COST MANAGEMENT: CONSTRUCTIVE PAYDOWN OF DEBT

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Informational Only
AGENDA

• COST MANAGEMENT UPDATE
  ➢ RECENT OCTOBER TRANSACTION
  ➢ UPCOMING OPPORTUNITY & REQUEST
CPS Energy priced bonds in late October. The transaction was a success, with $720M in orders on the $218M issuance (3.3x oversubscription).

(1) $s in millions
Paying down existing bonds allows us to reduce yearly debt service in targeted years.
This strategy will improve our ADSC & provide debt service savings in future years.

- Results are based on execution of $130 million of pay downs of maturities in FYs 2020 – 2022. Actual results will vary depending on maturities selected for pay down.

<table>
<thead>
<tr>
<th>Metric</th>
<th>FY 2020</th>
<th>FY 2021</th>
<th>FY 2022</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Maximum Projected Interest</td>
<td>Up to $6.3M</td>
<td>Up to $4.2M</td>
<td>Up to $2.3M</td>
<td>Up to $12.8M</td>
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</tbody>
</table>
Thank You