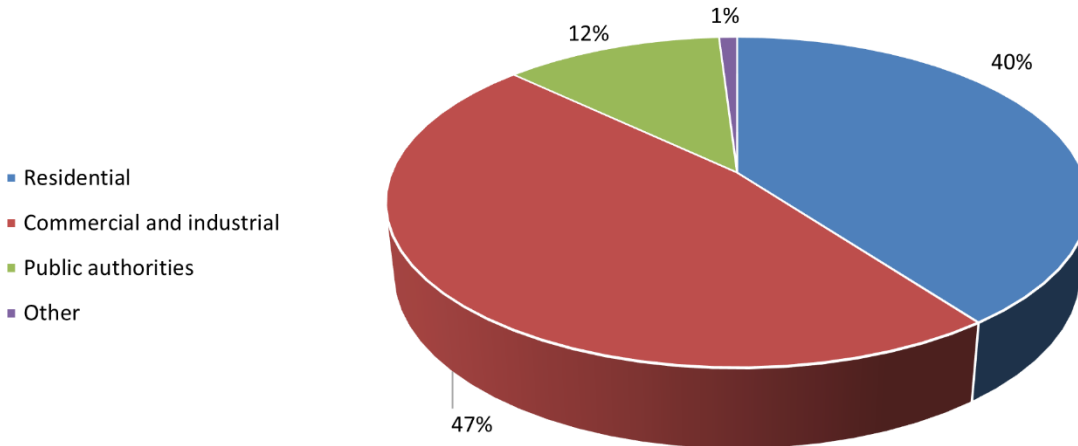


DISTRIBUTION GAS REVENUE

(\$ in Millions) FY2024	
Distribution Gas:	
Residential	\$127.2
Commercial and industrial	152.7
Public authorities	38.2
Other	3.2
Total Distribution Gas	\$321.2

A smaller portion of CPS Energy revenue comes from Distribution Gas sales. The two largest Distribution Gas Revenue categories are Residential and Commercial / Industrial which comprises almost 90% of total Distribution Gas Revenue. Drivers of the revenue are weather, which significantly impacts residential consumption, customer growth, and recovery of natural gas fuel cost.

Sources of Revenue
Total Distribution Gas FY2024
\$321.2M



WHOLESALE ELECTRIC

(\$ in Millions) FY2024	
Total Wholesale Electric	\$427.7

CPS Energy also participates in the ERCOT market to sell electricity to wholesale customers. Excess electric generation capacity available after local electric customers' energy needs have been met can be used to produce electricity to be sold in the ERCOT market to increase CPS Energy's revenue, which can help offset local customers' costs.

NON-OPERATING REVENUE

(\$ in Millions) FY2024	
Total Non-Operating	\$21.4

Non-operating Revenue includes interest earnings from cash balances CPS Energy holds as part of its operating cash portfolio, which includes the repair & replacement (R&R) account. The R&R account is like a savings account to ensure we continue to make investments in capital assets. The level of interest rates in the financial markets drive non-operating revenue. Additionally, non-operating revenues may also include one-time items such as property sales.

USES OF REVENUE

(\$ in Millions) FY2024	
Total Uses:	
Operating Expenses	\$2,369.4
Debt Requirements	465.4
R&R 6% of Revenue	213.6
City Payment	436.8
R&R Remaining	75.0
Total Uses of Revenue	\$3,560.2

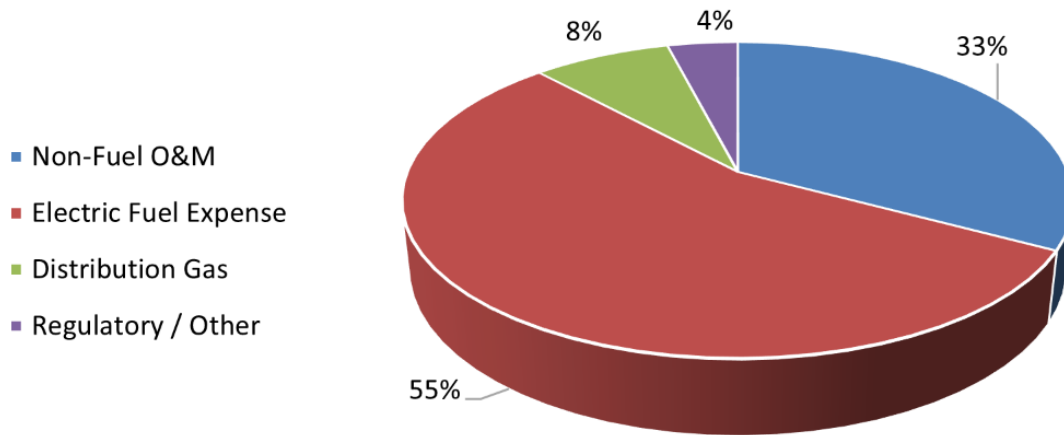
Revenue will be used to fund Operating Expenses, Debt Requirements (which is the cost of servicing existing and new debt principal and interest), City Payment, and the Capital Program via the R&R Account.

OPERATING EXPENSES

(\$ in Millions) FY2024	
Operating Expenses	
Electric Fuel Expense	\$1,301.6
Non-fuel O&M	773.0
Distribution Gas	185.6
Regulatory / Other	109.2
Total Operating Expenses	\$2,369.4

Operating expenses are comprised of four major categories: Electric Fuel, non-fuel O&M, Distribution Gas, and Public Utility Commission of Texas (PUCT) and Electric Reliability Council of Texas (ERCOT) Assessments.

Total Operating Expenses
\$2,369.4M
FY2024



DEBT REQUIREMENTS

(\$ in Millions) FY2024	
Debt Requirements	\$465.4

Debt requirements are essentially the annual mortgage payment that CPS Energy pays on the loans it borrowed to build the assets that this community owns for energy services. Just like in a mortgage or loan payment, there is a principal and interest component. Debt requirements include revenue bonds, commercial paper, and lines of credit like the flexible rate revolving note program (FRRN). CPS Energy’s credit ratings determine our ability to issue debt at favorable interest rates, and our ability to pay for the cost of this debt (measured using the debt service coverage ratio) is an important driver of our credit ratings.

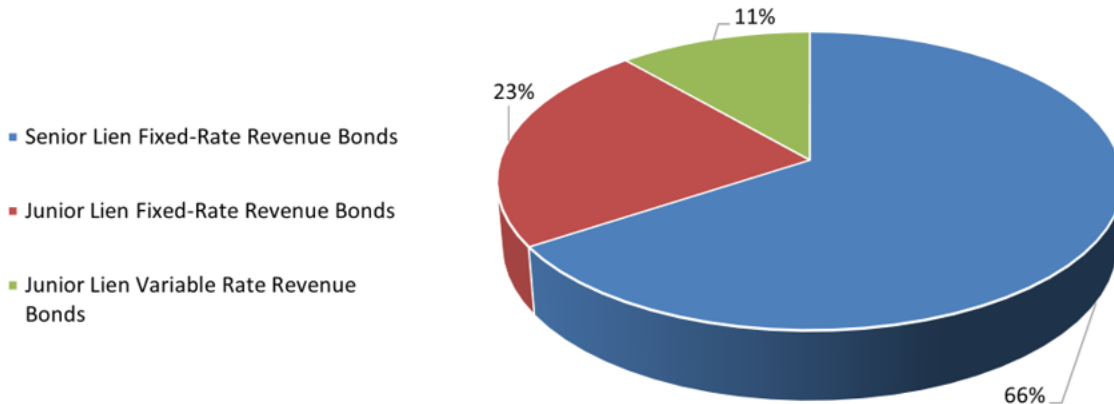
Revenue Bonds

As of January 31, 2023*, CPS Energy has Senior and Junior Lien Bonds outstanding in the amount of:

- **Senior Lien Fixed-Rate Revenue Bonds:** \$4,096,790,000
- **Junior Lien Fixed-Rate Revenue Bonds:** \$1,421,950,000
- **Junior Lien Variable Rate Revenue Bonds:** \$711,000,000

*Includes current maturities of debt (\$161.775 million due on 2/1/23).

Debt Portfolio
\$6,299.7M
FY2024



Commercial Paper

CPS Energy maintains a commercial paper program that is used to provide funds for the interim financing of a portion of our CIP. This program allows for the issuance of short-term debt as needed. The outstanding commercial paper balance is periodically converted to long-term financing (i.e., revenue bonds); replenishing all or some of the program's capacity.

The San Antonio City Council has authorized a commercial paper program of up to \$1 billion (the "CP Program"). The CP Program provides for the issuance of series of notes. The CP Program is supported by three revolving credit agreements with Bank of America, N.A. (the "Series A Agreement"), State Street Bank and Trust Company (the "Series B Agreement"), and the Wells Fargo Bank, N.A (the "Series C Agreement"). Bank of America, N.A. currently supports \$400 million of the Series A CP program which extends through June 19, 2026. State Street currently supports \$200 million of the Series B CP program which extends through June 21, 2023. Wells Fargo Bank, N.A, supports \$100 million of the Series C CP program which extends through June 21, 2025. CPS Energy intends to extend or replace the Series B liquidity agreement and request liquidity proposals from qualified liquidity providers for the remaining \$300M that is authorized.

The FY2024 Budget assumes some of the commercial paper relating to the funding of its CIP remains outstanding at year end. CPS Energy's capital financing plan provides for the refunding of outstanding commercial paper balances from FY2023 and a portion pertaining to FY2024 CIP.



FISCAL YEAR 2024 FINANCIAL PLAN

Credit Ratings

As of January 2023, CPS Energy's credit ratings from the three major rating agencies were as follows:

	Senior Lien	Junior Lien	Commercial Paper
Fitch Ratings	AA-	AA-	F1+
Moody's Investors Service, Inc.	Aa2	Aa3	P-1
S&P Global Ratings	AA-	A+	A-1

The high-quality ratings reflect CPS Energy's large, diverse and growing service area, sound financial performance, long term planning, and competitive rates. The ratings are the 2nd highest of all market participants within ERCOT. This includes municipally-owned, investor-owned and cooperative utilities.

Debt Service Coverage

Debt service coverage is a key financial ratio used by credit rating agencies and lenders to measure a company's financial health. The debt service coverage ratio measures how many times debt service is covered from available revenues, net of operating expenses and city payment. CPS Energy is required by ordinance to maintain a debt coverage ratio of 1.50 times the annual debt service on Senior Lien debt outstanding and 1.00 times coverage on Junior Lien debt outstanding. The FY2024 Operating Budget projects an estimated coverage ratio of 2.56 times.

DEBT SERVICE COVERAGE CALCULATION (\$ in thousands)	
Gross Revenue	\$3,560,246
Less: Operating Expenses	\$2,369,381
Net Cash from Operations	\$1,190,865
Divide: Debt Service	465,380
Debt Service Coverage Ratio	2.56

ADJUSTED DEBT SERVICE COVERAGE CALCULATION (\$ in thousands)	
Gross Revenue	\$3,560,246
Less: Operating Expenses	\$2,369,381
Net Cash from Operations	\$1,190,865
Less: City Payment	436,846
Adjusted Net Cash from Operations	754,019
Divide: Debt Service	465,380
Adjusted Debt Service Coverage Ratio	1.62

R&R 6% OF REVENUE

(\$ in Millions) FY2024	
R&R 6% of Revenue	\$213.6

After operating expenses and debt requirements are reduced from revenue, the bond ordinance requires 6% of Revenue to be transferred to the Repair & Replacement Account (R&R) to support current and future capital expenditures.



FISCAL YEAR 2024 FINANCIAL PLAN

CITY PAYMENT

(\$ in Millions) FY2024	
City Payment	\$436.8

After operating expenses, debt requirements, and 6% of R&R are reduced from revenue, the bond ordinance requires up to 14% of Revenue to be transferred to the City of San Antonio, the municipal owner of CPS Energy.

R&R REMAINING

(\$ in Millions) FY2024	
R&R Remaining	\$75.0

After operating expenses, debt requirements, 6% of R&R, and City Payment are reduced from revenue, the remaining revenue is transferred to the R&R Account to support current and future capital expenditures.

OPERATIONS & MAINTENANCE EXPENSE

Cost Category (\$ in millions)	FY2024 Plan
Labor	353.5
Materials	35.3
Outside Services (PO & Non-PO)*	419.2
Other	25.3
Transfer to Capital, Fuel & Non-Operating	(60.3)
Total O&M	773.0

*Includes South Texas Project 1&2 ("STP")

Operations and Maintenance expenses comprise a significant portion of CPS Energy's ongoing uses of revenue. These expenses are comprised of several major categories including Labor, Vehicles & Equipment, Stores and Purchased Materials, Outside Services, Other Expenses and Transfers to Capital Fuel, and Non-Operating expense. The transfer credits are comprised of operations and maintenance expenses that are both capitalized and expensed as fuel related costs directly in support of our capital improvement program and maintaining ongoing power production, respectively.

LABOR

Labor expenses consist of salaries, wages, and benefits for all employees, including overtime pay, employee expenses, insurance and retirement benefits as well as contributions to other post-employment benefits (OPEB).



FISCAL YEAR 2024 FINANCIAL PLAN

MATERIALS

These costs are expected to increase due to pricing volatility associated with supply chain logistics for multiple types of equipment, including transformers and other materials.

OUTSIDE SERVICES

Outside services costs make up approximately 54% of CPS Energy's total operating and maintenance costs and include multiple types of expenses, ranging from contractor services for construction crews, vegetation management costs, information technology consultants and supplemental call center staffing to services for printing and advertising, travel and training and other administrative functions. Our outside services also include South Texas Project (STP). Nuclear energy has been a part of CPS Energy's energy portfolio for more than three decades. Today, electricity from the South Texas Project (STP) provides for nearly 30% of San Antonio's annual electrical requirements, second only to natural gas. STP is located in Matagorda County, Texas approximately 10 miles from the Gulf Coast. CPS Energy owns a 40 percent stake in STP (NRG Energy owns 44 percent and Austin Energy owns 16 percent). STP units 1 and 2 generate 1,053 megawatts of power for our customers.

OTHER

Other costs consist primarily of insurance and other overhead costs, prior year accounting adjustments and intercompany expenses for allocation and charging of costs between business areas within CPS Energy.

CAPITAL IMPROVEMENT PROGRAM

The FY2024 capital plan is designed to meet the needs of our growing community. A summary of key projects is outlined below, and a full list of projects is provided in the appendix.

ELECTRIC TRANSMISSION & DISTRIBUTION

Reclosers for Circuit Reliability

Installing electronic reclosers reduces the number of customers that are exposed to outages on the electric distribution system and gives CPS Energy a finer level of grid control. The electronic recloser is a core component for distribution automation. This project supports the Energy Delivery Services business plan's reliability efforts, which are measured by the System Average Interruption Duration Index, System Average Interruption Frequency Index, and Customer Average Interruption Duration Index metrics.

Cable Rehabilitation

Underground cables that were installed in residential subdivisions and apartment complexes during the 1970's and 1980's were not installed in conduit (which is the current standard) and are now experiencing high failure rates resulting in excessive and prolonged power outages for customers served by these systems. This cable rehabilitation program is necessary for providing our customers with the service reliability levels that all customers expect and that we as a utility company should provide.

Underground Line Strategy

The recent intensity of storms within our territory has impacted the frequency and duration of outages on the overhead distribution system. The overhead distribution system is more susceptible to weather, vegetation, animals and vehicles which can negatively impact customer satisfaction and reliability. By undergrounding areas that experience frequent outages due to vegetation or extended outages due to inaccessibility, we will improve reliability and customer satisfaction.

Pole Replacements

This project is needed to replace wood poles and pole top equipment that have exceeded their life expectancy or are in danger of failing. This project is predominantly used for rehabilitation and replacement of wood poles that are approaching or above the 40 years of age.

GAS SOLUTIONS

Replace Steel Gas Service with Plastic

Replace and/or remove existing gas distribution facilities that are approaching the end of their design and useful life and require increased maintenance, repair, and operating costs.

Gas Civic Improvements Projects

Adjust, replace, and/or remove existing gas distribution facilities that lie within the boundaries of the Bexar County Public Works (BCPW) and City of San Antonio (CoSA) Civic Improvement Project Areas and are in conflict with

proposed improvements. All existing gas facilities that lie within the civic authority's Right-of-Way (ROW) must be adjusted to accommodate their proposed street and drainage improvements.

POWER GENERATION

Rio Nogales Combustion Turbine (CT) Rotor Replacements & Arthur von Rosenberg CT Rotor Replacements

The Rio Nogales Combustion Turbine Rotors are reaching end of life in ~2030, approximately 6-7 years before planned unit retirement date. The von Rosenberg Combustion Turbine Rotors will reach end of life in 2025 and 2026. Failure to replace the combustion turbine rotor prior to the rotor's end of life would require the unit to suspend operation and cause a loss of generation. In addition, there would be no insurance coverage beyond the defined life of the CT rotor. The rotor replacements require a planned major overhaul.

COMMITTEE ON EMERGENCY PREPAREDNESS (CEP)

CEP: Freeze Protection (-10F; 30 mph)

The Public Utility Commission of Texas (PUCT) is developing rules that may require additional weatherization investments to meet more stringent standards. These new standards will not be optional, and CPS Energy will need to comply. Expected benefits include increased generation resiliency and compliance with anticipated new regulations.

CEP: Communications

This project was a recommendation of the Committee on Emergency Preparedness Committee and is expected to identify and implement a situational awareness "data driven" platform that can display evolving information remotely from operational teams to leadership. Potential benefits include understanding energy flow across grid to enhance effective decision making, faster and more accurate response to outages, infrastructure issues, better insights into asset health, as well as better and more timely communication to field operations and customers.

TECHNOLOGY

Enterprise Resource Planning (ERP) Transformation

This project serves to enhance our core system functionality to upgrade business capabilities and enhances user experience in an integrated ecosystem of automation. Our current systems are over 20 years old and soon will no longer be supported by the manufacturer. This effort will span several years.

System Control and Data Acquisition (SCADA)

These projects include Energy Management System (EMS) Upgrade, Remote Operations Center (ROC) 800 Upgrade and Gas SCADA Upgrade. These projects are part of the Supervisory Control and Data Acquisition Equipment (SCADA) roadmap program which will evaluate all SCADA systems for possible consolidation and improved adherence to CPS Energy IT standards. Upgrades and replacement are needed to remain in North American Electric Reliability Corporation (NERC) compliance for security and patch requirements along with new features needed to support **FlexPOWER Bundle**SM and Operations.



FISCAL YEAR 2024 FINANCIAL PLAN

Data Center Transformation

The purpose of the project is to modernize the company's aging IT infrastructure to be able to support the company's business strategies. The initiative includes major purchases of hardware to complete the build out of a data center that will also create efficiencies for city and county services for technology infrastructure.

TRANSMISSION

Large Customer Growth

CPS Energy has had an influx of large customer growth requests, and load from these customers can be ~30 MW or more. Dedicated substations for large customers are required due to limited spare capacity in the area. This will provide additional load-serving capability and additional revenue to CPS Energy. If capacity is not added, we will not be able to accommodate the large load requests in a scheduled timeline and customers may look for another area for their project.

Switchyard Expansion

These projects support customer load growth by improving the load serving capability of the transmission system. It also provides increased transmission capacity, which reduces the possibility of overloaded transmission elements under contingent conditions and increases the overall reliability of the transmission system.

CUSTOMER GROWTH

Electric Distribution Infrastructure

CPS Energy has a legal obligation as a municipally owned utility to provide new service to customers. This spend includes projects that support providing new overhead and underground electric service to residential subdivisions, commercial and industrial customers.

Electric Transformer Purchases

This includes multiple projects to purchase single and three phase overhead and pad mount transformers to support new electric service installations for residential, commercial and industrial customers.

Gas Distribution Infrastructure

This spend includes projects covering the costs of labor, materials and equipment to install gas distribution mains and supply lines for residential, commercial, and industrial customers.

ENVIRONMENTAL, REGULATORY AND LEGISLATIVE

Spruce Wastewater Treatment/Effluent

Required to comply with the latest requirements of the Federal Environmental Protection Agency (EPA) guidelines (otherwise known as Effluent Limit Guidelines - ELG). CPS Energy must implement a wastewater treatment option that is compliant with the EPA's ELG limitations by December 31, 2023.

OTHER SIGNIFICANT PROJECTS

Purchase of a Major Natural Gas Pipeline

To control flow to Rio Nogales and to grow distribution volume capacity.

New Electric Service District Location for Westside Service Districts

Costs include design and new construction.

Fleet Vehicle & Equipment Purchases

Costs for this project cover the purchase of replacement vehicles and equipment. Replacements are determined by operational cost, age, mileage and overall utilization of assigned class groups. Each class has a recommended lifecycle which is based on industry standards for each class of asset and its application. If the organization fails to replace and decommission older, failure-prone assets, (O&M) costs will climb. Consistent replacement practices drive higher reliability into fleet units that are needed to respond to customer and system needs.

CAPITAL SPEND BY STRATEGIC CATEGORY

Business Unit (\$ in Million)	Strategic Category	FY2024 Plan
Administration Office	Environmental/Legislative/Regulatory	0.4
	Infrastructure Modernization	74.3
	Special Projects	12.0
Administration Office Total		\$86.7
Customer Strategy	Customer Growth	203.2
	Infrastructure Modernization	6.2
Customer Strategy Total		\$209.3
Energy Delivery Services	Civic Improvements	44.6
	Customer Growth	88.9
	Environmental/Legislative/Regulatory	20.4
	Infrastructure Modernization	165.9
	System Growth	105.7
	Special Projects	30.5
Energy Delivery Services Total		\$456.1
Energy Supply	Environmental/Legislative/Regulatory	44.4
	Infrastructure Modernization	90.0
	System Growth	4.5
	Special Projects	15.4
Energy Supply Total		\$154.3
Financial Services Office	Special Projects	1.4
Financial Services Office Total		\$1.4
Legal & Integrated Security	Infrastructure Modernization	1.8
	Special Projects	6.3
Legal & Integrated Security Total		\$8.1
STP	Infrastructure Modernization	24.6
STP Total		\$24.6
Grand Total		\$940.5

ORGANIZATION AND STAFFING

PRESIDENT & CEO



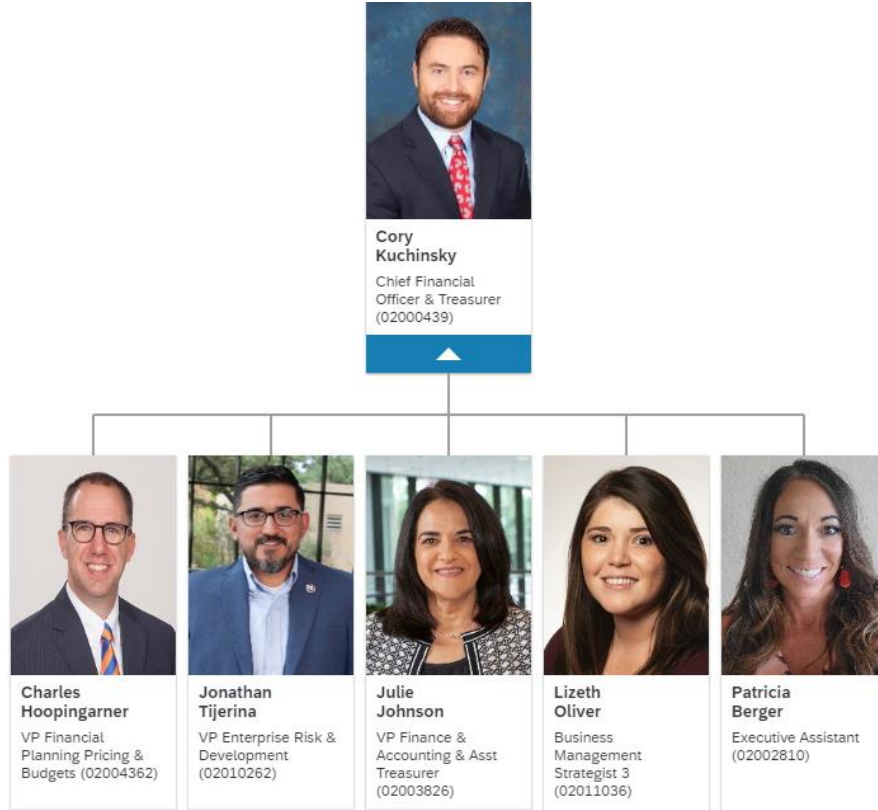
Rudy Garza
President & CEO
(02006901)



President & CEO Cost Category (\$ in Millions)	FY2024 Plan
Labor	1.6
Outside Services (PO & Non-PO)	2.8
Total O&M	4.5

Business Unit	Business Area	FY2024 Plan
President & CEO	President & CEO	5
President & CEO Total Headcount		5

FINANCIAL SERVICES

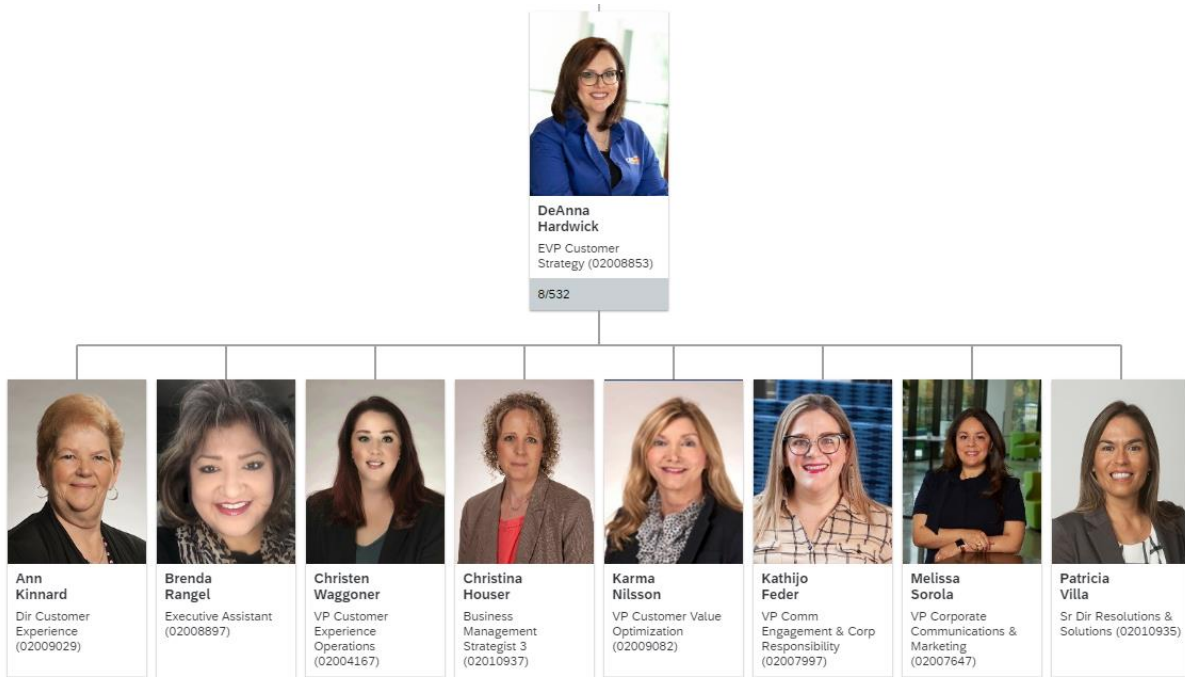


Financial Services Cost Category (\$ in Millions)	FY2024 Plan
Labor	21.4
Outside Services (PO & Non-PO)	5.7
Total O&M	27.2

Total Capital (\$ in Millions)	1.4
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Business Unit	Business Area	FY2024 Plan
Financial Services	Chief Financial Officer	4
	Enterprise Risk & Development	44
	Finance & Accounting	79
	Financial Planning Pricing & Budgets	45
Financial Services Office Total Headcount		172

CUSTOMER STRATEGY



Customer Strategy Cost Category (\$ in Millions)	FY2024 Plan
Labor	46.8
Materials	1.0
Outside Services (PO & Non-PO)	25.1
Other	1.4
Total O&M	74.3

Total Capital (\$ in Millions)	209.3
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Business Unit	Business Area	FY2024 Plan
Customer Strategy	Bus Integration & Customer Experience	16
	Community Programs & Corp Responsibility	45
	Corporate Communications & Marketing	35
	Customer Experience Operations	343
	Customer Strategy Executive	5
	Customer Value Optimization	156
	Resolutions & Solutions	13
Customer Total Headcount		613

ENERGY DELIVERY SERVICES



Richard Medina
EVP Energy Delivery Services (02006999)
6/1420



Darrell Clifton
VP Construction & Maintenance Services (02007842)



Desiree Rios
Executive Assistant (02006903)



Jeanne Drehs
Business Management Strategist 3 (02011191)



LeeRoy Perez
VP Systems Operations & Reliability (02000933)



Ricardo Maldonado
VP T&D Engineering & Grid Transformation (02000927)



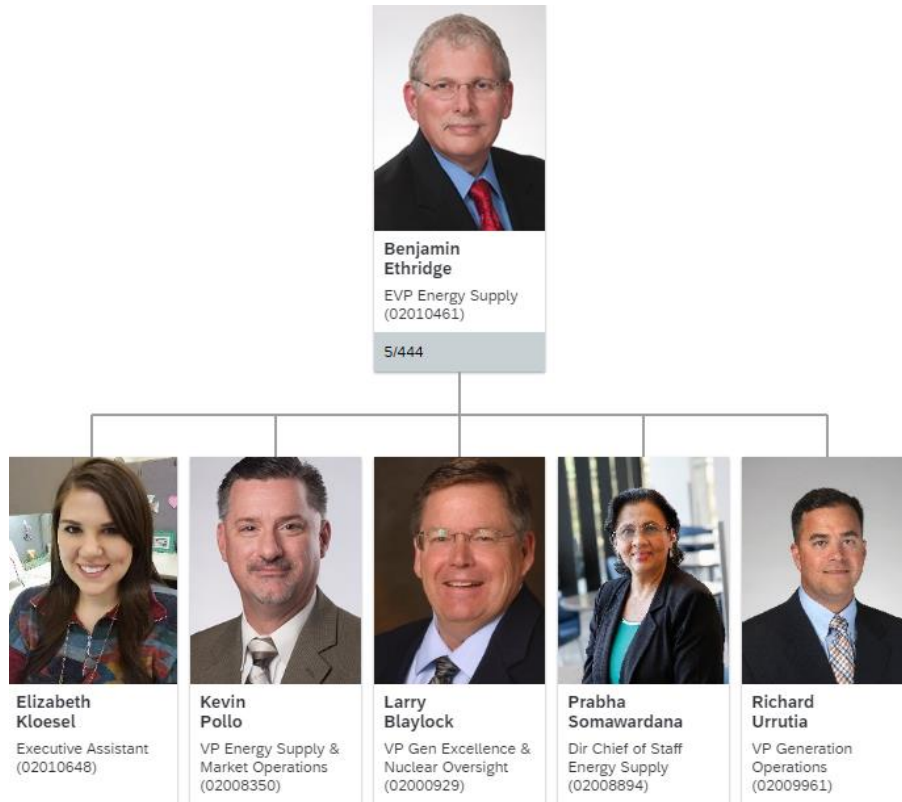
Richard Lujan
VP Gas Solutions (02007672)

Energy Delivery Services Cost Category (\$ in Millions)	FY2024 Plan
Labor	105.4
Materials	9.0
Outside Services (PO & Non-PO)	55.9
Other	20.6
Total O&M	190.9

Total Capital (\$ in Millions)	456.1
---------------------------------------	--------------

Business Unit	Business Area	FY2024 Plan
Energy Delivery Services	Distribution Construction & Maint Svcs	730
	EDS Executive	34
	Gas Solutions	287
	System Operations & Reliability	198
	T&D Engineering & Grid Transformation	353
Energy Delivery Services Total Headcount		1,602

ENERGY SUPPLY

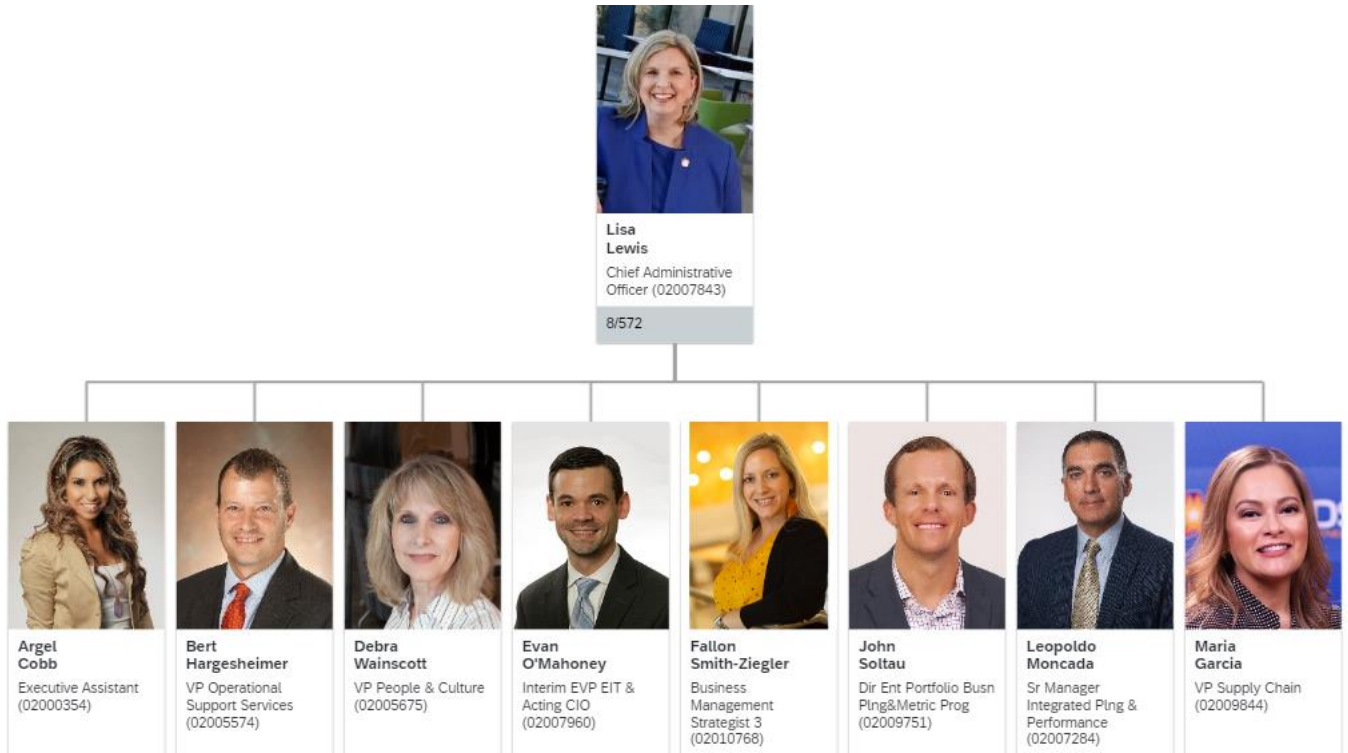


Energy Supply Cost Category (\$ in Millions)	FY2024 Plan
Labor	70.0
Materials	18.4
Outside Services (PO & Non-PO)	76.5
Other	9.4
Total O&M	174.3

Total Capital (\$ in Millions)	154.3
---------------------------------------	--------------

Business Unit	Business Area	FY2024 Plan
Energy Supply	Energy Supply & Market Operations	73
	Energy Supply Admin	3
	Power Generation	486
Energy Supply Total Headcount		562

ADMINISTRATIVE OFFICE



Administrative Office Cost Category (\$ in Millions)	FY2024 Plan
Labor	83.0
Materials	6.6
Outside Services (PO & Non-PO)	75.6
Other	(5.0)
Total O&M	160.2

Total Capital (\$ in Millions)	86.7
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Business Unit	Business Area	FY2024 Plan
Administrative Office	Chief Administrative Office	3
	Enterprise Information Technology	292
	Enterprise Planning & Performance	19
	Operations Support Services	158
	People & Culture	146
	Supply Chain	148
Administration Office Total Headcount		766

GENERAL COUNSEL



Shanna Ramirez
Chief LEO General Counsel & Board Sec (02004421)
8/146



Brenda Martinez
Executive Assistant (02002830)



Curt Brockmann
VP Compliance & Ethics (02005575)



Devi Kumar-Nambiar
VP Deputy General Counsel (02000932)



Jonathan Homer
VP Integrated Security Officer (02008048)



Kathleen Garcia
VP Govt & Reg Affairs & Public Policy (02000920)



Kipling Giles
VP Deputy General Counsel (02000398)



Louis Labatt
Dir Chief of Staff CLEO GC & Board Sec (02009843)



Matthew Mills
VP Audit Services (02000896)

General Counsel Cost Category (\$ in Millions)	FY2024 Plan
Labor	24.2
Materials	0.3
Outside Services (PO & Non-PO)	20.6
Other	0.1
Total O&M	45.2

Total Capital (\$ in Millions)	8.1
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Business Unit	Business Area	FY2024 Plan
General Counsel	Audit Services	13
	Compliance & Ethics	58
	General Counsel Executive	2
	Govt and Reg Affairs & Public Policy	16
	Integrated Security	57
	Legal Services	28
Legal & Integrated Security Total Headcount		174



FISCAL YEAR 2024 FINANCIAL PLAN

OTHER BUSINESS AREAS & CORPORATE ITEMS

Other Business Areas & Corporate Items Cost Category (\$ in Millions)	FY2024 Plan
Outside Services (PO & Non-PO)	24.4
Total O&M	24.4

APPENDIX A GOVERNANCE AND ADVISORY

CITY OF SAN ANTONIO MAYOR AND CITY COUNCIL



Mayor
Ron Nirenberg



District 1
Mario Bravo



District 2
Jalen McKee- Rodriguez



District 3
Phyllis Viagran



District 4
Dr. Adriana Rocha



District 5
Teri Castillo



District 6
Melissa Cabello Havrda



District 7
Rosie Castro



District 8
Manny Pelaez



District 9
John Courage



District 10
Clayton Perry

BOARD OF TRUSTEES



Janie Gonzalez
Board Chair



**Dr. Francine Sanders
Romero**
Vice Chair



John Steen
Trustee



Dr. Willis Mackey
Trustee



Mayor Ron Nirenberg
Ex-Officio Member

SENIOR LEADERSHIP



Rudy Garza
President &
Chief Executive Officer (CEO)



Cory Kuchinsky
Chief Financial Officer
(CFO) & Treasurer



Lisa Lewis
Chief Administrative
Officer (CAO)



Shanna Ramirez
Chief Legal & Ethics Officer
(CLEO), General Counsel,
& Board Secretary



Benny Ethridge
Executive
Vice President,
Energy Supply



DeAnna Hardwick
Executive
Vice President,
Customer Strategy



Richard Medina
Executive
Vice President, Energy
Delivery Services



Kathy Garcia
Vice President,
Government Relations,
Regulatory Affairs &
Public Policy



Melissa Sorola
Vice President,
Corporate
Communications
& Marketing



Richard Lujan
Vice President,
Gas Solutions

CITIZENS ADVISORY COMMITTEE



Richard Farias
District 1



Lawson Picasso
District 2



Diana Aguirre Martinez
District 3



Frank Gonzalez
District 4



Cliff Soloway
District 5



Raquel Zapata
District 6



Dr. Adelita Cantu
District 7



John Kelly
District 8
Chair



Tom Corser
District 9



Vanessa Alvarado
District 10



Andra Clapsaddle
Member at Large



Mary Dennis
Member at Large



Bill Day
Member at Large



Steve Bonnette
Member at Large



Bob Zapata
Member at Large

RATE ADVISORY COMMITTEE

Chair – W. Reed Williams
Vice-Chair – Dr. Adelita Cantu

Members:

John Agather
Curtis Anastasio
Jim Berg
DeeDee Belmares
Andy Castillo
Wayne Eddington
Anthony Edwards
Christopher Fullerton
Anacua Garcia
Jack Hebdon
Michael Kennick
Anita Ledbetter
Dana McGinnis
Ann Marie Nikolich
Peter Onofre
Alvaro Rodriguez
Michael Sanchez
Miriam Tuckett
Phyllis Viagran

Board of Trustees Liaison:
Dr. Francine Romero



FISCAL YEAR 2024 FINANCIAL PLAN

HISTORY

Established in 1860 and purchased by the City of San Antonio (City) in 1942, CPS Energy (the Company) is the nation's largest community-owned provider of electric and natural gas services. For the twelve months ending on January 31, 2023, CPS Energy served 907,526 electric customers throughout its 1,515 square-mile service area while simultaneously serving 373,998 natural gas distribution customers, mainly within the Greater San Antonio area, including Bexar County and small portions of seven adjacent counties.

CPS Energy's customers' combined energy bills rank among the lowest of the nation's 20 largest cities while generating \$9 billion in revenue for the City of San Antonio over the last 80 years. As a trusted and reliable community partner, the Company focuses on job creation, economic development, and educational investment. CPS Energy is powered by a skilled workforce, whose commitment to the community is demonstrated through employees' volunteerism, community engagement efforts, and programs aimed at bringing value and assistance to customers.

CPS Energy's mission is to serve our community through reliable, competitively priced, and sustainable energy services in an equitable manner. The utility industry is witnessing rapid change and the company's Vision 2027 – An Evolving Utility strategic plan guides CPS Energy through this transformation. Vision 2027 established a set of five strategic objectives with goals and key initiatives for Operational Evolution, Financial Stability, Customer Experience, an Engaged Service-Oriented Culture, and Community Partnership and Growth. Over the next 12 months, CPS Energy will continue to focus on executing on community measures aligned to its strategic objectives and engaging with partners to chart the course for the community's collective future

CPS Energy has sound and balanced generation resources to meet customer demand that includes nuclear, coal, natural gas, wind, solar, and landfill gas. San Antonio is one of the fastest growing cities in America. Generation resource planning for additional generation capacity needed each year to support population growth was addressed through the Powering Our Community's Future initiative. Based on extensive public input and the recommendation of the Rate Advisory Committee (RAC), the Board of Trustees approved the RAC's recommendation for a blended portfolio of gas, solar, wind and storage to power the San Antonio community through 2030.

CPS Energy promotes energy efficiency and conservation to its customers through the Sustainable Tomorrow Energy Plan (STEP). The 5-year, \$350 million STEP program's goals include 410 megawatts (MW) of energy demand reduction, 1% energy savings per year, and 1.85 million tons of avoided carbon. STEP's equitable programs include community solar and other solar offerings for low-to-moderate income customers; energy storage, electric vehicle (EV) charging; educational curriculum to promote behavioral changes towards energy conservation; demand response in the form of technology like smart thermostats both in homes and businesses; and support for the commercial sector to become more efficient through traditional energy efficiency rebates and other new programs.

Our credit ratings continue to enable us to obtain low interest rates when financing new projects or refinancing existing debt. Currently these credit ratings are Aa2 (Stable Outlook), AA- (Negative Outlook) and AA- (Negative Outlook) by Moody's, S&P, and Fitch, respectively for senior lien debt. These high ratings are primarily attributed to an experienced management team, a moderate debt burden, consistently strong debt service coverage ratios, affordable retail electric rates, solid liquidity, and a monthly fuel and purchased power pass-through mechanism that insulates financial performance from market and operational volatility.

While its gas business operates competitively, CPS Energy remains outside of the Texas Retail Electric Competitive market. The San Antonio City Council passed a resolution in 2001, electing not to participate in the deregulated electricity market. CPS Energy remains dedicated to offering a wide range of pricing options and programs for its community, ensuring customers receive the full benefits of community ownership without the complexity of competition. With a diversity of energy sources and supporting economic development in San Antonio, CPS Energy works closely with community leaders to continually grow its metropolitan market to increase and diversify its customer base and benefit the community. With some exceptions, CPS Energy returns



FISCAL YEAR 2024 FINANCIAL PLAN

approximately 14% of its gross revenues to the City of San Antonio’s General Fund, which supports important services such as those provided by the fire and police departments.

CPS Energy continues to place strong emphasis on enterprise risk management and strategic planning to remain a leader in the utility industry, while providing resiliency and reliability that provides value for its customers. CPS Energy believes in a One Team culture with a commitment to ongoing dialog and engagement with the customers it serves and with stakeholders. Goal efforts are funded through the utility's Operations & Maintenance (O&M) and Capital plans, funding specific programs, initiatives, and activities.

GOVERNANCE

The City acquired its electric and gas utilities in 1942 from the American Light and Traction Company, which had been ordered by the federal government to sell properties under provisions of the Holding Company Act of 1935. The Bond Ordinances establish management requirements and provide that the complete management and control of the Systems is vested in the Board. The Mayor of the City is a voting member of the Board, represents the City Council, and is charged with the duty and responsibility of keeping the City Council fully advised and informed at all times of any actions, deliberations, and decisions of the Board and its conduct of the management of the Systems. The present members of the Board are:

<u>Name & Position</u>	<u>Profession</u>	<u>Originally Appointed to the Board</u>	<u>Present Term Expires ⁽¹⁾</u>
Janie Gonzalez, Chair	President & CEO, Webhead	February 18, 2019	January 31, 2024
Dr. Francine Romero, Vice Chair	Associate Professor & Chair of the Public Administration Department at the University of Texas at San Antonio	February 1, 2022 ⁽²⁾	January 31, 2027
Dr. Willis Mackey, Trustee	Superintendent, Retired Judson Independent School District	April 6, 2018	January 31, 2028
John T. Steen, Jr., Trustee	Attorney, Law Office of John T. Steen, Jr.	February 1, 2016	January 31, 2026
Ron Nirenberg, ⁽³⁾ Ex-Officio Member	Mayor, City of San Antonio	June 21, 2017	May 31, 2023

(1) Dr. Willis Mackey and John Steen, Jr. are currently serving their second term.

(2) During a Special Board Meeting held on October 4, 2021, Dr. Francine Romero was nominated by majority vote to fill the Board vacancy left by Trustee Edward Kelley. On October 21, 2021, the City Council confirmed Dr. Romero as a new Board Member effective February 1, 2022, for a 5-year term.

(3) Ron Nirenberg was re-elected as Mayor for a third term in 2021.

All vacancies in membership on the Board are filled as follows: a nominee to fill such vacancy shall be elected by the majority vote of the members of the Board of Trustees, such majority vote to include the vote of the Mayor. The elected nominee is then submitted by the Mayor for a vote of the City Council for confirmation. A vacancy in certain cases may be filled by authorization from the City Council. At the expiration of their first five-year term of office, the members of the Board are eligible for reappointment by election of the other Board members and confirmation by the City Council to one additional term. In 1997, the City Council ordained that Board membership should be representative of the geographic quadrants established by the City Council. New Board members considered for approval by the City Council will be those whose residence is in a quadrant that provides such geographic representation.

The Board is vested with all of the powers of the City with respect to the management and operation of the Systems and the expenditure and application of the revenues therefrom, including all powers necessary or appropriate for the performance of all covenants, undertakings, and agreements of the City contained in the Bond Ordinances, except regarding rates, condemnation proceedings, issuance of bonds, notes, or commercial paper. The Board has full power and authority to make rules and regulations governing the furnishing of electric and gas service and full authority with reference to making extensions, improvements and additions to the Systems, and to adopt rules for the orderly handling of CPS Energy's affairs. The Board is further empowered to appoint and employ all officers and employees and must obtain and keep in force a "blanket" type employees' fidelity and indemnity bond (also known as commercial crime bond) covering losses in the amount of not less than \$100,000.

The management provisions of the Bond Ordinances also grant the City Council authority to review Board action with respect to policies adopted relating to research, development, and planning.

APPENDIX B COMMUNITY PROFILE



LOCATION

San Antonio is in South Central Texas, approximately 80 miles south of the state capital of Austin and serves as the county seat for Bexar County.

Source: <https://www.sanantonio.gov/Finance/bfi/annual-report> (2021 ACFR)

POPULATION

The United States Census Bureau cites the City as the second most populated city in the State of Texas with over 1.5 million citizens and is additionally ranked as the seventh most populated city in the country. Since 2010, the City’s metropolitan area grew 15.0% and is projected to grow by an additional 1.0 million people through the year 2040. Bexar County is one of the fastest growing regions in the state.

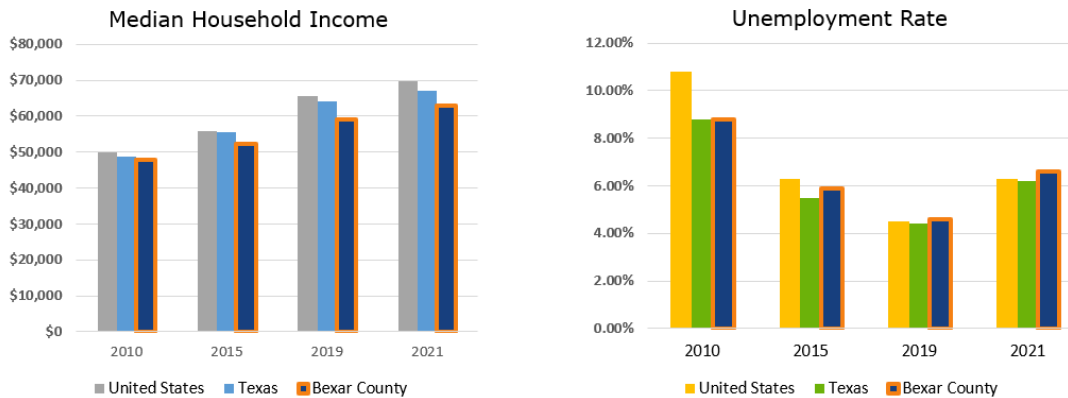
Year	Population
2011	1,326,539
2012	1,359,730
2013	1,383,194
2014	1,409,019
2015	1,436,697
2016	1,469,824
2017	1,517,866
2018	1,532,212
2019	1,547,250
2020	1,555,370

Source: <https://www.sanantonio.gov/Finance/bfi/annual-report> (2021 ACFR)

ECONOMY

The COVID-19 global pandemic has brought unprecedented challenges to our community, neighborhoods, businesses, and economy. Its impact upon our community was most greatly felt in 2020 when the City experienced a surge in unemployment along with significant effects throughout the community. Since then, the City has been able to partially rebound from the devastating toll it had on our economy. According to the Bureau of Labor Statistics, national unemployment for October 2021 was 4.6%. At a local level, the San Antonio area unemployment rate for October 2021 was 4.3% as compared to the peak during the pandemic of 13.6% in April 2020. Recognizing that the pandemic will have a lasting effect on our community for years to come, there is continued effort to rebuild our job sector and strengthen businesses and our local workforce. This continues to be carried out through economic incentives, regional strategic partnerships, and the recent voter-approved Ready to Work SA workforce development program.

Source: <https://www.sanantonio.gov/Finance/bfi/annual-report> (2021 ACFR)



AEROSPACE/AVIATION

San Antonio is an industry leader in the aerospace industry with significant expertise in maintenance, repair and overhaul and aerospace research, engineering and testing. San Antonio's long-standing aerospace tradition began in 1917 when the US Army Air Corps established Kelly Field as a pilot training site during World War I. To meet the demands of the aerospace industry, the Alamo Colleges' Aerospace Academy provides training and education specifically focused on the needs of the aerospace industry.

Source: <https://www.sanantonio.gov/IID/Industry-Clusters/Aerospace-Industry>

BIOSCIENCE/HEALTHCARE

San Antonio is a city of biosciences and health with one out of every six San Antonians employed in the industry. Local operations represent nationally-recognized healthcare facilities, cutting-edge biotech companies, and well respected global enterprises like 3M, Medtronic, and Becton Dickinson, in addition to medical device, biological, and pharmaceutical manufacturing companies.

The South Texas Medical Center is the epicenter of an industry that produced more than \$42 billion in regional economic impact in 2019.

Additionally, all medical education and training for the U.S. military occurs in San Antonio. The city is also home to the only Department of Defense Burn Center, two Level 1 trauma centers, and military medicine research for the Navy, Army, and Air Force. Combined with the medical students at the University of Texas Health Science Center at San Antonio and the University of the Incarnate Word, as well as the science and engineering students

at UTSA, the region experiences a constant influx of talent and innovative thinking. The city also houses world-renown independent research organization Texas Biomedical Research Institute and Southwest Research Institute.

Source: <https://www.sanantonio.gov/IID/Industry-Clusters/Biosciences-And-Healthcare>

INFORMATION TECHNOLOGY/CYBERSECURITY

San Antonio's open environment attracts bright minds who want to explore ideas in entrepreneurship and technology, develop their talents, and connect to a community of like-minded people. The local IT sector reflects that through Cloud Computing and Cybersecurity. Local companies have helped pioneer cloud computing with a mindset that reflects the city's penchant for open collaboration. Local incubators like Geekdom and TechStars Cloud are working with San Antonio's young and driven IT startups to share ideas, winning business practices, and foster a culture of rewarding entrepreneurship.

Source: www.sanantonio.gov/IID/Industry-Clusters/Information-Technology-And-Cybersecurity

MILITARY/DEFENSE

San Antonio, known as "Military City U.S.A.", is home to the U.S. Air Force Cyber Command, tens of thousands of Air Force personnel and one of the nation's largest clusters of cyber and intelligence employees.

Source: <https://gov.texas.gov/uploads/files/business/TexasAerospaceReport.pdf>



FISCAL YEAR 2024 FINANCIAL PLAN

APPENDIX C CIP PLAN PROJECT LISTING

Business Unit	Business Area	Project Description (COSA Form)	\$ Range
Administration Office	Business & Technology Excellence (BTE)	CEP: Communications	\$1M-\$5M
Administration Office	Business & Technology Excellence (BTE)	ERP Transformation Capital	\$5M-\$10M
Administration Office	Business Planning & Metrics	CMT Planning Data Tool	<\$1M
Administration Office	Digital and Data Transformation	I-0848 ADA Website Compliance (Tot Cap)	<\$1M
Administration Office	Digital and Data Transformation	I-0864 Data Engineering/ (Total Capital)	<\$1M
Administration Office	Digital and Data Transformation	Digital Apps QA Platform Rollout	<\$1M
Administration Office	Digital and Data Transformation	User Experience Software Platform	<\$1M
Administration Office	Fleet Operations & Safety	I-5011 Real-Time Vehicle Track (Tot Cap)	<\$1M
Administration Office	Fleet Operations & Safety	Occupational Health and Safety Management	<\$1M
Administration Office	Fleet Operations & Safety	Driving Simulator	<\$1M
Administration Office	Fleet Operations & Safety	I-5011 Key Kiosk Management Sy (Tot Cap)	<\$1M
Administration Office	Fleet Operations & Safety	Direct Purch Vehicles - Shared	>\$10M
Administration Office	Leadership & Admin	I-0863 - Enterprise Arch (Total Capital)	<\$1M
Administration Office	People & Culture	Heavy Equipment Training Simulator	<\$1M
Administration Office	People & Culture	I-0892 Paid Leave - Internal Labor	\$1M-\$5M
Administration Office	Real Estate & Master Planning	Phase 2 dev of Corporate Headquarters	<\$1M
Administration Office	Real Estate & Master Planning	Furniture Program	<\$1M
Administration Office	Real Estate & Master Planning	Control Room Upgrade	\$1M-\$5M
Administration Office	Real Estate & Master Planning	Naco Service Center Road/Utility Improvements	\$1M-\$5M
Administration Office	Real Estate & Master Planning	Construction of Westside Service District at WT Montgomery	\$1M-\$5M
Administration Office	Real Estate & Master Planning	Facility Recapitalization	\$5M-\$10M
Administration Office	Supply Chain	Pole yard (New Construction)	<\$1M
Administration Office	Supply Chain	Supply Chain -Fuel Islands	\$1M-\$5M
Administration Office	Supply Chain	Tuttle Restoration Stockpile Project	\$1M-\$5M
Administration Office	Technology Services	Radio Tools & Test Equipment	<\$1M
Administration Office	Technology Services	OT Transformation - Active Fiber Monitoring System	<\$1M
Administration Office	Technology Services	Communications Shelters Battery Monitoring System	<\$1M
Administration Office	Technology Services	Fiber Tools & Test Equip	<\$1M
Administration Office	Technology Services	Substation Power Line Carrier Growth	<\$1M
Administration Office	Technology Services	SAP GUI Upgrade	<\$1M
Administration Office	Technology Services	GIS Test Bed Environments	<\$1M
Administration Office	Technology Services	Cisco ONS DWDM Channel Upgrade	<\$1M
Administration Office	Technology Services	Comm Engineering & Maintenance Tools & Test Equip 2024	<\$1M
Administration Office	Technology Services	OT Transformation DWDM Replacement	<\$1M
Administration Office	Technology Services	Communications Shelters Fixed Generators	<\$1M
Administration Office	Technology Services	I-0751 Network Hrdwr (Total Capital)	<\$1M
Administration Office	Technology Services	Data Center Operations Repair & Replace	<\$1M
Administration Office	Technology Services	Communication Sites Battery Refresh	<\$1M
Administration Office	Technology Services	I-0740 Disaster Recovery (Total Capital)	<\$1M
Administration Office	Technology Services	Successfactors Functional Releases Update	<\$1M
Administration Office	Technology Services	I-0840 NERC Compliance Sy(Total Capital)	<\$1M
Administration Office	Technology Services	MDS-Mobile Development	<\$1M
Administration Office	Technology Services	SAP Archiving	<\$1M
Administration Office	Technology Services	WMIS-ARM Work Manager	<\$1M
Administration Office	Technology Services	Platform Lifecycle Management	<\$1M
Administration Office	Technology Services	UIQ and Energy/IP Upgrades	<\$1M
Administration Office	Technology Services	GIS	<\$1M
Administration Office	Technology Services	Application LifeCycle (Win 11, SiteScope, UCMDB, Zenoss etc...)	<\$1M
Administration Office	Technology Services	Site on Wheels Upgrade - AARRS	<\$1M
Administration Office	Technology Services	SAP Functional Year-End Releases-YESP	<\$1M
Administration Office	Technology Services	Comm Site Infrastructure Lifecycle	<\$1M
Administration Office	Technology Services	Dir Purch Budget for Audio Visual Equipment and Printers	\$1M-\$5M
Administration Office	Technology Services	OT Transformation - JMUX Life Cycle Program	\$1M-\$5M
Administration Office	Technology Services	Network Hardware Repair & Replace & Collaboration Enhancement	\$1M-\$5M
Administration Office	Technology Services	NERC/SCADA Platform Enhancement	\$1M-\$5M
Administration Office	Technology Services	ITSM, IT Asset Management and Release Management	\$1M-\$5M
Administration Office	Technology Services	Flex Power Projects	\$1M-\$5M
Administration Office	Technology Services	Dir Purch Budget for PC's, Laptops and MDTs	\$1M-\$5M
Administration Office	Technology Services	Fiber Lifecycle Replacement Program	\$5M-\$10M
Administration Office	Technology Services	Datacenter Transformation Prog CAP	\$5M-\$10M



FISCAL YEAR 2024 FINANCIAL PLAN

Business Unit	Business Area	Project Description (COSA Form)	\$ Range
Customer Strategy	Customer Experience Operations	Dir Purch Pre-Cap Elect Meters w/o CTVT	<\$1M
Customer Strategy	Customer Experience Operations	Service Alerts	<\$1M
Customer Strategy	Customer Experience Operations	Direct Purchase Pre-Cap ION Meters	<\$1M
Customer Strategy	Customer Experience Operations	Dir Purch Pre-Cap Electric Transocket	<\$1M
Customer Strategy	Customer Experience Operations	Meter&Measurement - Tools & Equipment	<\$1M
Customer Strategy	Customer Experience Operations	Dir Purch Pre-Cap Electric Meter Cabinet	\$1M-\$5M
Customer Strategy	Customer Experience Operations	Dir Purch Pre-Cap Elect Meters w/CTVT	\$1M-\$5M
Customer Strategy	Customer Experience Operations	Data Presentment and MV90 upgrade	\$1M-\$5M
Customer Strategy	Customer Experience Operations	Pre-Cap AMI Meters	>\$10M
Customer Strategy	Customer Value Optimization	Temp OH electric services	<\$1M
Customer Strategy	Customer Value Optimization	OH All Night Streetlight	<\$1M
Customer Strategy	Customer Value Optimization	CAP-Lackland Emergency-Capital	<\$1M
Customer Strategy	Customer Value Optimization	CAP-Lackland TA Emergency-Capital	<\$1M
Customer Strategy	Customer Value Optimization	CAP-Randolph Emergency-Capital	<\$1M
Customer Strategy	Customer Value Optimization	Lackland TA Emergency-Capital	<\$1M
Customer Strategy	Customer Value Optimization	Lackland TA-Capital	<\$1M
Customer Strategy	Customer Value Optimization	Randolph Emergency-Capital	<\$1M
Customer Strategy	Customer Value Optimization	Lackland TA-Capital	<\$1M
Customer Strategy	Customer Value Optimization	OH Line,Ext Pdmt Trnfrmr/Mtr Lg Comm Svc	<\$1M
Customer Strategy	Customer Value Optimization	Install UG Service/Meter Residential	<\$1M
Customer Strategy	Customer Value Optimization	Randolph - Capital	<\$1M
Customer Strategy	Customer Value Optimization	OH Electric Main Extension-Commercial	<\$1M
Customer Strategy	Customer Value Optimization	I-0678 CSII Phase 3 Capital	<\$1M
Customer Strategy	Customer Value Optimization	Randolph - Capital	<\$1M
Customer Strategy	Customer Value Optimization	Lackland-Capital	<\$1M
Customer Strategy	Customer Value Optimization	CAP-JBSA-RND-Critical Switch-Repl	<\$1M
Customer Strategy	Customer Value Optimization	CAP-JBSA-LAK-Transformer Repl	<\$1M
Customer Strategy	Customer Value Optimization	CAP-JBSA-Customer Requested Driven Projs	<\$1M
Customer Strategy	Customer Value Optimization	UG Service & Meter-Commercial Services	<\$1M
Customer Strategy	Customer Value Optimization	ANSL & Streetlight-Residential Subd/Apt	<\$1M
Customer Strategy	Customer Value Optimization	Lackland Emergency-CAP	<\$1M
Customer Strategy	Customer Value Optimization	OH Electric Service-Residential	<\$1M
Customer Strategy	Customer Value Optimization	CAP-Critical Pipe Repl-LTA	<\$1M
Customer Strategy	Customer Value Optimization	JBSA-Pole Replacements-Capital	<\$1M
Customer Strategy	Customer Value Optimization	Capital-Pole Replacement's-CTA	<\$1M
Customer Strategy	Customer Value Optimization	Lackland - Capital	<\$1M
Customer Strategy	Customer Value Optimization	ANSL & Streetlight-Commercial Customers	<\$1M
Customer Strategy	Customer Value Optimization	CAP-Relay Upgrade-LAK (Total Capital)	<\$1M
Customer Strategy	Customer Value Optimization	CAP-JBSA-LAK Bldg 9110 Transformers	<\$1M
Customer Strategy	Customer Value Optimization	CAP-Critical Pipe Repl-LAK	<\$1M
Customer Strategy	Customer Value Optimization	OH Electric Service-Commercial	<\$1M
Customer Strategy	Customer Value Optimization	CAP-JBSA-LD-Critical Switch Repl	<\$1M
Customer Strategy	Customer Value Optimization	CAP-Critical Pipe Repl-RND	<\$1M
Customer Strategy	Customer Value Optimization	CAP-JBSA-Customer Requested Driven Projs	<\$1M
Customer Strategy	Customer Value Optimization	Residential Dev Removal or Relocation	<\$1M
Customer Strategy	Customer Value Optimization	OH Service/Meter-Residential Services	<\$1M
Customer Strategy	Customer Value Optimization	UG Commercial Line Ext/Svc/Mtr	\$1M-\$5M
Customer Strategy	Customer Value Optimization	ANSL & Streetlight-Residential Customers	\$1M-\$5M
Customer Strategy	Customer Value Optimization	OH Line Ext-New Apartment & MHP	\$1M-\$5M
Customer Strategy	Customer Value Optimization	UG Line/Service Downtown Network Cust	\$1M-\$5M
Customer Strategy	Customer Value Optimization	Locates Electric	\$1M-\$5M
Customer Strategy	Customer Value Optimization	OH Service & Meter-Commercial Services	\$1M-\$5M
Customer Strategy	Customer Value Optimization	UG Electric Service-Residential	\$1M-\$5M
Customer Strategy	Customer Value Optimization	OH Electric Service-Residential	\$1M-\$5M
Customer Strategy	Customer Value Optimization	OH Line Ext,Svc & Mtr-Commercial Service	\$1M-\$5M
Customer Strategy	Customer Value Optimization	Line Ext, Svc & Mtr-Residential Services	\$5M-\$10M
Customer Strategy	Customer Value Optimization	URD System-New Apartment Complexes & MHP	\$5M-\$10M
Customer Strategy	Customer Value Optimization	Install Street Lights - UG - NSD	\$5M-\$10M
Customer Strategy	Customer Value Optimization	UG Line & Svc for Comml/Industrial Cust	>\$10M
Customer Strategy	Customer Value Optimization	Reroute OH Line-Comml/Industrial Cust	>\$10M
Customer Strategy	Customer Value Optimization	OH Line Ext-New Residential Subdivision	>\$10M
Customer Strategy	Customer Value Optimization	Install UG Service/Meter-Res(eff Jun19)	>\$10M
Customer Strategy	Customer Value Optimization	URD Systems-New Residential Subdivision	>\$10M



FISCAL YEAR 2024 FINANCIAL PLAN

Business Unit	Business Area	Project Description (COSA Form)	\$ Range
Energy Delivery Services	Distribution Construction & Maint Svcs	Facility Recapitalization-EDS	<\$1M
Energy Delivery Services	Distribution Construction & Maint Svcs	Computer Equipment - Utility/Disco	<\$1M
Energy Delivery Services	Distribution Construction & Maint Svcs	Tools-Equipment - Disco	<\$1M
Energy Delivery Services	Distribution Construction & Maint Svcs	UG Residential Distribution - Emergency	\$1M-\$5M
Energy Delivery Services	Distribution Construction & Maint Svcs	OH Emergency Replacement	\$5M-\$10M
Energy Delivery Services	Gas Solutions	Dir Purch ERT Modules	<\$1M
Energy Delivery Services	Gas Solutions	CAP - Install Gas Mains Residential	<\$1M
Energy Delivery Services	Gas Solutions	Electronic Pressure Recorder New Install	<\$1M
Energy Delivery Services	Gas Solutions	Military Base Conversion GAS - 20yr SR	<\$1M
Energy Delivery Services	Gas Solutions	Dir Purch PreCap Gas System Regulator	<\$1M
Energy Delivery Services	Gas Solutions	Dir Purch PreCap Gas Com/Ind Regultr	<\$1M
Energy Delivery Services	Gas Solutions	Cap-Civic Imp TXDOT Reimbursable	<\$1M
Energy Delivery Services	Gas Solutions	Cap-City Gate Stations	<\$1M
Energy Delivery Services	Gas Solutions	Cap-Damaged Gas Main Replacments	<\$1M
Energy Delivery Services	Gas Solutions	Cap-Install New Gas Devices >800CFH	<\$1M
Energy Delivery Services	Gas Solutions	Cap-Custody Transfer Gas Measurement	<\$1M
Energy Delivery Services	Gas Solutions	Rotary Maint Project	<\$1M
Energy Delivery Services	Gas Solutions	Cap - Gate Station Upgrades	<\$1M
Energy Delivery Services	Gas Solutions	Dir Purch AMI Modules	<\$1M
Energy Delivery Services	Gas Solutions	Install Gas Main Apartments	<\$1M
Energy Delivery Services	Gas Solutions	Cap-Genco Construction of Gasco Assets	<\$1M
Energy Delivery Services	Gas Solutions	Cap-Replace Steel & Plastic Mains	<\$1M
Energy Delivery Services	Gas Solutions	Cap-Track/Traceability	<\$1M
Energy Delivery Services	Gas Solutions	Dir Purch Pre-Cap Gas Serv Regulator	<\$1M
Energy Delivery Services	Gas Solutions	Cap-District Regulators	<\$1M
Energy Delivery Services	Gas Solutions	Install & Remove Gas Serv >800CFH	<\$1M
Energy Delivery Services	Gas Solutions	Dir Purch Obsolete Gas Meter Replace	\$1M-\$5M
Energy Delivery Services	Gas Solutions	Cap-Civic Improvements - Other	\$1M-\$5M
Energy Delivery Services	Gas Solutions	CAP - Install & Remove Gas Serv<800 Cfh	\$1M-\$5M
Energy Delivery Services	Gas Solutions	CAP- Install Gas Mains Comm / Industrial	\$1M-\$5M
Energy Delivery Services	Gas Solutions	Cap Civic Improv Renewal Other	\$1M-\$5M
Energy Delivery Services	Gas Solutions	Remodel, Remove & Reroute Gas Serv Res	\$1M-\$5M
Energy Delivery Services	Gas Solutions	Cap-Over Pressure Protection [OPP]	\$1M-\$5M
Energy Delivery Services	Gas Solutions	Dir Purch Cap Tools-Equip-Util/Gasco	\$1M-\$5M
Energy Delivery Services	Gas Solutions	Cap-Renewal Prgm - Replace SP Mains	\$1M-\$5M
Energy Delivery Services	Gas Solutions	Cap-Gas Distribution Mains	\$1M-\$5M
Energy Delivery Services	Gas Solutions	Cap-Renewal Prgm - Replace DP Facilities	\$1M-\$5M
Energy Delivery Services	Gas Solutions	Gas Growth Strategy	\$1M-\$5M
Energy Delivery Services	Gas Solutions	Gas IMU Battery Replacement and Reprogram Project	\$1M-\$5M
Energy Delivery Services	Gas Solutions	Dir Purch Pre-Cap Gas Meters	\$1M-\$5M
Energy Delivery Services	Gas Solutions	Install Plastic Services	\$1M-\$5M
Energy Delivery Services	Gas Solutions	Cap -Gas Supply Lines	\$1M-\$5M
Energy Delivery Services	Gas Solutions	Cap-Civic Improvement - Bexar County	\$1M-\$5M
Energy Delivery Services	Gas Solutions	Cap-Gas Customer Growth	\$5M-\$10M
Energy Delivery Services	Gas Solutions	Cap-Civic Imp TXDOT Nonreimbursal	\$5M-\$10M
Energy Delivery Services	Gas Solutions	Cap-Civic Improvement - City of SA	\$5M-\$10M
Energy Delivery Services	Gas Solutions	CAP - Install Gas Subd Infrastructure	\$5M-\$10M
Energy Delivery Services	Gas Solutions	Cap-Replace Steel Gas Serv w/ Plastic	\$5M-\$10M
Energy Delivery Services	Gas Solutions	Markwest Pipeline Project (purchase)	>\$10M
Energy Delivery Services	System Operations & Reliability	Dir Purch-Tools-Equip-Xfmr Shop	<\$1M
Energy Delivery Services	System Operations & Reliability	GAS SCADA Upgrade	<\$1M
Energy Delivery Services	System Operations & Reliability	SCADA Equipment	<\$1M
Energy Delivery Services	System Operations & Reliability	EDS OSI Soft PI Data Historian System So	<\$1M
Energy Delivery Services	System Operations & Reliability	Service Restoration Relocation	<\$1M
Energy Delivery Services	System Operations & Reliability	ADMS Software Upgrade-Capital	<\$1M
Energy Delivery Services	System Operations & Reliability	ROC 800 Replacements and Ultrasonic Meter firmware	<\$1M
Energy Delivery Services	System Operations & Reliability	Vegetation Management Capital	<\$1M
Energy Delivery Services	System Operations & Reliability	EMS Upgrade-Capital	\$5M-\$10M
Energy Delivery Services	T&D Engineering & Grid Transformation	Transmission Interconnect- Shaula 2	<\$1M
Energy Delivery Services	T&D Engineering & Grid Transformation	T - Construction - "Project Name"	<\$1M
Energy Delivery Services	T&D Engineering & Grid Transformation	Transmission Line Project	<\$1M
Energy Delivery Services	T&D Engineering & Grid Transformation	Medina Base to 36th St.	<\$1M
Energy Delivery Services	T&D Engineering & Grid Transformation	OH Line Customer Assistance	<\$1M
Energy Delivery Services	T&D Engineering & Grid Transformation	USAA #1 Transmission Loop	<\$1M
Energy Delivery Services	T&D Engineering & Grid Transformation	Transmission Interconnect- Ferdinand Grid BESS	<\$1M
Energy Delivery Services	T&D Engineering & Grid Transformation	T - Construction-Repl. 138kV Breakers	<\$1M
Energy Delivery Services	T&D Engineering & Grid Transformation	Transmission Line Project	<\$1M
Energy Delivery Services	T&D Engineering & Grid Transformation	Northwest 6 # New Substation - Disco	<\$1M
Energy Delivery Services	T&D Engineering & Grid Transformation	T - Construction - "Project Name"	<\$1M
Energy Delivery Services	T&D Engineering & Grid Transformation	T - Construction - Hill Country S-0939a	<\$1M
Energy Delivery Services	T&D Engineering & Grid Transformation	Make-ready adjustments for Phone Company	<\$1M
Energy Delivery Services	T&D Engineering & Grid Transformation	T - Construction - Southton TR/SWGR#1	<\$1M



FISCAL YEAR 2024 FINANCIAL PLAN

Business Unit	Business Area	Project Description (COSA Form)	\$ Range
Energy Delivery Services	T&D Engineering & Grid Transformation	S-0669 Brooks Field - MLSE	<\$1M
Energy Delivery Services	T&D Engineering & Grid Transformation	Grounding Grid Upgrades	<\$1M
Energy Delivery Services	T&D Engineering & Grid Transformation	Transmission Line Project	<\$1M
Energy Delivery Services	T&D Engineering & Grid Transformation	T - Construction - South San TR/SWGR #4	<\$1M
Energy Delivery Services	T&D Engineering & Grid Transformation	D-USAA #1 - Replace Switchgear #1 and #3	<\$1M
Energy Delivery Services	T&D Engineering & Grid Transformation	T - Construction - "Project Name"	<\$1M
Energy Delivery Services	T&D Engineering & Grid Transformation	T - Anderson - New 100 MVA TR/SWGR #1	<\$1M
Energy Delivery Services	T&D Engineering & Grid Transformation	Electric Vehicles-DP	<\$1M
Energy Delivery Services	T&D Engineering & Grid Transformation	OH Electric Civic Improvements	<\$1M
Energy Delivery Services	T&D Engineering & Grid Transformation	Solar Flower Equipment Demo for San Antonio at Tech Port	<\$1M
Energy Delivery Services	T&D Engineering & Grid Transformation	Tools-Equipment - Tranco	<\$1M
Energy Delivery Services	T&D Engineering & Grid Transformation	T - Construction - Ferdinand BESS - F0	<\$1M
Energy Delivery Services	T&D Engineering & Grid Transformation	Transmission Line Project	<\$1M
Energy Delivery Services	T&D Engineering & Grid Transformation	Military Base Conv. Elec. OH - FSCB	<\$1M
Energy Delivery Services	T&D Engineering & Grid Transformation	T - Construction - "Project Name"	<\$1M
Energy Delivery Services	T&D Engineering & Grid Transformation	T - Construction - Quintana Bkr Repl	<\$1M
Energy Delivery Services	T&D Engineering & Grid Transformation	D - Construction - QTS Potranco Subst.	<\$1M
Energy Delivery Services	T&D Engineering & Grid Transformation	Tenth Street Rebuild	<\$1M
Energy Delivery Services	T&D Engineering & Grid Transformation	Substation Fence Program	<\$1M
Energy Delivery Services	T&D Engineering & Grid Transformation	D - Construction - "Project Name"	<\$1M
Energy Delivery Services	T&D Engineering & Grid Transformation	D - Construction - Cyrus One Substation	<\$1M
Energy Delivery Services	T&D Engineering & Grid Transformation	D - Construction - "Station 1"	<\$1M
Energy Delivery Services	T&D Engineering & Grid Transformation	Pre-Cap Voltage Regulators	<\$1M
Energy Delivery Services	T&D Engineering & Grid Transformation	Install Capacitor Banks	<\$1M
Energy Delivery Services	T&D Engineering & Grid Transformation	T - Const. - S-0871c- T5- Hill Cntry RTAC	<\$1M
Energy Delivery Services	T&D Engineering & Grid Transformation	T - Construction - Harmony Hills S-0904b	<\$1M
Energy Delivery Services	T&D Engineering & Grid Transformation	Harlandale to Sommers Rebuild Segment 3	<\$1M
Energy Delivery Services	T&D Engineering & Grid Transformation	T - Construction - Donop Rd.	<\$1M
Energy Delivery Services	T&D Engineering & Grid Transformation	T - Construction - USAA #1 & 2 S-0913b	<\$1M
Energy Delivery Services	T&D Engineering & Grid Transformation	Transmission Interconnect- Ebony Energy Storage	<\$1M
Energy Delivery Services	T&D Engineering & Grid Transformation	Distributed Generation	<\$1M
Energy Delivery Services	T&D Engineering & Grid Transformation	D - Construction - "Project Name"	<\$1M
Energy Delivery Services	T&D Engineering & Grid Transformation	Customer Growth (Lrg Customers)- SAT 14 - Transmission	<\$1M
Energy Delivery Services	T&D Engineering & Grid Transformation	T - Construction - Padua BESS - N3	<\$1M
Energy Delivery Services	T&D Engineering & Grid Transformation	Pre-Cap Capacitors (Individual)	<\$1M
Energy Delivery Services	T&D Engineering & Grid Transformation	D - Construction - "Project Name"	<\$1M
Energy Delivery Services	T&D Engineering & Grid Transformation	Pre-Cap Capacitor Banks	<\$1M
Energy Delivery Services	T&D Engineering & Grid Transformation	Diagnostic Equipment & New Technology	<\$1M
Energy Delivery Services	T&D Engineering & Grid Transformation	Transmission Interconnect- BRP Libra BESS	<\$1M
Energy Delivery Services	T&D Engineering & Grid Transformation	Transmission Line Project	<\$1M
Energy Delivery Services	T&D Engineering & Grid Transformation	Capital Replacement-Disco	<\$1M
Energy Delivery Services	T&D Engineering & Grid Transformation	OH Distribution Sys Imprv-Circuit Patrol	<\$1M
Energy Delivery Services	T&D Engineering & Grid Transformation	Substation Paving/Drainage Improvements	<\$1M
Energy Delivery Services	T&D Engineering & Grid Transformation	Transmission Line Project	<\$1M
Energy Delivery Services	T&D Engineering & Grid Transformation	T - Construction - Ebony BESS - F0	<\$1M
Energy Delivery Services	T&D Engineering & Grid Transformation	D - Construction - W2, Repl. TR/SWGR	<\$1M
Energy Delivery Services	T&D Engineering & Grid Transformation	D - Anderson - New 100 MVA TR/SWGR #1	<\$1M
Energy Delivery Services	T&D Engineering & Grid Transformation	T - Construction - Crossroads Substation	<\$1M
Energy Delivery Services	T&D Engineering & Grid Transformation	Pinn Rd - Replace XFMR/SWGR#3	<\$1M
Energy Delivery Services	T&D Engineering & Grid Transformation	T - Construction - AVR (U3)	<\$1M
Energy Delivery Services	T&D Engineering & Grid Transformation	D - Construction - Martinez TR/SWGR#1	<\$1M
Energy Delivery Services	T&D Engineering & Grid Transformation	Tranco Station Construction - T4 - 138kV	<\$1M
Energy Delivery Services	T&D Engineering & Grid Transformation	T - Construction - Hill Country Auto #2	<\$1M
Energy Delivery Services	T&D Engineering & Grid Transformation	Randolph Runway Undergrounding-Cap	<\$1M
Energy Delivery Services	T&D Engineering & Grid Transformation	Old Hickory Solar Farm	<\$1M
Energy Delivery Services	T&D Engineering & Grid Transformation	STP Switchyard Capital Spending	<\$1M
Energy Delivery Services	T&D Engineering & Grid Transformation	UG Feeder Replacement	<\$1M
Energy Delivery Services	T&D Engineering & Grid Transformation	Fault Loc & Isolation Svc Rest. (FLISR)	<\$1M
Energy Delivery Services	T&D Engineering & Grid Transformation	T - Construction - Libra BESS - E5	<\$1M
Energy Delivery Services	T&D Engineering & Grid Transformation	D - Construction - "Project Name"	<\$1M
Energy Delivery Services	T&D Engineering & Grid Transformation	Transmission Line Project	<\$1M
Energy Delivery Services	T&D Engineering & Grid Transformation	D - Construction - "Project Name"	<\$1M
Energy Delivery Services	T&D Engineering & Grid Transformation	D - Construction - "Project Name"	<\$1M
Energy Delivery Services	T&D Engineering & Grid Transformation	Cagnon to Valley rebuild (Phase B)	<\$1M



FISCAL YEAR 2024 FINANCIAL PLAN

Business Unit	Business Area	Project Description (COSA Form)	\$ Range
Energy Delivery Services	T&D Engineering & Grid Transformation	Electric OH Improvements	\$1M-\$5M
Energy Delivery Services	T&D Engineering & Grid Transformation	Reimbursable OH relocation-TxDOT Project	\$1M-\$5M
Energy Delivery Services	T&D Engineering & Grid Transformation	Volt Var Optimization	\$1M-\$5M
Energy Delivery Services	T&D Engineering & Grid Transformation	Capital Replacement-Facilities Common	\$1M-\$5M
Energy Delivery Services	T&D Engineering & Grid Transformation	Rio Nogales - Replace 345KV Breakers	\$1M-\$5M
Energy Delivery Services	T&D Engineering & Grid Transformation	T-Construction-IH35 NEX-Tuttle-Kirby	\$1M-\$5M
Energy Delivery Services	T&D Engineering & Grid Transformation	D - South San - South San TR/SWGR #4	\$1M-\$5M
Energy Delivery Services	T&D Engineering & Grid Transformation	Downtown Network Facility Rehabilitation	\$1M-\$5M
Energy Delivery Services	T&D Engineering & Grid Transformation	Relocate Network for Civic Imprv Project	\$1M-\$5M
Energy Delivery Services	T&D Engineering & Grid Transformation	Cachena Solar	\$1M-\$5M
Energy Delivery Services	T&D Engineering & Grid Transformation	Transmission Interconnect- Padua Grid BESS	\$1M-\$5M
Energy Delivery Services	T&D Engineering & Grid Transformation	D - Midtown - New Substation	\$1M-\$5M
Energy Delivery Services	T&D Engineering & Grid Transformation	D - Construction - New Tezel Substation	\$1M-\$5M
Energy Delivery Services	T&D Engineering & Grid Transformation	Transmission Interconnect- Shaula 1	\$1M-\$5M
Energy Delivery Services	T&D Engineering & Grid Transformation	T-USAA #1 - Replace Switchgear #1 and #3	\$1M-\$5M
Energy Delivery Services	T&D Engineering & Grid Transformation	OH Streetlights - COSA/Sub Cities	\$1M-\$5M
Energy Delivery Services	T&D Engineering & Grid Transformation	Relocate OH for Bexar Civic Projects	\$1M-\$5M
Energy Delivery Services	T&D Engineering & Grid Transformation	JBSA System Rehabilitation	\$1M-\$5M
Energy Delivery Services	T&D Engineering & Grid Transformation	T - Construction - "Project Name"	\$1M-\$5M
Energy Delivery Services	T&D Engineering & Grid Transformation	Downtown Network System Improvement	\$1M-\$5M
Energy Delivery Services	T&D Engineering & Grid Transformation	Midtown Transmission Loop	\$1M-\$5M
Energy Delivery Services	T&D Engineering & Grid Transformation	Tezel Rd Substation Loop	\$1M-\$5M
Energy Delivery Services	T&D Engineering & Grid Transformation	D - Construction - S0882a HH J423 Rep	\$1M-\$5M
Energy Delivery Services	T&D Engineering & Grid Transformation	T - Construction - Cyrus One Substation	\$1M-\$5M
Energy Delivery Services	T&D Engineering & Grid Transformation	Pre-Cap Network Protectors	\$1M-\$5M
Energy Delivery Services	T&D Engineering & Grid Transformation	T - Construction - QTS Potranco Subst.	\$1M-\$5M
Energy Delivery Services	T&D Engineering & Grid Transformation	Relocate UG for Civic Imprv Projects	\$1M-\$5M
Energy Delivery Services	T&D Engineering & Grid Transformation	Extend UG In Downtown San Antonio	\$1M-\$5M
Energy Delivery Services	T&D Engineering & Grid Transformation	T - Construction - Verde Circle Substati	\$1M-\$5M
Energy Delivery Services	T&D Engineering & Grid Transformation	Talley Rd # Replace XFMRs 2 & 3	\$1M-\$5M
Energy Delivery Services	T&D Engineering & Grid Transformation	36th Street to Merida 138kV Rebuilt	\$1M-\$5M
Energy Delivery Services	T&D Engineering & Grid Transformation	Make-ready adjustments for Telecom	\$1M-\$5M
Energy Delivery Services	T&D Engineering & Grid Transformation	Chavaneaux to Palo Alto Rebuild	\$1M-\$5M
Energy Delivery Services	T&D Engineering & Grid Transformation	T - Construction - Old Hickory	\$1M-\$5M
Energy Delivery Services	T&D Engineering & Grid Transformation	Relocate OH for COSA Civic Projects	\$1M-\$5M
Energy Delivery Services	T&D Engineering & Grid Transformation	Transmission Line Project	\$1M-\$5M
Energy Delivery Services	T&D Engineering & Grid Transformation	T - Construction - GVEC Switchyard	\$1M-\$5M
Energy Delivery Services	T&D Engineering & Grid Transformation	OH Electric Distribution Sys Imprv-Distr	\$1M-\$5M
Energy Delivery Services	T&D Engineering & Grid Transformation	Bullet Sleeve Replacement	\$1M-\$5M
Energy Delivery Services	T&D Engineering & Grid Transformation	Capital Replacement-Tranco	\$1M-\$5M
Energy Delivery Services	T&D Engineering & Grid Transformation	T - Construction - Shaula I Switchyard	\$1M-\$5M
Energy Delivery Services	T&D Engineering & Grid Transformation	T - Construction-T5,Repl. Auto #4	\$1M-\$5M
Energy Delivery Services	T&D Engineering & Grid Transformation	T - Construction - New Tezel Substation	\$1M-\$5M
Energy Delivery Services	T&D Engineering & Grid Transformation	D - Construction - Southton TR/SWGR#1	\$1M-\$5M
Energy Delivery Services	T&D Engineering & Grid Transformation	T - Construction - Elm Crk,Reactor Ph2	\$1M-\$5M
Energy Delivery Services	T&D Engineering & Grid Transformation	Cagnon to Valley rebuild (Phase A)	\$1M-\$5M
Energy Delivery Services	T&D Engineering & Grid Transformation	UG Facility System Improvements	\$1M-\$5M
Energy Delivery Services	T&D Engineering & Grid Transformation	NW6 Transmission Loop	\$1M-\$5M
Energy Delivery Services	T&D Engineering & Grid Transformation	T - Construction - Cachena Switchyard	\$1M-\$5M
Energy Delivery Services	T&D Engineering & Grid Transformation	Distribution Automation Equipment	\$1M-\$5M
Energy Delivery Services	T&D Engineering & Grid Transformation	LED Streetlight Transition & Billing	\$1M-\$5M
Energy Delivery Services	T&D Engineering & Grid Transformation	EPRI Hardening Federal Critical Assets	\$1M-\$5M
Energy Delivery Services	T&D Engineering & Grid Transformation	Transmission Line Project	\$1M-\$5M
Energy Delivery Services	T&D Engineering & Grid Transformation	Transmission Line Project	\$1M-\$5M
Energy Delivery Services	T&D Engineering & Grid Transformation	Pre-Cap OH Transformer - 3-Phase Only	\$1M-\$5M
Energy Delivery Services	T&D Engineering & Grid Transformation	Pre-Cap Network Transformers	\$1M-\$5M
Energy Delivery Services	T&D Engineering & Grid Transformation	UG Street Light for COSA/Suburban Cities	\$1M-\$5M
Energy Delivery Services	T&D Engineering & Grid Transformation	Transmission Line Project	\$1M-\$5M
Energy Delivery Services	T&D Engineering & Grid Transformation	Civic Improvement-State Highway	\$1M-\$5M
Energy Delivery Services	T&D Engineering & Grid Transformation	T - Construction - "Project Name"	\$1M-\$5M
Energy Delivery Services	T&D Engineering & Grid Transformation	Transmission Line Project	\$1M-\$5M
Energy Delivery Services	T&D Engineering & Grid Transformation	Talley Rd # Replace XFMRs 2 & 3	\$1M-\$5M
Energy Delivery Services	T&D Engineering & Grid Transformation	Northwest 6 # New Substation - Tranco	\$1M-\$5M
Energy Delivery Services	T&D Engineering & Grid Transformation	Circuit Upgrades Due to Poor Reliability	\$1M-\$5M
Energy Delivery Services	T&D Engineering & Grid Transformation	UG New Feeder Circuits/Substation	\$1M-\$5M
Energy Delivery Services	T&D Engineering & Grid Transformation	D - Construction - Donop Rd.	\$1M-\$5M
Energy Delivery Services	T&D Engineering & Grid Transformation	D - Construction - Verde Circle Substati	\$1M-\$5M
Energy Delivery Services	T&D Engineering & Grid Transformation	D - Construction - Crossroads Substation	\$1M-\$5M
Energy Delivery Services	T&D Engineering & Grid Transformation	Smart Streetlight Control Implementation	\$1M-\$5M



FISCAL YEAR 2024 FINANCIAL PLAN

Business Unit	Business Area	Project Description (COSA Form)	\$ Range
Energy Delivery Services	T&D Engineering & Grid Transformation	Pre-Cap 3 Phase Padmount Transformer	\$5M-\$10M
Energy Delivery Services	T&D Engineering & Grid Transformation	Downtown Network NWP Vaultgard SCADA	\$5M-\$10M
Energy Delivery Services	T&D Engineering & Grid Transformation	OH System Voltage Conversions	\$5M-\$10M
Energy Delivery Services	T&D Engineering & Grid Transformation	Braunig to Highland Hills/Brooks Rebuild	\$5M-\$10M
Energy Delivery Services	T&D Engineering & Grid Transformation	Braunig - Highland Hills/Brooks	\$5M-\$10M
Energy Delivery Services	T&D Engineering & Grid Transformation	Pre-Cap OH Transformers	\$5M-\$10M
Energy Delivery Services	T&D Engineering & Grid Transformation	Upgrade conductor	\$5M-\$10M
Energy Delivery Services	T&D Engineering & Grid Transformation	T - Construction - "Project Name"	\$5M-\$10M
Energy Delivery Services	T&D Engineering & Grid Transformation	New Feeder circuits for Growth	\$5M-\$10M
Energy Delivery Services	T&D Engineering & Grid Transformation	Reclosers for Circuit Reliability	>\$10M
Energy Delivery Services	T&D Engineering & Grid Transformation	Cable Rehabilitation	>\$10M
Energy Delivery Services	T&D Engineering & Grid Transformation	Underground Line Strategy	>\$10M
Energy Delivery Services	T&D Engineering & Grid Transformation	Pole Replacement	>\$10M
Energy Delivery Services	T&D Engineering & Grid Transformation	T - Midtown - New Substation	>\$10M
Energy Delivery Services	T&D Engineering & Grid Transformation	Pre-Cap 1 Phase Padmount Transformer	>\$10M
Energy Supply	Energy Supply & Market Operations	ESMO Demand Resp Mgt Sys Expan & Upgrade	<\$1M
Energy Supply	Energy Supply & Market Operations	ESMO Computer Hardware Replacement Reser	<\$1M
Energy Supply	Energy Supply & Market Operations	ESMO Weather Forecast System	<\$1M
Energy Supply	Energy Supply & Market Operations	ESMO Generation Mgmt Sys Real Time CoOp	<\$1M
Energy Supply	Energy Supply & Market Operations	ESMO Generation Mgmt Sys Annu App Update	<\$1M
Energy Supply	Energy Supply & Market Operations	ESMO Business Critical Sys Real-Time CoOp	<\$1M
Energy Supply	Energy Supply & Market Operations	ESMO GMS HCI Platform Migration	<\$1M
Energy Supply	Energy Supply & Market Operations	ESMO Generation Meter Analog Expansion	<\$1M
Energy Supply	Energy Supply & Market Operations	ESMO Business Critical HCI Migration	\$1M-\$5M
Energy Supply	Energy Supply & Market Operations	ESMO Distributed Energy Resource Management System (DERMS)-1	\$1M-\$5M
Energy Supply	Energy Supply & Market Operations	ESMO Business Critical Major Refresh	\$1M-\$5M
Energy Supply	Energy Supply & Market Operations	ESMO Business Critical Sys Upgrade & Enhance	\$1M-\$5M
Energy Supply	Energy Supply & Market Operations	ESMO Gas Management System Replacement	\$1M-\$5M
Energy Supply	Power Generation	Power Gen Dir Purch Office Equipment	<\$1M
Energy Supply	Power Generation	Spruce2 - Install Layer 2 Catalyst	<\$1M
Energy Supply	Power Generation	Power Gen Comp Equip	<\$1M
Energy Supply	Power Generation	von Rosenberg SCR Catalyst Replacement	<\$1M
Energy Supply	Power Generation	Calaveras Sanitary Sewer Improvement/Upgrade	<\$1M
Energy Supply	Power Generation	Spruce1 Generator and Transformer Protective Relay Panel Upgrade	<\$1M
Energy Supply	Power Generation	AvR - HRSG Door Replacements	<\$1M
Energy Supply	Power Generation	Calaveras Asset Corrosion Storage Bldg	<\$1M
Energy Supply	Power Generation	Rio Nogales ST Exciter Transformer Replacement	<\$1M
Energy Supply	Power Generation	Rio Nogales - CT H2 Bolted H2 Seal Upgrade	<\$1M
Energy Supply	Power Generation	MBL East Gas Compressor Lubricator Upgrade	<\$1M
Energy Supply	Power Generation	von Rosenberg Circulating Water Pump 2nd Upgraded Motor	<\$1M
Energy Supply	Power Generation	Lee West Nox Catalyst Replacements CT1-4	<\$1M
Energy Supply	Power Generation	Rio Nogales ST GSU Transformer	<\$1M
Energy Supply	Power Generation	Spruce2 Mist Eliminator & Tower Supports Upgrades	<\$1M
Energy Supply	Power Generation	Coal Yard SUS Transformer Replacements	<\$1M
Energy Supply	Power Generation	Rio Nogales - Fire Protection PIV Upgrade	<\$1M
Energy Supply	Power Generation	Coal Yard Conveyor 5 Controls Upgrade	<\$1M
Energy Supply	Power Generation	Rio Nogales Aux Cooling Water Pump Spare Motor	<\$1M
Energy Supply	Power Generation	AvR CT 1 Compressor -Stage 1 Shrouds	<\$1M
Energy Supply	Power Generation	Spruce 2 Gas Conversion	<\$1M
Energy Supply	Power Generation	Spruce Power Plant Pump Replacements for Environmental Systems	<\$1M
Energy Supply	Power Generation	Rio Nogales - Storm Building	<\$1M
Energy Supply	Power Generation	Braunig River Pump Isolation Valves	<\$1M
Energy Supply	Power Generation	Spruce2 UPS 2B Battery Replacement	<\$1M
Energy Supply	Power Generation	Spruce2 APH CE Basket Replacement	<\$1M
Energy Supply	Power Generation	Spruce1 - ID and FD Fan VFD Chiller Upgrades	<\$1M
Energy Supply	Power Generation	AvR Reheat Pipe Hanger Upgrades	<\$1M
Energy Supply	Power Generation	Braunig Dam Spillway Enclosure Project	<\$1M
Energy Supply	Power Generation	Rio Nogales Cooling Tower Building Upgrade	<\$1M



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Business Unit	Business Area	Project Description (COSA Form)	\$ Range
Energy Supply	Power Generation	Power Gen Dir Purch Tools Equipment	<\$1M
Energy Supply	Power Generation	AvR - Bolted H2 Seal Upgrade	<\$1M
Energy Supply	Power Generation	PG CEMS Spectrum SpectraPak Upgrade	<\$1M
Energy Supply	Power Generation	Rio Nogales CT Filter Replacement	<\$1M
Energy Supply	Power Generation	Sommers FD IGV Fan Upgrade	<\$1M
Energy Supply	Power Generation	von Rosenberg AGP Escalation Annual true-up	<\$1M
Energy Supply	Power Generation	Spruce 2 Recycle Pump Gearbox Cooling System Upgrade	<\$1M
Energy Supply	Power Generation	Rio Nogales Advanced Gas Path (AGP) Escalation annual true-up	<\$1M
Energy Supply	Power Generation	Lee West Exciter Upgrades	<\$1M
Energy Supply	Power Generation	Calaveras Dam Blowdown Valve Upgrade	<\$1M
Energy Supply	Power Generation	Sommers1 & 2 Superheat and Reheat Seal Box	<\$1M
Energy Supply	Power Generation	Spruce2 - Install Catalyst Future Years	<\$1M
Energy Supply	Power Generation	Spruce1 FD & ID Fan Drive PLC Upgrade	<\$1M
Energy Supply	Power Generation	Rio Nogales Water Storage Tank Installation	<\$1M
Energy Supply	Power Generation	Spruce1 Spare Bowl Mill Roller Procurem	<\$1M
Energy Supply	Power Generation	von Rosenberg CT2 Generator Rotor Exchange	<\$1M
Energy Supply	Power Generation	Rio Nogales CT 301 Generator Field Exchange	<\$1M
Energy Supply	Power Generation	Coal Yard Conveyor Belt Replacements	<\$1M
Energy Supply	Power Generation	von Rosenberg MT2 GSU Replacement	<\$1M
Energy Supply	Power Generation	RNPP Turbine Controls +Cybersecurity network refresh	<\$1M
Energy Supply	Power Generation	von Rosenberg 4160V Bus 1&2 Replacement	<\$1M
Energy Supply	Power Generation	Lee West Remote Monitoring/Control	<\$1M
Energy Supply	Power Generation	von Rosenberg Generator Breaker Replacement Project	<\$1M
Energy Supply	Power Generation	Rio Nogales Lime Silo Retrofit	<\$1M
Energy Supply	Power Generation	Lee West BOP Refresh	<\$1M
Energy Supply	Power Generation	Rio Nogales CT1 Generator Field Exchange	<\$1M
Energy Supply	Power Generation	Spruce 2 Recycle Pump Structure	<\$1M
Energy Supply	Power Generation	Braunig Lake TDS Management Blowdown	\$1M-\$5M
Energy Supply	Power Generation	Rio Nogales Generator Breaker Replacement Project	\$1M-\$5M
Energy Supply	Power Generation	Lee West Fencing	\$1M-\$5M
Energy Supply	Power Generation	Spruce1 Exciter Controls Upgrade	\$1M-\$5M
Energy Supply	Power Generation	Lee East CT7 - Rotor No. 191-637	\$1M-\$5M
Energy Supply	Power Generation	Lee East CT5-8 BOP refresh	\$1M-\$5M
Energy Supply	Power Generation	Power Generation Tripwire Compliance Tool	\$1M-\$5M
Energy Supply	Power Generation	Lee West CT4 - Rotor No.191-370	\$1M-\$5M
Energy Supply	Power Generation	Rio Nogales CT2 Rotor Replacement	\$5M-\$10M
Energy Supply	Power Generation	Rio Nogales CT3 Rotor Replacement	\$5M-\$10M
Energy Supply	Power Generation	von Rosenberg CT2 Rotor Replacement	\$5M-\$10M
Energy Supply	Power Generation	Lee West Dual Fuel Coversion	>\$10M
Energy Supply	Power Generation	Rio Nogales CT1 Rotor Replacement	>\$10M
Energy Supply	Power Generation	C.E.P.: Freeze Protection (-10F; 30 mphr)	>\$10M
Energy Supply	Power Generation	von Rosenberg CT1 Rotor Replacement	>\$10M
Energy Supply	Power Generation	Spruce Wastewater Treatment/Effluent	>\$10M
Financial Services Office	Enterprise Risk & Development	Electric / Gas Infrastructure	\$1M-\$5M
Financial Services Office	Financial Planning Pricing & Budgets	New- FS	<\$1M
Financial Services Office	Financial Planning Pricing & Budgets	I-4003 Comm On-Site Solar (Total Cap)	<\$1M
Financial Services Office	Financial Planning Pricing & Budgets	I-4001 LCP-GRN Tariff (Total Cap)	<\$1M
Legal & Integrated Security	Integrated Security & Busn Continuity	Portable Drive Duplication	<\$1M
Legal & Integrated Security	Integrated Security & Busn Continuity	Workspace Management	<\$1M
Legal & Integrated Security	Integrated Security & Busn Continuity	IM/BCP Automation Tech Solution	<\$1M
Legal & Integrated Security	Integrated Security & Busn Continuity	Tenable EP and or IO	<\$1M
Legal & Integrated Security	Integrated Security & Busn Continuity	Penetration Testing Tool	<\$1M
Legal & Integrated Security	Integrated Security & Busn Continuity	Stealthwatch Enhancement (Cloud)	<\$1M
Legal & Integrated Security	Integrated Security & Busn Continuity	SOC Data Integration	<\$1M
Legal & Integrated Security	Integrated Security & Busn Continuity	Physical Security Fencing	<\$1M
Legal & Integrated Security	Integrated Security & Busn Continuity	Physical Security Cameras	\$1M-\$5M
Legal & Integrated Security	Integrated Security & Busn Continuity	Security Vulnerability Assessment and Master Plan	\$1M-\$5M
Legal & Integrated Security	Integrated Security & Busn Continuity	Video Management System (VMS)	\$1M-\$5M
STP	STP	STP 1&2 Capital Project	>\$10M

APPENDIX D FINANCIAL POLICIES

REPORTING ENTITY

The City Public Service Board of San Antonio (also referred to as “CPS Energy” or the “Company”) has been owned by the City of San Antonio, Texas (“City”) since 1942. CPS Energy provides electricity and natural gas to San Antonio and surrounding areas. As a municipally owned utility, CPS Energy is exempt from the payment of income taxes, state franchise taxes, use taxes, and real and personal property taxes. CPS Energy provides certain payments and benefits to the City as permitted by bond ordinances. CPS Energy’s financial results are also included within the annual comprehensive financial report of the City. The following legal entities, for which CPS Energy is financially accountable and there exists a financial benefit/burden relationship, meet criteria for inclusion in CPS Energy’s financial statements as component units; therefore, their financial statements are blended with those of CPS Energy:

- The City Public Service Restated Decommissioning Master Trust for the South Texas Project (“28% Decommissioning Trust”), and
- The City Public Service Decommissioning Master Trust (TCC Funded) (“12% Decommissioning Trust”)

The financial results of the CPS Energy Pension Plan (“Pension Plan”), the CPS Energy Group Health Plan, the CPS Energy Group Life Plan, and the CPS Energy Long-Term Disability Income Plan (collectively, “Employee Benefit Plans”) are reported on a calendar year basis and included in the Statements of Fiduciary Net Position and Statements of Changes in Fiduciary Net Position. The Pension Plan and the Employee Benefit Plans are also separately audited. Included in CPS Energy’s financial statements are the applicable financial results for 40% of the South Texas Project (“STP”) Units 1 and 2 that is a nonprofit special-purpose entity and no modifications have been made to STP’s financial information within CPS Energy’s financial statements for these differences.

BASIS OF ACCOUNTING

CPS Energy financial statements are prepared using the accrual basis of accounting with the economic resources measurement focus as prescribed by the Governmental Accounting Standards Board (GASB). CPS Energy operates as an enterprise fund and applies all applicable GASB pronouncements and presents its financial statements in accordance with the GASB Codification. Under this approach, all assets, deferred outflows of resources, liabilities and deferred inflows of resources of CPS Energy are reported in the Statements of Net Position. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

RECOGNITION OF REVENUES

Revenues are recorded when earned. AMI meters are read, or periodically estimated, and bills are prepared monthly based on billing cycles. Rate tariffs include adjustment clauses that permit recovery of electric and gas fuel costs. CPS Energy uses historical information from prior fiscal years as partial bases to estimate and record earned revenue not yet billed (unbilled revenue). This process involves an extrapolation of customer usage over the days since the last meter read through the last day of the monthly period. Also included in unbilled revenue are the (over)/under-recoveries of electric and gas fuel costs and regulatory assessments.

REVENUE AND EXPENSE CLASSIFICATION

Enterprise funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with CPS Energy’s principal ongoing operations. All other revenues and expenses are classified as non-operating and are reported as non-operating income and expenses.

CASH EQUIVALENTS AND INVESTMENTS

CPS Energy's investments with a maturity date within one year of the purchase date are reported at amortized cost, which approximates fair value. Amortization of premium and accretion of discount are recorded over the terms of the investments. CPS Energy's investments with a maturity date longer than one year from the purchase date are accounted for at fair value. As available, fair values are determined by using generally accepted financial reporting services, publications and broker-dealer information. The specific identification method is used to determine costs in computing gains or losses on sales of securities. CPS Energy also reports all investments of the Decommissioning Trusts at fair value. The investments of the Pension Plan and the Employee Benefit Plans are also reported at fair value in the fiduciary financial statements.

ACCOUNTS RECEIVABLE

Accounts receivable are recorded at the invoiced amounts plus an estimate of unbilled revenue receivable. The allowance for uncollectible accounts is management's best estimate of the amount of probable credit losses based on account delinquencies, historical write-off experience and current energy market conditions. Account balances are written off against the allowance when it is probable the receivable will not be recovered. A provision to increase the allowance for uncollectible accounts is recorded as an offset to operating revenue.

INVENTORY

CPS Energy maintains inventories for its materials and supplies and fossil fuels. Included in these amounts are CPS Energy's portion of STP inventories, which are valued at the lower of average cost or net realizable value. CPS Energy's directly managed inventories are valued using an average costing approach and are subject to write-off when deemed obsolete. CPS Energy has established a reserve for excess and obsolete inventory that is based on a combination of inventory aging and specific identification of items that can be written off. The reserve is intended to adjust the net realizable value of inventory CPS Energy may not be able to use due to obsolescence.

RESTRICTED ASSETS

Restricted funds are generally for uses other than current operations. They are designated by law, ordinance or contract, and are often used to acquire or construct noncurrent assets. Restricted funds consist primarily of unspent bond or commercial paper proceeds, debt service required for the New Series Bonds (senior lien obligations), Series Bonds (junior lien obligations), commercial paper, the flexible rate revolving note (FRRN) and funds for future construction or contingencies. Restricted funds also include customer assistance programs that receive proceeds from outside parties and the assets of the Decommissioning Trusts. Also included in the restricted funds classification is the Repair and Replacement Account, restricted in accordance with the Company's bond ordinances.

CAPITAL ASSETS

The costs of additions and replacements of assets identified as major components or property units are capitalized. Maintenance and replacement of minor items are charged to operating expense. For depreciable assets that are retired due to circumstances other than impairment, the cost of the retired asset, plus removal costs and less salvage, is charged to accumulated depreciation and losses associated with capital asset impairments will be charged to operations, not to accumulated depreciation. A constructed utility plant is stated at the cost of construction, including expenditures for contracted services; equipment, material and labor; indirect costs, including general engineering, labor, equipment and material overheads



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CONTRIBUTED CAPITAL

Contributed capital consists of proceeds from customers to partially fund construction expenditures, grant proceeds received from governmental agencies for facility expansion, customer payments for utility extensions and services, as well as funding for community initiatives and other local partnership projects. Contributed capital is reported in the Statements of Revenues, Expenses, and Changes in Net Position.

PAYMENTS TO THE CITY OF SAN ANTONIO GENERAL FUND

CPS Energy makes payments to the City of San Antonio (City) each month after making all other payments required by bond ordinance. CPS Energy sets aside 1% of prior fiscal year electric base rate revenue, which is remitted to the City on an annual basis as an additional transfer. In accordance with bond ordinances, the combined total of all payments to the City may not exceed 14% of gross revenues. Payments to the City are reported as non-operating expense in the Statements of Revenues, Expenses and Changes in Net Position.